

A NONSUBSTANTIVE REVISION
OF LOCAL LAWS RELATING TO
SPECIAL DISTRICTS

Submitted to the 82nd Legislature
as part of the
Texas Legislative Council's
Statutory Revision Program

Austin, Texas

2011

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 The process involves reclassifying and rearranging the statutes in a more logical order, eliminating repealed, invalid, duplicative, and other ineffective provisions while employing a format and numbering system that will accommodate future expansion of the law, and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 70, Acts of the 82nd Legislature, Regular Session, 2011, 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 does not take effect until April 1, 2013, 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 70, Acts of the 82nd Legislature, Regular Session, 2011, are printed in Appendix A to the revisor's report. Appendix A also includes a section listing the laws repealed effective April 1, 2013, 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 Danaé Bush, Legislative Counsel, of the Texas Legislative Council's legal division staff. The water districts portion of this revision project is under the direction of Susan Alexander, 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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1 CHAPTER 1011. SCHLEICHER COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Revised Law

4 Sec. 1011.001. DEFINITIONS. In this chapter:

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

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

8 (3) "District" means the Schleicher County Hospital
9 District. (New.)

10 Revisor's Note

11 The definitions of "board," "director," and
12 "district" are added to the revised law for drafting
13 convenience and to eliminate frequent, unnecessary
14 repetition of the substance of the definition.

15 Revised Law

16 Sec. 1011.002. AUTHORITY FOR OPERATION. The Schleicher
17 County Hospital District operates in accordance with and has the
18 powers and responsibilities provided by Section 9, Article IX,
19 Texas Constitution. (Acts 60th Leg., R.S., Ch. 38, Sec. 1 (part).)

20 Source Law

21 Sec. 1. In accordance with the provisions of
22 Section 9, Article IX, Constitution of the State of
23 Texas, this Act shall be operative so as to authorize
24 the creation, establishment, maintenance and
25 operation of a hospital district within the State of
26 Texas, . . . said district shall have the powers and
27 responsibilities provided by the aforesaid
28 constitutional provision. . . .

29 Revisor's Note

30 Section 1, Chapter 38, Acts of the 60th
31 Legislature, Regular Session, 1967, authorizes "the
32 creation, establishment, maintenance and operation"
33 of the district. The revised law omits "creation" and
34 "establishment" as executed. The revised law omits
35 "maintenance" because, in this context, the meaning of
36 that term is included in the meaning of "operation."

37 Revised Law

38 Sec. 1011.003. POLITICAL SUBDIVISION. The district is a

1 political subdivision of this state. (Acts 60th Leg., R.S., Ch. 38,
2 Sec. 16 (part).)

3 Source Law

4 Sec. 16. The hospital district created under
5 the provisions of this Act shall be and is declared to
6 be a political subdivision of the State of Texas, and
7

8 Revised Law

9 Sec. 1011.004. DISTRICT TERRITORY. The boundaries of the
10 district are coextensive with the boundaries of Schleicher County.
11 (Acts 60th Leg., R.S., Ch. 38, Sec. 1 (part).)

12 Source Law

13 Sec. 1. . . . such district to have boundaries
14 coextensive with the boundaries of Schleicher County;
15 and

16 Revised Law

17 Sec. 1011.005. CORRECTION OF INVALID PROCEDURES. If a
18 court holds that any procedure under this chapter violates the
19 constitution of this state or of the United States, the district by
20 resolution may provide an alternative procedure that conforms with
21 the constitution. (Acts 60th Leg., R.S., Ch. 38, Sec. 17 (part).)

22 Source Law

23 Sec. 17. . . . [Federal or State
24 Constitutions] Where any procedure hereunder
25 may be held by any court to be violative of either of
26 such Constitutions, the district shall have the power
27 by resolution to provide an alternative procedure
28 conformable with such Constitutions. . . .

29 Revisor's Note

30 Section 17, Chapter 38, Acts of the 60th
31 Legislature, Regular Session, 1967, provides that the
32 act may not be construed to violate the federal or
33 state constitution and requires that action under the
34 act comply with the constitutions. The revised law
35 omits the reference to the federal constitution
36 because, under the Supremacy Clause of the United
37 States Constitution (Clause 2, Article VI), federal
38 law always takes precedence over a state statute. The
39 revised law also omits the reference to the Texas

1 Constitution because the legislature cannot modify
2 constitutional provisions by statute. The omitted law
3 reads:

4 Sec. 17. Nothing in this Act shall be
5 construed to violate any provision of the
6 Federal or State Constitutions, and all
7 acts done under this Act shall be in such
8 manner as will conform thereto, whether
9 expressly provided or not. . . .

10 Revisor's Note
11 (End of Subchapter)

12 Sections 2(a), (b), and (c), Chapter 38, Acts of
13 the 60th Legislature, Regular Session, 1967, provide
14 procedures for holding an election on the creation of
15 the district and the imposition of an ad valorem tax.
16 Section 2(b) provides that the election may include a
17 bond proposition. Because the election has been held,
18 the revised law omits the relevant law as executed.
19 The omitted law reads:

20 (a) . . . provided, however, that
21 such hospital district shall not be created
22 unless and until an election is duly held in
23 the county for such purpose, which said
24 election may be initiated by the
25 commissioners court of the county upon its
26 own motion or upon a petition of 100
27 resident legally qualified property
28 taxpaying electors, to be held not less than
29 30 days from the time said election is
30 ordered by the commissioners court. At said
31 election there shall be submitted to the
32 legally qualified property taxpaying
33 electors the proposition of whether or not a
34 hospital district shall be created in the
35 county; and a majority of the legally
36 qualified property taxpaying electors
37 participating in said election voting in
38 favor of the proposition shall be
39 necessary. The ballots shall have printed
40 thereon:

41 "FOR the creation of a hospital
42 district; providing for the levy of a tax
43 not to exceed 75 cents on the \$100
44 valuation."

45 "AGAINST the creation of a hospital
46 district; providing for the levy of a tax
47 not to exceed 75 cents on the \$100
48 valuation."

49 (b) At said election there may also
50 be submitted the question of the issuance of
51 bonds of the district in an amount that may
52 be prayed for in the aforesaid petition or
53 as determined by the commissioners court if
54 said election is ordered on its own motion;
55 and in the event the question of the

1 issuance of bonds is submitted at said
2 election, the ballots shall have printed
3 thereon:

4 "FOR the issuance of bonds of the
5 District in the amount of \$_____ and the
6 levying of the tax in payment thereof;
7 provided, however, that said tax together
8 with the tax for maintenance and operation
9 purposes shall never exceed 75 cents on the
10 \$100 valuation of taxable property in the
11 District; the interest on the bonds shall
12 not be more than _____ percent interest; and
13 the maturity date on the bonds shall not be
14 more than _____ years."

15 "AGAINST the issuance of bonds of the
16 District in the amount of \$_____ and the
17 levying of the tax in payment thereof;
18 provided, however, that said tax together
19 with the tax for maintenance and operation
20 purposes shall never exceed 75 cents on the
21 \$100 valuation of taxable property in the
22 District; the interest on the bonds shall
23 not be more than _____ percent interest; and
24 the maturity date on the bond shall not be
25 more than _____ years."

26 (c) If the proposition to create a
27 hospital district in Schleicher County
28 fails to carry at the election, the
29 commissioners court may order no other
30 election for the same purpose within one
31 year after the result of the election is
32 announced officially.

33 [Sections 1011.006-1011.050 reserved for expansion]

34 SUBCHAPTER B. DISTRICT ADMINISTRATION

35 Revised Law

36 Sec. 1011.051. BOARD ELECTION; TERM. (a) Except as
37 provided by Section 1011.064, the board consists of seven directors
38 elected from the district at large.

39 (b) Unless four-year terms are established under Section
40 285.081, Health and Safety Code:

41 (1) directors serve staggered two-year terms; and

42 (2) a directors' election shall be held annually on a
43 date authorized by Chapter 41, Election Code. (Acts 60th Leg.,
44 R.S., Ch. 38, Secs. 3(a) (part), (c) (part).)

45 Source Law

46 Sec. 3. (a) Except as provided by Section 3A of
47 this Act, the board of directors consists of seven
48 directors elected from the district at large who serve
49 staggered two-year terms. A director shall continue
50 to serve until a successor has been duly elected or
51 appointed and qualified. . . .

52 (c) A regular election of directors shall be
53 held on a date authorized by Chapter 41, Election Code,
54 and

1 Revisor's Note

2 (1) Section 3(a), Chapter 38, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that a
4 director serves "until a successor has been duly
5 elected or appointed and qualified." The revised law
6 omits that provision because it duplicates Section 17,
7 Article XVI, Texas Constitution, which provides that
8 an officer in this state is to continue to perform the
9 officer's official duties until a successor has
10 qualified.

11 (2) Section 3(a), Chapter 38, Acts of the 60th
12 Legislature, Regular Session, 1967, provides that
13 directors serve staggered two-year terms. Section
14 285.081, Health and Safety Code, applicable to this
15 district, provides a mechanism by which the governing
16 board of a hospital district, on its own motion, may
17 order that the members are to be elected in
18 even-numbered years to serve staggered four-year
19 terms. The revised law is drafted accordingly and adds
20 a reference to Section 285.081, Health and Safety
21 Code, for the convenience of the reader.

22 Revised Law

23 Sec. 1011.052. NOTICE OF ELECTION. At least 10 days before
24 the date of a directors' election, notice of the election must be
25 published one time in a newspaper of general circulation in
26 Schleicher County. (Acts 60th Leg., R.S., Ch. 38, Sec. 3(c)
27 (part).)

28 Source Law

29 (c) . . . notice of such election shall be
30 published in a newspaper of general circulation in the
31 county one time at least 10 days prior to the date of
32 the election. . . .

33 Revisor's Note

34 Section 3(c), Chapter 38, Acts of the 60th
35 Legislature, Regular Session, 1967, requires notice of
36 a directors' election to be published in "the county."

1 Throughout this chapter, the revised law substitutes
2 "Schleicher County" for the quoted language because
3 Schleicher County is the county in which the district
4 is located.

5 Revised Law

6 Sec. 1011.053. BALLOT PETITION. (a) A person who wants to
7 have the person's name printed on the ballot as a candidate for
8 director must file with the board secretary a petition requesting
9 that action. The petition must be signed by not fewer than 10
10 registered voters.

11 (b) The petition and an application for a place on the
12 ballot that meets the requirements of the Election Code must be
13 filed in the manner provided by Chapter 144, Election Code. (Acts
14 60th Leg., R.S., Ch. 38, Sec. 3(c) (part).)

15 Source Law

16 (c) . . . Any person desiring his name to be
17 printed on the ballot as a candidate for director shall
18 file a petition, signed by not less than 10 legally
19 qualified voters asking that such name be printed on
20 the ballot, with the secretary of the board of
21 directors of the district. The petition and an
22 application for a place on the ballot that meets the
23 requirements of the Election Code must be filed in the
24 manner provided by Chapter 144, Election Code.

25 Revisor's Note

26 Section 3(c), Chapter 38, Acts of the 60th
27 Legislature, Regular Session, 1967, refers to a
28 petition signed by "legally qualified voters." The
29 revised law substitutes "registered voters" for the
30 quoted language because, in the context of eligibility
31 to sign a petition, Section 277.0021, Election Code,
32 provides that "qualified voter" means "registered
33 voter."

34 Revised Law

35 Sec. 1011.054. QUALIFICATIONS FOR OFFICE. A person may not
36 be appointed or elected as a director unless the person is:

37 (1) a resident of the district; and

38 (2) at least 18 years of age at the time of the

1 appointment or election. (Acts 60th Leg., R.S., Ch. 38, Sec. 3(a)
2 (part).)

3 Source Law

4 (a) . . . No person shall be appointed or
5 elected as a member of the board of directors of said
6 hospital district unless he is a resident thereof and
7 unless at the time of such election or appointment he
8 shall be more than 21 years of age. . . .

9 Revisor's Note

10 Section 3(a), Chapter 38, Acts of the 60th
11 Legislature, Regular Session, 1967, states that a
12 person must be "more than 21 years of age" at the time
13 of appointment or election as a director. The revised
14 law substitutes "at least 18 years of age" for the
15 quoted language because Section 129.002, Civil
16 Practice and Remedies Code, provides that a law
17 adopted before August 27, 1973, that extends a right,
18 privilege, or obligation to an individual on the basis
19 of a minimum age of 19, 20, or 21 years shall be
20 interpreted as prescribing a minimum age of 18 years.
21 This provision of Section 3(a) was enacted in 1967 and
22 has not been amended.

23 Revised Law

24 Sec. 1011.055. BOND; RECORD OF BOND AND OATH. (a) Each
25 director shall execute a good and sufficient bond for \$1,000 that
26 is:

27 (1) payable to the district; and
28 (2) conditioned on the faithful performance of the
29 director's duties.

30 (b) Each director's bond and constitutional oath of office
31 shall be deposited with the district's depository bank for
32 safekeeping. (Acts 60th Leg., R.S., Ch. 38, Sec. 3(a) (part).)

33 Source Law

34 (a) . . . Each member of the board of directors
35 . . . shall execute a good and sufficient bond for
36 \$1,000 payable to said district conditioned upon the
37 faithful performance of his duties, and such oaths and
38 bonds shall be deposited with the depository bank of
39 the district for safekeeping.

1 directors' offices] be ordered by the remaining
2 directors." The revised law substitutes "order the
3 directors to hold the election" for the quoted
4 language because a mandate requiring directors to
5 order an election is necessarily an order for
6 directors to hold the election. See generally Titles 1
7 and 4 through 7, Election Code, providing that the
8 authority ordering an election is the authority
9 responsible for holding the election.

10 Revised Law

11 Sec. 1011.057. OFFICERS. The board shall elect from among
12 its members a president and a secretary. (Acts 60th Leg., R.S., Ch.
13 38, Sec. 3(b) (part).)

14 Source Law

15 (b) The board of directors shall organize by
16 electing one of their number as president and one of
17 their number as secretary. . . .

18 Revised Law

19 Sec. 1011.058. COMPENSATION; EXPENSES. A director serves
20 without compensation but may be reimbursed for actual expenses
21 incurred in the performance of official duties on approval of the
22 expenses by the board. (Acts 60th Leg., R.S., Ch. 38, Sec. 4
23 (part).)

24 Source Law

25 Sec. 4. . . . [the board of directors of the
26 district] who shall serve without compensation but may
27 be reimbursed for actual expenses incurred in the
28 performance of their official duties upon the approval
29 of such expenses by the board of directors.

30 Revised Law

31 Sec. 1011.059. VOTING REQUIREMENT. A concurrence of a
32 majority of directors is sufficient in any matter relating to
33 district business. (Acts 60th Leg., R.S., Ch. 38, Sec. 3(b)
34 (part).)

35 Source Law

36 (b) . . . [the board of directors] . . . a
37 concurrence of a majority shall be sufficient in all
38 matters pertaining to the business of the
39 district. . . .

1 Revisor's Note

2 Section 3(b), Chapter 38, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that a
4 majority of directors constitutes a quorum. The
5 revised law omits that provision because it duplicates
6 Section 311.013, Government Code (Code Construction
7 Act), which provides that a quorum of a public body is
8 a majority of the number of members fixed by statute.
9 The omitted law reads:

10 (b) . . . A majority of the board of
11 directors shall constitute a quorum and
12

13 Revised Law

14 Sec. 1011.060. MEETINGS. (a) A board meeting may be called
15 by the president or a majority of the directors.

16 (b) Notice of the time and place of a board meeting must be
17 given to each director not later than the seventh day before the
18 time of the meeting.

19 (c) This section does not prevent the board from
20 establishing by resolution a regular time and place for meetings
21 for which special notice is not required. (Acts 60th Leg., R.S.,
22 Ch. 38, Sec. 3(b) (part).)

23 Source Law

24 (b) . . . A meeting of the board of directors
25 may be called by the president or a majority of the
26 directors. Notice of the time and place of any meeting
27 must be given to all the directors not less than seven
28 days prior to the time of the meeting. Nothing herein
29 shall prevent the board of directors from establishing
30 by resolution a regular time and place for meetings,
31 for which no special notice need be given. . . .

32 Revised Law

33 Sec. 1011.061. EMPLOYEES. The board may employ a general
34 manager and other necessary professional and clerical personnel.
35 (Acts 60th Leg., R.S., Ch. 38, Sec. 7(a) (part).)

36 Source Law

37 Sec. 7. (a) [The board of directors] . . . may
38 employ a general manager, and such professional and
39 clerical assistance as may be necessary.

1 Revised Law

2 Sec. 1011.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
3 Except as provided by Section 1011.055, all district records,
4 including books, accounts, notices, and minutes, and all other
5 matters of the district and the operation of its facilities shall
6 be:

7 (1) maintained at the district office; and

8 (2) open to public inspection at the district office
9 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 38, Sec. 7(b).)

10 Source Law

11 (b) All books, records, accounts, notices, and
12 minutes and all other matters of the district and the
13 operation of its facilities shall, except as herein
14 provided, be maintained at the office of the district
15 and there be open to public inspection at all
16 reasonable hours.

17 Revisor's Note

18 Section 7(b), Chapter 38, Acts of the 60th
19 Legislature, Regular Session, 1967, states that
20 records shall be maintained at the district office
21 "except as herein provided." For the convenience of
22 the reader, the revised law substitutes a reference to
23 Section 1011.055, which is the only exception provided
24 in Chapter 38.

25 Revised Law

26 Sec. 1011.063. SEAL. The board may adopt a seal for the
27 district. (Acts 60th Leg., R.S., Ch. 38, Sec. 7(a) (part).)

28 Source Law

29 (a) [The board of directors] . . . shall have
30 the power to adopt a seal for such district; and
31

32 Revised Law

33 Sec. 1011.064. ALTERNATIVE ELECTION OF DIRECTORS BY
34 PRECINCT. (a) The board may adopt an order to elect directors from
35 five districts according to the commissioners precinct method.

36 (b) If the board adopts an order under Subsection (a), one
37 director is elected by the voters of the district at large and one
38 director is elected from each county commissioners precinct by the

1 voters of that precinct.

2 (c) Except as provided by Subsection (e), a person must be:

3 (1) a resident of the district to be eligible to be a
4 candidate for or to serve as a director at large; and

5 (2) a resident of the precinct to be a candidate for or
6 to serve as a director from that precinct.

7 (d) A person shall indicate on the application for a place
8 on the ballot:

9 (1) that the person seeks to represent the district at
10 large; or

11 (2) the precinct that the person seeks to represent.

12 (e) When the boundaries of the county commissioners
13 precincts are redrawn to reflect population changes after each
14 federal decennial census, a director in office on the effective
15 date of the change, or elected or appointed before the effective
16 date of the change to a term of office beginning on or after the
17 effective date of the change, shall serve the term or the remainder
18 of the term in the precinct to which elected or appointed even if
19 the change in boundaries places the director's residence outside
20 the precinct for which the director was elected or appointed.

21 (f) At the first directors' election after the adoption of
22 an order under Subsection (a), five new directors shall be elected.
23 After the canvass of the returns of the election, the terms of all
24 directors serving at the time of the election expire.

25 (g) At the first meeting of the directors elected under this
26 section, the directors shall draw lots to determine which three
27 directors serve two-year terms and which two directors serve
28 one-year terms. After the terms of the initial directors elected
29 under this section expire, each director serves a two-year term.

30 (Acts 60th Leg., R.S., Ch. 38, Sec. 3A.)

31 Source Law

32 Sec. 3A. (a) The board of directors may adopt
33 an order providing for the election of directors from
34 five districts according to the commissioners precinct
35 method.

36 (b) If the board adopts an order under
37 Subsection (a) of this section, one director shall be

1 elected by the voters of the entire district at large,
2 and one director shall be elected from each county
3 commissioners precinct by the voters of that precinct.

4 (c) Except as provided by Subsection (e) of this
5 section, to be eligible to be a candidate for or to
6 serve as director at large, a person must be a resident
7 of the district. To be a candidate for or to serve as
8 director from a county commissioners precinct, a
9 person must be a resident of that precinct.

10 (d) A person shall indicate on the application
11 for a place on the ballot:

12 (1) the precinct that the person seeks to
13 represent; or

14 (2) that the person seeks to represent the
15 district at large.

16 (e) When the boundaries of the county
17 commissioners precincts are redrawn after each federal
18 decennial census to reflect population changes, a
19 director in office on the effective date of the change,
20 or a director elected or appointed before the
21 effective date of the change whose term of office
22 begins on or after the effective date of the change,
23 shall serve in the precinct to which elected or
24 appointed even though the change in boundaries places
25 the person's residence outside the precinct for which
26 the person was elected or appointed.

27 (f) At the first election for directors that
28 occurs following the adoption of an order under
29 Subsection (a) of this section, all five positions on
30 the board shall be filled. After the canvass of the
31 returns of the election, the terms of all members
32 serving on the board at the time of the election
33 expire. At the first meeting of the directors elected
34 to the board under this section, the directors shall
35 draw lots to determine which three shall serve terms
36 lasting two years and which two shall serve terms
37 lasting one year. After the terms of directors
38 initially elected to the board under this section
39 expire, each director serves a term of two years.

40 [Sections 1011.065-1011.100 reserved for expansion]

41 SUBCHAPTER C. POWERS AND DUTIES

42 Revised Law

43 Sec. 1011.101. DISTRICT RESPONSIBILITY. The district has
44 full responsibility for providing medical and hospital care for the
45 district's residents, including the district's needy and indigent
46 residents. (Acts 60th Leg., R.S., Ch. 38, Secs. 2(a) (part), 12
47 (part).)

48 Source Law

49 Sec. 2. (a) That said district hereby provided
50 for shall assume full responsibility for providing
51 medical and hospital care for persons residing within
52 the district;

53 Sec. 12. . . . such hospital district shall be
54 deemed to have assumed full responsibility for the
55 furnishing of medical and hospital care for the needy
56 and indigent persons residing in said hospital
57 district from the date that taxes are collected for the
58 hospital district.

1 Revisor's Note

2 Sections 2(a) and 12, Chapter 38, Acts of the 60th
3 Legislature, Regular Session, 1967, provide that the
4 district "shall assume" and "shall be deemed to have
5 assumed" full responsibility for providing medical and
6 hospital care for the district's residents and the
7 district's needy and indigent residents. Section 12
8 also provides that the district shall assume that
9 responsibility "from the date that taxes are collected
10 for the hospital district." The revised law
11 substitutes "has" for "shall assume" and "shall be
12 deemed to have assumed" because the duty to assume the
13 responsibility is executed. The revised law omits
14 "from the date that taxes are collected for the
15 hospital district" as executed.

16 Revised Law

17 Sec. 1011.102. RESTRICTION ON COUNTY OR MUNICIPAL
18 TAXATION. Schleicher County or a municipality in Schleicher County
19 may not impose a tax for hospital purposes. (Acts 60th Leg., R.S.,
20 Ch. 38, Sec. 12 (part).)

21 Source Law

22 Sec. 12. After the hospital district has been
23 organized pursuant to this Act, neither Schleicher
24 County nor any city therein shall levy any tax for
25 hospital purposes; and

26 Revisor's Note

27 (1) Section 12, Chapter 38, Acts of the 60th
28 Legislature, Regular Session, 1967, provides that
29 "[a]fter the hospital district has been organized
30 pursuant to this Act," certain political subdivisions
31 may not levy a tax for hospital purposes. The revised
32 law omits the quoted language because the district has
33 been created. In addition, throughout this chapter,
34 the revised law substitutes "impose" for "levy"
35 because, in the context of taxation, the terms are
36 synonymous and "impose" is more commonly used.

1 not contravene any of the provisions of this Act." The
2 revised law omits the quoted language because, under
3 established principles of law, the board is not
4 authorized to take any action contrary to the laws of
5 this state.

6 (3) Section 7(c), Chapter 38, Acts of the 60th
7 Legislature, Regular Session, 1967, refers to
8 publishing rules in "booklet or pamphlet form." The
9 revised law omits "pamphlet" because, in context, the
10 meaning of "pamphlet" is included in the meaning of
11 "booklet."

12 Revised Law

13 Sec. 1011.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)
14 The board may prescribe the method and manner of making purchases
15 and expenditures by and for the district.

16 (b) The board shall prescribe:

- 17 (1) all accounting and control procedures; and
18 (2) the method of purchasing necessary supplies,
19 materials, and equipment. (Acts 60th Leg., R.S., Ch. 38, Sec. 7(a)
20 (part).)

21 Source Law

22 Sec. 7. (a) The board of directors of the
23 district shall have the power to prescribe the method
24 and manner of making purchases and expenditures by and
25 for the hospital district, and also shall prescribe
26 all accounting and control procedures; the method of
27 purchasing necessary supplies, materials and
28 equipment; and

29 Revised Law

30 Sec. 1011.106. EMINENT DOMAIN. (a) The district may
31 exercise the power of eminent domain to acquire a fee simple or
32 other interest in any type of property located in district
33 territory, if the interest is necessary or convenient for the
34 district to exercise a right, power, privilege, or function
35 conferred on the district by this chapter.

36 (b) The district must exercise the power of eminent domain
37 in the manner provided by Chapter 21, Property Code, except the

1 district is not required to deposit in the trial court money or a
2 bond as provided by Section 21.021(a), Property Code.

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

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

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

9 (3) provide a bond for costs or a supersedeas bond on
10 an appeal or petition for review. (Acts 60th Leg., R.S., Ch. 38,
11 Sec. 9.)

12 Source Law

13 Sec. 9. The hospital district organized in
14 pursuance of this Act shall have the right and power of
15 eminent domain for the purpose of acquiring by
16 condemnation any and all property, or any interest
17 therein, including outright ownership of such property
18 in fee simple absolute, within the boundaries of said
19 district, necessary or convenient to the exercise of
20 the rights, powers, privileges, and functions
21 conferred upon it by this Act, in the manner provided
22 by general law with respect to condemnation by
23 counties; provided that the said district shall not be
24 required to make deposits in the registry of the trial
25 court of the sum required by Section 2, Article 3268,
26 Revised Civil Statutes, 1925, as last amended by
27 Section 2, Chapter 37, Acts of the 43rd Legislature,
28 3rd Called Session, 1934, or to make the bond required
29 therein. In condemnation proceedings being prosecuted
30 by the said district, the district shall not be
31 required to pay in advance or to give bond or other
32 security for costs in the trial court, nor to give bond
33 otherwise required for the issuance of a temporary
34 restraining order or a temporary injunction relating
35 to a condemnation proceeding, nor to give bond for
36 costs or for supersedeas on any appeal or writ of error
37 proceeding to any court of civil appeals or to the
38 supreme court.

39 Revisor's Note

40 (1) Section 9, Chapter 38, Acts of the 60th
41 Legislature, Regular Session, 1967, 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
45 "may exercise the power of eminent domain to acquire
46 [property]" because the phrases have the same meaning
47 and the latter phrase is consistent with modern usage

1 in laws relating to eminent domain.

2 (2) Section 9, Chapter 38, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that the
4 district must exercise the power of eminent domain in
5 the manner provided by "general law with respect to
6 condemnation by counties." The revised law
7 substitutes for the quoted language a reference to
8 Chapter 21, Property Code, because that is the general
9 law governing eminent domain for governmental
10 entities, including counties.

11 (3) Section 9, Chapter 38, Acts of the 60th
12 Legislature, Regular Session, 1967, refers to "Section
13 2, Article 3268, Revised Civil Statutes, 1925, as last
14 amended by Section 2, Chapter 37, Acts of the 43rd
15 Legislature, 3rd Called Session, 1934." That statute
16 was codified in 1983 as Section 21.021(a), Property
17 Code, and the revised law is drafted accordingly.

18 (4) Section 9, Chapter 38, Acts of the 60th
19 Legislature, Regular Session, 1967, refers to a "writ
20 of error." The revised law substitutes "petition for
21 review" for "writ of error" because, effective
22 September 1, 1997, the Texas Supreme Court replaced
23 the writ of error procedure with the petition for
24 review procedure. See Rule 53.1, Texas Rules of
25 Appellate Procedure. Section 9 also provides that the
26 district is not required to provide bond on any appeal
27 or writ of error proceedings to "any court of civil
28 appeals or to the supreme court." The revised law
29 omits the references to the courts because those are
30 the only courts to which the district may appeal or
31 apply for a petition for review.

32 Revised Law

33 Sec. 1011.107. GIFTS AND ENDOWMENTS. The board may accept
34 for the district a gift or endowment to be held in trust and

1 administered by the board for the purposes and under the
2 directions, limitations, or other provisions prescribed in writing
3 by the donor that are not inconsistent with the proper management
4 and objectives of the district. (Acts 60th Leg., R.S., Ch. 38, Sec.
5 14.)

6 Source Law

7 Sec. 14. Said board of directors of the hospital
8 district is authorized on behalf of said hospital
9 district to accept donations, gifts and endowments for
10 the hospital district to be held in trust and
11 administered by the board of directors for such
12 purposes and under such directions, limitations, and
13 provisions as may be prescribed in writing by donor,
14 not inconsistent with proper management and objects of
15 hospital district.

16 Revisor's Note

17 Section 14, Chapter 38, Acts of the 60th
18 Legislature, Regular Session, 1967, refers to
19 "donations" and "gifts." The revised law omits
20 "donations" because "donations" is included in the
21 meaning of "gifts."

22 Revised Law

23 Sec. 1011.108. PROVISION OF SERVICES OUTSIDE DISTRICT. On
24 approval of the board, the district may provide primary care,
25 emergency services, preventive medical services, and other
26 health-related services outside the district if the services serve
27 the district's purpose. (Acts 60th Leg., R.S., Ch. 38, Sec. 1
28 (part).)

29 Source Law

30 Sec. 1. . . . On approval of the board of
31 directors, the district may provide primary care,
32 emergency services, preventive medical services, and
33 other health-related services outside the boundaries
34 of the district if the services provided serve the
35 purpose of the district.

36 Revised Law

37 Sec. 1011.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)
38 When a patient who claims to be indigent is admitted to a district
39 facility, the board shall have an inquiry made into the
40 circumstances of:

41 (1) the patient; and

1 collection of expenses of the last illness of a
2 deceased person. If the agent designated by the
3 district to handle such affairs finds that such
4 patient or said relatives are not able to pay, either
5 in whole or in part, for his care and treatment in such
6 hospital, the same shall become a charge upon the
7 hospital district. Should there be a dispute as to the
8 ability to pay, or doubt in the mind of the person
9 designated as aforesaid, the district's directors
10 shall hear and determine same, after calling
11 witnesses, and shall make such order as may be proper,
12 from which appeal shall lie to the district court.

13 Revised Law

14 Sec. 1011.110. AUTHORITY TO SUE AND BE SUED. As a
15 governmental agency, the district may sue and be sued in its own
16 name in any court in this state. (Acts 60th Leg., R.S., Ch. 38, Sec.
17 16 (part).)

18 Source Law

19 Sec. 16. [The hospital district] . . . as a
20 governmental agency may sue and be sued in any and all
21 courts in this state in the name of such district.

22 Revisor's Note
23 (End of Subchapter)

24 Section 11, Chapter 38, Acts of the 60th
25 Legislature, Regular Session, 1967, provides
26 authority for the "State Board of Health or any state
27 board of charities or public welfare that now exists or
28 that may be hereafter created" to inspect district
29 facilities and records. The revised law omits Section
30 11 because various state laws, including Chapters 222
31 and 241, Health and Safety Code, provide the necessary
32 inspection authority to appropriate state agencies.
33 The omitted law reads:

34 Sec. 11. The hospital district
35 established or maintained under the
36 provisions of this Act shall be subject to
37 inspection by any duly authorized
38 representative of the State Board of Health
39 or any state board of charities or public
40 welfare that now exists or that may be
41 hereafter created, and any resident
42 officers shall admit such representatives
43 into all hospital district facilities and
44 give them access on demand to all records,
45 reports, books, papers, and accounts
46 pertaining to the hospital district.

47 [Sections 1011.111-1011.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1011.151. BUDGET. The board annually shall have a
4 budget prepared for the next fiscal year that includes:

- 5 (1) proposed expenditures and disbursements;
6 (2) estimated receipts and collections; and
7 (3) the amount of taxes required to be imposed for the
8 year. (Acts 60th Leg., R.S., Ch. 38, Sec. 8(b) (part).)

9 Source Law

10 (b) The board of directors shall each year cause
11 a budget to be prepared showing the proposed
12 expenditures and disbursements and the estimated
13 receipts and collections for the following fiscal year
14 and The proposed budget shall also show the
15 amount of taxes required to be levied and collected
16 during such fiscal year and

17 Revisor's Note

18 Section 8(b), Chapter 38, Acts of the 60th
19 Legislature, Regular Session, 1967, refers to taxes
20 "levied and collected." The revised law substitutes
21 "imposed" for the quoted language because "impose" is
22 the term generally used in Title 1, Tax Code, and
23 includes the levy and collection of an ad valorem tax.

24 Revised Law

25 Sec. 1011.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
26 The board shall hold a public hearing on the proposed budget.

27 (b) Notice of the hearing must be published at least once in
28 a newspaper of general circulation in Schleicher County not later
29 than the 10th day before the date of the hearing.

30 (c) Any district taxpayer is entitled to:

- 31 (1) appear at the time and place designated in the
32 notice; and
33 (2) be heard regarding any item included in the
34 proposed budget. (Acts 60th Leg., R.S., Ch. 38, Sec. 8(b) (part).)

35 Source Law

36 (b) [The board of directors] . . . shall hold a
37 public hearing on the proposed budget after
38 publication of a notice of hearing in a newspaper of
39 general circulation in the county at least once not

1 less than 10 days prior to the date set for the
2 hearing. Any person who is a taxpayer of the district
3 shall have the right to appear at the time and place
4 designated in the notice and be heard with reference to
5 any item shown in the proposed budget. . . .

6 Revised Law

7 Sec. 1011.153. FISCAL YEAR. The district's fiscal year
8 begins on January 1 and ends on December 31. (Acts 60th Leg., R.S.,
9 Ch. 38, Sec. 8(a) (part).)

10 Source Law

11 Sec. 8. (a) The fiscal year of the hospital
12 district authorized to be established by the
13 provisions hereof shall commence on January 1st of
14 each year and end on December 31st of the following
15 year. . . .

16 Revisor's Note

17 Section 8(a), Chapter 38, Acts of the 60th
18 Legislature, Regular Session, 1967, provides that the
19 fiscal year "shall commence on January 1st of each year
20 and end on December 31st of the following year."
21 Section 8(a), as originally enacted by House Bill 183
22 (Chapter 38, Acts of the 60th Legislature, Regular
23 Session, 1967), specified that the fiscal year "shall
24 commence on October 1st of each year and end on
25 September 30th of the following year." In 1973, the
26 legislature amended the beginning and ending dates of
27 the fiscal year to January 1 and December 31; however,
28 the legislature did not strike the phrase "of the
29 following year." Therefore, the language of Section
30 8(a) imposes a new fiscal year that begins each January
31 1 and continues for two calendar years. The
32 legislature did not intend this result, and the
33 revised law omits the phrase "of the following year" in
34 order to correct the unintended result caused by the
35 clerical error of not omitting the phrase "of the
36 following year" at the time of the 1973 amendment and
37 to reflect the district's actual implementation of the
38 amendment.

1 Revised Law

2 Sec. 1011.154. ANNUAL AUDIT. (a) The board annually shall
3 have an independent audit made of the district's books and records
4 for the preceding fiscal year.

5 (b) Not later than March 31 each year, the audit shall be
6 filed:

7 (1) with the comptroller; and

8 (2) at the district's office. (Acts 60th Leg., R.S.,
9 Ch. 38, Sec. 8(a) (part).)

10 Source Law

11 (a) . . . The district directors shall cause an
12 annual independent audit to be made of the books and
13 records of the district, such audit to be made covering
14 such fiscal year, and the same shall be filed with the
15 Comptroller of Public Accounts of the State of Texas
16 and at the office of the district not later than March
17 31st of each year.

18 Revisor's Note

19 (1) Section 8(a), Chapter 38, Acts of the 60th
20 Legislature, Regular Session, 1967, refers to "the
21 Comptroller of Public Accounts of the State of Texas."
22 The revised law substitutes "comptroller" for the
23 quoted language because Section 403.001, Government
24 Code, defines "comptroller" in any state statute to
25 mean the comptroller of public accounts of the State of
26 Texas.

27 (2) Section 8(a), Chapter 38, Acts of the 60th
28 Legislature, Regular Session, 1967, requires an annual
29 audit and specifies "such audit to be made covering
30 such fiscal year." The revised law clarifies, and the
31 district confirms, that the audit covers the preceding
32 fiscal year. The revised law is drafted accordingly.

33 Revised Law

34 Sec. 1011.155. DEPOSITORY OR TREASURER. (a) The board by
35 resolution shall designate a bank or banks in Schleicher County as
36 the district's depository or treasurer. A designated bank serves
37 for two years and until a successor is designated.

1 (b) All income received by the district shall be deposited
2 with the district depository.

3 (c) All district money shall be secured in the manner
4 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 38,
5 Secs. 5(b) (part), 10.)

6 Source Law

7 [Sec. 5]

8 (b) . . . [shall be deposited in the district
9 depository and] . . . All other income of the
10 hospital district shall be deposited in like manner
11 with the district depository.

12 Sec. 10. Within 30 days after appointment and
13 qualification of the board of directors of the
14 hospital district, the said directors shall by
15 resolution designate a bank or banks within Schleicher
16 County as the district's depository or treasurer and
17 all funds of the district shall be secured in the
18 manner now provided for the security of county funds.
19 The depository shall serve for a period of two years
20 and until a successor has been named.

21 Revisor's Note

22 Section 10, Chapter 38, Acts of the 60th
23 Legislature, Regular Session, 1967, requires the board
24 to select a depository or treasurer "[w]ithin 30 days
25 after appointment and qualification of the board of
26 directors of the hospital district." The revised law
27 omits the quoted language as executed.

28 [Sections 1011.156-1011.200 reserved for expansion]

29 SUBCHAPTER E. BONDS

30 Revised Law

31 Sec. 1011.201. GENERAL OBLIGATION BONDS. The board may
32 issue and sell general obligation bonds in the name and on the faith
33 and credit of the district for any purpose relating to the purchase,
34 construction, acquisition, repair, or renovation of buildings or
35 improvements and equipping buildings and improvements for hospital
36 purposes. (Acts 60th Leg., R.S., Ch. 38, Sec. 6(a) (part).)

37 Source Law

38 Sec. 6. (a) The board of directors shall have
39 the power and authority to issue and sell as the
40 obligations of the hospital district, and in the name
41 and upon the faith and credit of the hospital district,
42 bonds for the purchase, construction, acquisition,
43 repair, or renovation of buildings and improvements

1 and equipping the same for hospital purposes and for
2 any and all of such purposes;

3 Revisor's Note

4 Section 6(a), Chapter 38, Acts of the 60th
5 Legislature, Regular Session, 1967, provides that the
6 board may issue and sell bonds as obligations of the
7 district and in the name and on the faith and credit of
8 the district. Because the type of bonds described by
9 Section 6(a) are known as "general obligation bonds,"
10 the revised law is drafted accordingly.

11 Revised Law

12 Sec. 1011.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
13 The board shall impose an ad valorem tax at a rate sufficient to
14 create an interest and sinking fund to pay the principal of and
15 interest on general obligation bonds issued under Section 1011.201
16 as the bonds mature.

17 (b) The tax required by this section together with any
18 maintenance and operations tax the district imposes may not in any
19 year exceed 75 cents on each \$100 valuation of all taxable property
20 in the district. (Acts 60th Leg., R.S., Ch. 38, Sec. 6(a) (part).)

21 Source Law

22 (a) [The board . . . shall have the power . . .
23 to . . . sell . . . bonds . . .;] provided, that a
24 sufficient tax shall be levied to create an interest
25 and sinking fund to pay the interest and principal as
26 same matures, provided that the maintenance and
27 operation tax, together with the bond tax, shall not
28 exceed 75 cents on the \$100 valuation of all taxable
29 property within the district in any one year. . . .

30 Revisor's Note

31 Section 6(a), Chapter 38, Acts of the 60th
32 Legislature, Regular Session, 1967, requires the
33 district to impose a tax to pay the principal of and
34 interest on bonds. The revised law specifies that the
35 tax is an "ad valorem" tax because it is clear from the
36 source law that the tax is a property tax. Section
37 1(b), Article VIII, Texas Constitution, requires all
38 property that is taxed to be taxed in proportion to its
39 value, and accordingly "ad valorem" tax is the term

1 most commonly used in Texas law to refer to a tax on
2 property.

3 Revised Law

4 Sec. 1011.203. 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 on its own motion.

9 (c) The order must specify:

10 (1) the location of the polling places;

11 (2) the presiding election officers;

12 (3) the purpose for which the bonds are to be issued;

13 (4) the amount of the bonds to be authorized;

14 (5) the maximum interest rate of the bonds; and

15 (6) the maximum maturity date of the bonds.

16 (d) Notice of a bond election shall be given by publishing a
17 substantial copy of the order in a newspaper of general circulation
18 in Schleicher County once each week for two consecutive weeks
19 before the date of the election. The first publication must occur at
20 least 14 days before the date of the election. (Acts 60th Leg.,
21 R.S., Ch. 38, Sec. 6(a) (part).)

22 Source Law

23 (a) . . . No bonds shall be issued by the
24 hospital district, . . . until authorized by a
25 majority vote of the legally qualified property
26 taxpaying electors, residing in the hospital district,
27 voting at an election called and held for such purpose.
28 Such election may be called by the board of directors
29 on its own motion, shall specify the place or places
30 where the election shall be held, the presiding
31 officers thereof, the purpose for which the bonds are
32 to be issued, the amount thereof, the maximum interest
33 rate not to exceed six percent and the maximum maturity
34 date of such bonds Notice of election shall be
35 given by publishing a substantial copy of the order
36 calling the election in a newspaper of general
37 circulation in such county once a week for two
38 consecutive weeks prior to the date of election, the
39 date of the first publication being at least 14 full
40 days prior to the date set for the election. . . .

41 Revisor's Note

42 (1) Section 6(a), Chapter 38, Acts of the 60th
43 Legislature, Regular Session, 1967, refers to the

1 "legally qualified . . . electors" residing in the
2 district. The revised law omits "legally qualified"
3 as unnecessary in this context because Chapter 11,
4 Election Code, governs eligibility to vote in an
5 election in this state and allows only "legally
6 qualified" voters who are residents of the territory
7 covered by the election to vote in an election. The
8 revised law substitutes "voter" for "elector" because
9 that is the term used in the Election Code.

10 (2) Section 6(a), Chapter 38, Acts of the 60th
11 Legislature, Regular Session, 1967, refers to
12 "property taxpaying" voters. The revised law omits
13 the quoted language because in Hill v. Stone, 421 U.S.
14 289 (1975), the United States Supreme Court
15 determined that property ownership as a qualification
16 for voting is an unconstitutional denial of equal
17 protection.

18 (3) Section 6(a), Chapter 38, Acts of the 60th
19 Legislature, Regular Session, 1967, refers to an
20 election "called and held." The revised law omits the
21 reference to "calling" an election because, in this
22 context, "calling" an election is included in the
23 meaning of "holding" an election. Under Chapter 3,
24 Election Code, all elections must be ordered (called)
25 before they may be held.

26 (4) Section 6(a), Chapter 38, Acts of the 60th
27 Legislature, Regular Session, 1967, requires the
28 district to pay the costs of a bond election. The
29 revised law omits the provision because it duplicates
30 Section 1.014, Election Code, applicable to the
31 district under Section 1.002 of that code. The omitted
32 law reads:

33 (a) . . . The costs of such election
34 shall be paid by the hospital district.

35 (5) Section 6(a), Chapter 38, Acts of the 60th

1 Legislature, Regular Session, 1967, provides that the
2 election order must include the maximum interest rate
3 "not to exceed six percent." The revised law omits the
4 quoted language 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 61st Legislature, Regular Session, 1969 (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 district bonds
16 by application of Section 1204.001, Government Code.

17 Revised Law

18 Sec. 1011.204. MATURITY OF GENERAL OBLIGATION BONDS.
19 District general obligation bonds must mature not later than 40
20 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 38,
21 Sec. 6(a) (part).)

22 Source Law

23 (a) . . . [the maximum maturity date of such
24 bonds] not to exceed 40 years from their date of
25 issuance. . . .

26 Revised Law

27 Sec. 1011.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
28 The board president shall execute the general obligation bonds in
29 the district's name.

30 (b) The board secretary shall countersign the bonds. (Acts
31 60th Leg., R.S., Ch. 38, Sec. 6(a) (part).)

32 Source Law

33 (a) . . . Such bonds shall be executed in the
34 name of the district and on its behalf by the president
35 of the board of directors, and countersigned by the
36 secretary of the board of directors, and

1 Revisor's Note

2 Section 6(a), Chapter 38, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that the
4 general obligation bonds are subject to the law
5 governing counties that relates to bond approval by
6 the attorney general and registration of the bonds by
7 the comptroller. Section 6(a) also provides that
8 after approval the bonds are "incontestable for any
9 cause." The revised law omits those provisions as
10 superseded by Chapter 1202, Government Code (enacted
11 as Article 3, Chapter 53, Acts of the 70th Legislature,
12 2nd Called Session, 1987). Section 1202.003(a),
13 Government Code, requires bonds to be submitted to the
14 attorney general. Section 1202.003(b), Government
15 Code, provides for approval of the bonds by the
16 attorney general and requires the attorney general to
17 submit the approved bonds to the comptroller for
18 registration. Section 1202.005, Government Code,
19 requires registration of the bonds by the comptroller.
20 Section 1202.006, Government Code, provides that after
21 approval and registration the bonds are incontestable
22 and binding obligations. Chapter 1202, Government
23 Code, applies to district bonds by application of
24 Section 1202.001, Government Code. The omitted law
25 reads:

26 (a) . . . shall be subject to the
27 same requirements in the matter of approval
28 thereof by the Attorney General of the State
29 of Texas and registration thereof by the
30 Comptroller of Public Accounts of the State
31 of Texas as are by law provided for such
32 approval and registration of bonds of such
33 county. Upon the approval of such bonds by
34 the Attorney General of Texas the same shall
35 be incontestable for any cause. . . .

36 Revised Law

37 Sec. 1011.206. REFUNDING BONDS. (a) District refunding
38 bonds may be issued without an election and in the manner provided
39 by this subchapter to refund outstanding bonds issued 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 the outstanding bonds and the unpaid matured
7 interest on those bonds. (Acts 60th Leg., R.S., Ch. 38, Secs. 6(a)
8 (part), (b) (part).)

9 Source Law

10 (a) . . . [No bonds shall be issued by the
11 hospital district,] except refunding bonds, [until
12 authorized by a majority vote of . . . electors]
13

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

25 Revisor's Note

26 Section 6(b), Chapter 38, Acts of the 60th
27 Legislature, Regular Session, 1967, provides that
28 refunding bonds may not bear interest at a rate that,
29 when calculated in accordance with recognized standard
30 bond interest cost tables, exceeds the average annual
31 interest cost of the bonds to be refunded unless the
32 total interest cost on the refunding bonds is less than
33 the total interest cost on the bonds to be refunded.
34 Section 6(b) also provides that any premium required
35 to be paid on the bonds to be refunded before the bonds'
36 maturity date is to be used in computing the total
37 interest cost of the refunding bonds. The revised law
38 omits that provision as superseded by Section
39 1207.008, Government Code. Section 1207.008,
40 Government Code, establishes the financial terms under
41 which refunding bonds may be issued. Section 1207.008

1 applies to district bonds by application of Section
2 1207.001, Government Code. The omitted law reads:

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

23 Revisor's Note
24 (End of Subchapter)

25 (1) Section 15, Chapter 38, Acts of the 60th
26 Legislature, Regular Session, 1967, provides that
27 district bonds are legal and authorized investments
28 for certain entities. The revised law omits the
29 provision as unnecessary. As to several of the
30 entities listed, Section 15 has been superseded and
31 impliedly repealed. Investments in securities by
32 banks are regulated by Section 34.101, Finance Code
33 (enacted in 1995 as Section 5.101, Texas Banking Act
34 (Article 342-5.101, Vernon's Texas Civil Statutes)).
35 Investments in securities by savings banks are
36 regulated by Section 93.001(c)(10), Finance Code
37 (enacted in 1993 as Section 7.15(10), Texas Savings
38 Bank Act (Article 489e, Vernon's Texas Civil
39 Statutes)). Investments in securities by trust
40 companies are regulated by Section 184.101, Finance
41 Code (enacted in 1997 as Section 5.101, Texas Trust
42 Company Act (Article 342a-5.101, Vernon's Texas Civil
43 Statutes)). Investments in securities by building and
44 loan associations (now called savings and loan

1 associations) are regulated by Sections 63.002 and
2 64.001, Finance Code. As to the remaining entities
3 listed, Section 15 is superseded by 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). Section 1201.041, Government Code, applies
7 to district bonds by application of Section 1201.002,
8 Government Code. The revised law omits the reference
9 to public funds of this state because it has been
10 superseded by Section 404.024, Government Code
11 (enacted in 1985 as Section 2.014, Treasury Act
12 (Article 4393-1, Vernon's Texas Civil Statutes)),
13 which governs the investment of state funds. Section
14 404.024(b)(10), Government Code, authorizes the
15 investment of state funds in obligations of political
16 subdivisions, including hospital districts. The
17 revised law omits the reference to public funds of
18 political subdivisions or public agencies of the state
19 because it has been superseded by Chapter 2256,
20 Government Code (enacted in 1987 as the Public Funds
21 Investment Act of 1987 (Article 842a-2, Vernon's Texas
22 Civil Statutes)), which governs the investment of
23 local funds. The omitted law reads:

24 Sec. 15. All bonds issued by the
25 district authorized to be established and
26 created under the provisions of this Act
27 shall be and are declared to be legal and
28 authorized investments for banks, savings
29 banks, trust companies, building and loan
30 associations, insurance companies,
31 fiduciaries, trustees, and for the sinking
32 funds of cities, towns, villages, counties,
33 school districts, or other political
34 corporations or subdivisions of the State
35 of Texas; and

36 (2) Section 15, Chapter 38, Acts of the 60th
37 Legislature, Regular Session, 1967, effectively
38 provides that district bonds may secure certain
39 deposits. Although Section 15 does not specifically
40 mention the deposits the bonds are eligible to secure,

1 benefit of the district . . . a tax . . . for the
2 purpose of: (1) paying the interest on and creating a
3 sinking fund for bonds which may be issued by the
4 hospital district for hospital purposes as herein
5 provided; (2) providing for the operation and
6 maintenance of the hospital, hospital system, or
7 related facilities; and (3) for the purpose of making
8 further improvements and additions to the hospital
9 system, and for the acquisition of necessary sites
10 therefor, by purchase, lease, or condemnation.

11 (b) . . . the board of directors shall levy the
12 tax on all taxable property within the district which
13 is subject to taxation and

14 [Sec. 8]

15 (b) . . . upon final approval of the budget, the
16 board of directors shall levy such tax as may be
17 required and

18 Revisor's Note

19 (1) Section 5(a), Chapter 38, Acts of the 60th
20 Legislature, Regular Session, 1967, provides that
21 "[u]pon the creation of such hospital district," the
22 board shall impose taxes. The revised law omits the
23 quoted language as executed.

24 (2) Sections 5(a) and (b), Chapter 38, Acts of
25 the 60th Legislature, Regular Session, 1967, require
26 the board to impose taxes at a certain time and in a
27 certain manner. The revised law omits those
28 provisions because they were repealed by Section 6(b),
29 Chapter 841, Acts of the 66th Legislature, Regular
30 Session, 1979, which repealed all "general, local, and
31 special laws" that conflicted with that act. The 1979
32 act enacted the Property Tax Code (Title 1, Tax Code),
33 a comprehensive, substantive codification of property
34 tax law. Title 1, Tax Code, provides the exclusive
35 procedures for the taxation of property by a taxing
36 unit, including a hospital district. The omitted law
37 reads:

38 (a) . . . [the board of directors
39 shall have the power and authority and it
40 shall be their duty to levy on all property
41 subject to hospital district taxation for
42 the benefit of the district] at the same
43 time taxes are levied for county purposes,
44 using the county values and the county tax
45 rolls, [a tax]

46 (b) Not later than October 1st of
47 each year, [the board of directors shall

1 [Sec. 8]

2 (b) . . . [the county tax assessor and collector
3 as provided in Section 5 hereof, and] it shall be the
4 duty of the said tax assessor and collector to assess
5 and collect such tax.

6 Revisor's Note

7 (1) Section 5(b), Chapter 38, Acts of the 60th
8 Legislature, Regular Session, 1967, provides that the
9 tax assessor-collector shall charge a fee for the
10 assessment and collection of district taxes. The
11 revised law omits that provision because it was
12 repealed by Section 6(b), Chapter 841, Acts of the 66th
13 Legislature, Regular Session, 1979. See Revisor's
14 Note (2) to Section 1011.251. Section 6.27(b), Tax
15 Code, provides for the compensation of a county tax
16 assessor-collector assessing and collecting taxes for
17 another taxing unit. The omitted law reads:

18 (b) . . . The assessor and collector
19 of taxes shall charge and deduct from
20 payments to the hospital district the fees
21 for assessing and collecting the tax at the
22 rate of not exceeding one percent of the
23 amounts collected as may be determined by
24 the board of directors but in no event in
25 excess of \$5,000 for any one fiscal year.
26 Such fees shall be deposited in the county's
27 general fund, and shall be reported as fees
28 of office of the tax assessor and
29 collector. . . .

30 (2) Section 5(b), Chapter 38, Acts of the 60th
31 Legislature, Regular Session, 1967, provides that
32 interest and penalties on district taxes and discounts
33 are the same as for county taxes. The revised law
34 omits that provision because it was repealed by
35 Section 6(b), Chapter 841, Acts of the 66th
36 Legislature, Regular Session, 1979. See Revisor's
37 Note (2) to Section 1011.251. Chapter 33, Tax Code,
38 provides for the assessment of penalties and interest
39 on delinquent taxes, and Section 31.05, Tax Code,
40 provides for discounts on the early payment of taxes.
41 The omitted law reads:

42 (b) . . . Interest and penalties on

1 taxes paid to the hospital district shall be
2 the same as in the case of county taxes.
3 Discounts shall be the same as for county
4 taxes. . . .

5 (3) Section 5(b), Chapter 38, Acts of the 60th
6 Legislature, Regular Session, 1967, provides that tax
7 revenue shall be deposited in the district's
8 depository and may be withdrawn only as provided by the
9 act. The revised law omits the provision regarding the
10 deposit of tax revenue because Section 31.10, Tax
11 Code, requires the tax collector for a taxing unit to
12 deposit taxes collected for the unit in the unit's
13 depository. The revised law omits the provision
14 regarding withdrawal of tax revenue because the
15 provisions of this chapter regarding the expenditure
16 of district money apply according to their own terms.
17 The omitted law reads:

18 (b) . . . The residue of tax
19 collections, after deduction of discounts
20 and fees for assessing and collecting,
21 shall be deposited in the district
22 depository and such funds shall be
23 withdrawn only as provided herein. . . .

24 Revisor's Note
25 (End of Subchapter)

26 Section 5(c), Chapter 38, Acts of the 60th
27 Legislature, Regular Session, 1967, provides that the
28 board may impose taxes for the entire year in which the
29 district is established. The revised law omits the
30 provision as executed. The omitted law reads:

31 (c) The board of directors shall have
32 the authority to levy the tax aforesaid for
33 the entire year in which the said hospital
34 district is established for the purpose of
35 securing funds to initiate the operation of
36 the hospital district.

37 Revisor's Note
38 (End of Chapter)

39 (1) Section 17, Chapter 38, Acts of the 60th
40 Legislature, Regular Session, 1967, provides that the
41 act is severable. The revised law omits this
42 provision because it duplicates Section 311.032,

1 Government Code (Code Construction Act), which
2 provides that a provision of a statute is severable
3 from each other provision of the statute that can be
4 given effect. The omitted law reads:

5 Sec. 17. . . . If any of the
6 provisions of this Act should be invalid,
7 such fact shall not affect the
8 authorization for the creation of the
9 district or the validity of any other
10 provision of this Act, and the Legislature
11 here declares that it would have created the
12 district and enacted the valid provisions
13 of this Act notwithstanding the invalidity
14 of any other provision or provisions
15 hereof.

16 (2) Section 18, Chapter 38, Acts of the 60th
17 Legislature, Regular Session, 1967, provides that
18 public notice of the enactment of the statute was
19 provided in a manner that satisfies the requirements
20 of the Texas Constitution. The revised law omits this
21 provision as executed. The omitted law reads:

22 Sec. 18. The Legislature hereby
23 finds affirmatively that 30 days' public
24 notice was duly given in accordance with the
25 provisions of Article IX, Section 9 of the
26 Constitution of the State of Texas, of the
27 intention to apply to this Legislature to
28 enact a law providing for the creation,
29 establishment, maintenance, and operation
30 of the Schleicher County Hospital District.

31 CHAPTER 1034. HALL COUNTY HOSPITAL DISTRICT

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1 [Sections 1034.117-1034.150 reserved for expansion]

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30 CHAPTER 1034. HALL COUNTY HOSPITAL DISTRICT

31 SUBCHAPTER A. GENERAL PROVISIONS

32 Revised Law

33 Sec. 1034.001. DEFINITIONS. In this chapter:

34 (1) "Board" means the board of directors of the

1 district.

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

3 (3) "District" means the Hall County Hospital
4 District. (Acts 70th Leg., R.S., Ch. 1017, Sec. 1.01.)

5 Source Law

6 Sec. 1.01. In this Act:

7 (1) "District" means the Hall County
8 Hospital District.

9 (2) "Board" means the board of directors
10 of the district.

11 (3) "Director" means a member of the
12 board.

13 Revised Law

14 Sec. 1034.002. AUTHORITY FOR OPERATION. The Hall County
15 Hospital District operates and is financed as provided by Section
16 9, Article IX, Texas Constitution, and by this chapter. (Acts 70th
17 Leg., R.S., Ch. 1017, Sec. 1.02.)

18 Source Law

19 Sec. 1.02. The Hall County Hospital District
20 may be created and established and, if created, must be
21 maintained, operated, and financed in the manner
22 provided by Article IX, Section 9, of the Texas
23 Constitution and by this Act.

24 Revisor's Note

25 Section 1.02, Chapter 1017, Acts of the 70th
26 Legislature, Regular Session, 1987, provides that the
27 district "may be created and established and, if
28 created, must be maintained, operated, and financed"
29 in the manner provided by the Texas Constitution and
30 the act. The revised law omits references to the
31 creation and establishment of the district as
32 executed. The revised law omits "maintained" because,
33 in this context, the meaning of that term is included
34 in the meaning of "operated."

35 Revised Law

36 Sec. 1034.003. ESSENTIAL PUBLIC FUNCTION. The district is
37 a public entity performing an essential public function. (Acts
38 70th Leg., R.S., Ch. 1017, Sec. 7.11 (part).)

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) Section 41.001(a), Election
44 Code, does not apply to an election ordered
45 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 Hall County Hospital
51 District and the levy of annual taxes for
52 hospital purposes at a rate not to exceed 20
53 cents on each \$100 valuation of all taxable
54 property in the district."

55 Sec. 3.07. (a) The temporary
56 directors of the district shall canvass the
57 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

1 proposition.

2 Sec. 3.08. If the creation of the
3 district is not approved at an election held
4 within 60 months after the effective date of
5 this Act, this Act expires.

6 [Sections 1034.007-1034.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Revised Law

9 Sec. 1034.051. BOARD ELECTION; TERM. (a) The district is
10 governed by a board of five directors elected from the district at
11 large.

12 (b) Unless four-year terms are established under Section
13 285.081, Health and Safety Code:

14 (1) directors serve staggered two-year terms; and

15 (2) an election shall be held annually on the May
16 uniform election date to elect the appropriate number of directors.

17 (Acts 70th Leg., R.S., Ch. 1017, Secs. 4.01(a), 4.03(a), (c)
18 (part).)

19 Source Law

20 Sec. 4.01. (a) The district is governed by a
21 board of five directors.

22 Sec. 4.03. (a) Members of the board of
23 directors shall be elected from the district at large.

24 (c) . . . an election shall be held on the third
25 Saturday in May each year, and the appropriate number
26 of successor directors shall be elected for two-year
27 terms.

28 Revisor's Note

29 (1) Section 4.01(b), Chapter 1017, Acts of the
30 70th Legislature, Regular Session, 1987, provides for
31 temporary directors to serve until elected directors
32 take office. The revised law omits the provision as
33 executed. The omitted law reads:

34 (b) From the time the creation of the
35 district is approved until the elected
36 directors take office, the temporary
37 directors serve as directors of the
38 district.

39 (2) Sections 4.02 and 4.03(b) and (c), Chapter
40 1017, Acts of the 70th Legislature, Regular Session,
41 1987, prescribe the procedure for electing the initial

1 board. The revised law omits the provisions as
2 executed. The omitted law reads:

3 Sec. 4.02. [Initial] Directors shall
4 be elected at an election to be held on the
5 third Saturday in May following the
6 creation of the district.

7 [Sec. 4.03]

8 (b) The five candidates receiving the
9 highest number of votes at the initial
10 election of directors are directors for the
11 district. . . .

12 (c) After the initial election of
13 directors,

14 (3) Section 4.03(b), Chapter 1017, Acts of the
15 70th Legislature, Regular Session, 1987, provides for
16 staggering the directors' terms by requiring the three
17 directors who receive "the highest number of votes at
18 the initial election [to] serve for a term of two
19 years" and the "remaining directors [to] serve for a
20 term of one year." The revised law omits the provision
21 as executed but codifies the establishment of
22 staggered terms. The omitted law reads:

23 (b) The three directors
24 receiving the highest number of votes at the
25 initial election serve for a term of two
26 years. The remaining directors serve for a
27 term of one year.

28 (4) Section 4.03(c), Chapter 1017, Acts of the
29 70th Legislature, Regular Session, 1987, requires
30 board elections to be held on the "third Saturday in
31 May." From 1987 to 2003, Section 41.001, Election
32 Code, provided for a uniform election date for all
33 political subdivisions on the first Saturday in May.
34 In Chapter 1315, Acts of the 78th Legislature, Regular
35 Session, 2003, the legislature amended Section 41.001
36 by moving the uniform election date in May to the third
37 Saturday. In Chapter 1, Acts of the 78th Legislature,
38 3rd Called Session, 2003, the legislature amended
39 Section 41.001 by moving the uniform election date in
40 May back to the first Saturday. In Chapter 471, Acts
41 of the 79th Legislature, Regular Session, 2005, the

1 legislature amended Section 41.001 by moving the
2 uniform election date in May to the second Saturday.
3 The revised law substitutes "May uniform election
4 date" for "third Saturday in May" to reflect these
5 changes and to recognize that the uniform election
6 date for that month as provided by Section 41.001,
7 Election Code, controls under Section 41.005, Election
8 Code.

9 (5) Section 4.03(c), Chapter 1017, Acts of the
10 70th Legislature, Regular Session, 1987, provides that
11 directors serve two-year terms. Section 285.081,
12 Health and Safety Code, applicable to this district,
13 provides a mechanism by which the governing board of a
14 hospital district, on its own motion, may order that
15 members are to be elected in even-numbered years to
16 serve staggered four-year terms. The revised law is
17 drafted accordingly and adds a reference to Section
18 285.081, Health and Safety Code, for the convenience
19 of the reader.

20 Revised Law

21 Sec. 1034.052. NOTICE OF ELECTION. At least 35 days before
22 the date of a directors' election, notice of the election must be
23 published one time in a newspaper with general circulation in the
24 district. (Acts 70th Leg., R.S., Ch. 1017, Sec. 4.04.)

25 Source Law

26 Sec. 4.04. At least 35 days before the date of
27 an election of directors, notice of the election shall
28 be published one time in a newspaper with general
29 circulation in the district.

30 Revised Law

31 Sec. 1034.053. BALLOT PETITION. A person who wants to have
32 the person's name printed on the ballot as a candidate for director
33 must file with the board secretary a petition requesting that
34 action. The petition must be:

35 (1) signed by at least three registered voters of the
36 district as determined by the most recent official list of

1 registered voters; and

2 (2) filed by the deadline imposed by Section 144.005,
3 Election Code. (Acts 70th Leg., R.S., Ch. 1017, Sec. 4.05.)

4 Source Law

5 Sec. 4.05. (a) A person who wishes to have his
6 name printed on the ballot as a candidate for director
7 must file with the secretary of the board of directors
8 a petition signed by at least three registered voters
9 of the district asking that his name be placed on the
10 ballot. The determination of whether a person is a
11 registered voter of the district shall be based on the
12 most recent official lists of registered voters.

13 (b) The petition must be filed with the
14 secretary not later than the 31st day before the date
15 of the election.

16 Revisor's Note

17 Section 4.05, Chapter 1017, Acts of the 70th
18 Legislature, Regular Session, 1987, requires a
19 candidate for director to file a petition signed by at
20 least three registered voters at least 31 days before
21 the date of the election to have the candidate's name
22 appear on the ballot. Under Section 144.003, Election
23 Code (applicable to the district under Section
24 144.001, Election Code), a candidate for office must
25 submit an application for a place on the ballot. The
26 application must be filed by the deadline imposed by
27 Section 144.005, Election Code, which is either 71 or
28 78 days before the date of the election, depending on
29 when the election is held. Because the petition serves
30 as an additional requirement for a candidate to appear
31 on the ballot, the revised law conforms the date the
32 petition must be filed to the date the application must
33 be filed.

34 Revised Law

35 Sec. 1034.054. QUALIFICATIONS FOR OFFICE. (a) To be
36 eligible to be a candidate for or to serve as a director, a person
37 must be:

38 (1) a resident of the district; and

39 (2) a qualified voter.

1 (b) A district employee may not serve as a director. (Acts
2 70th Leg., R.S., Ch. 1017, Sec. 4.06.)

3 Source Law

4 Sec. 4.06. (a) To be eligible to be a candidate
5 for or to serve as a director, a person must be:

6 (1) a resident of the district; and

7 (2) a qualified voter.

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

10 Revised Law

11 Sec. 1034.055. BOARD VACANCY. If a vacancy occurs in the
12 office of director, the remaining directors shall appoint a
13 director for the unexpired term. (Acts 70th Leg., R.S., Ch. 1017,
14 Sec. 4.07.)

15 Source Law

16 Sec. 4.07. A vacancy in the office of director
17 shall be filled for the unexpired term by appointment
18 by the remaining directors.

19 Revised Law

20 Sec. 1034.056. OFFICERS. (a) The board shall elect from
21 among its members a president and a vice president.

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

24 (c) Each officer of the board serves a one-year term.

25 (d) The board shall fill a vacancy in a board office for the
26 unexpired term. (Acts 70th Leg., R.S., Ch. 1017, Secs. 4.08, 4.09.)

27 Source Law

28 Sec. 4.08. The board shall elect from among its
29 members a president and a vice-president. The board
30 shall also appoint a secretary. The secretary need not
31 be a director.

32 Sec. 4.09. (a) Each officer of the board serves
33 for a term of one year.

34 (b) A vacancy in a board office shall be filled
35 for the unexpired term by the board.

36 Revised Law

37 Sec. 1034.057. COMPENSATION; EXPENSES. A director or
38 officer serves without compensation but may be reimbursed for
39 actual expenses incurred in the performance of official duties.
40 The expenses must be:

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

1 (2) approved by the board. (Acts 70th Leg., R.S., Ch.
2 1017, Sec. 4.10.)

3 Source Law

4 Sec. 4.10. Directors and officers serve without
5 compensation but may be reimbursed for actual expenses
6 incurred in the performance of official duties. Those
7 expenses must be reported in the district's minute book
8 or other district records and must be approved by the
9 board.

10 Revisor's Note

11 Section 4.10, Chapter 1017, Acts of the 70th
12 Legislature, Regular Session, 1987, requires that
13 approved expenses be reported in the "district's
14 minute book or other district records." The revised
15 law omits the reference to the "district's minute book"
16 because the minute book is a district record.

17 Revised Law

18 Sec. 1034.058. VOTING REQUIREMENT. A concurrence of a
19 majority of the directors voting is necessary in matters relating
20 to district business. (Acts 70th Leg., R.S., Ch. 1017, Sec. 4.11.)

21 Source Law

22 Sec. 4.11. 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. 1034.059. 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 compensation as determined by the board.

30 (c) Before assuming the duties of district administrator,
31 the administrator must execute a bond in an amount determined by the
32 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. 1017, Secs. 4.12(a) (part), (b) (part),
38 (c) (part), (d).)

1 Revised Law

2 Sec. 1034.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
3 board may appoint to the staff any doctors the board considers
4 necessary for the efficient operation of the district and may make
5 temporary appointments as considered necessary.

6 (b) The district may employ technicians, nurses, fiscal
7 agents, accountants, architects, additional attorneys, and other
8 necessary employees.

9 (c) The board may delegate to the district administrator the
10 authority to employ persons for the district. (Acts 70th Leg.,
11 R.S., Ch. 1017, Secs. 4.13, 4.14.)

12 Source Law

13 Sec. 4.13. The board may appoint to the staff
14 any doctors it considers necessary for the efficient
15 operation of the district and may make temporary
16 appointments as considered necessary.

17 Sec. 4.14. (a) The district may employ
18 technicians, nurses, fiscal agents, accountants,
19 architects, additional attorneys, and other necessary
20 employees.

21 (b) The board may delegate to the administrator
22 the authority to employ persons for the district.

23 Revised Law

24 Sec. 1034.063. 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 70th Leg., R.S., Ch.
33 1017, Sec. 4.16.)

34 Source Law

35 Sec. 4.16. The board may provide retirement
36 benefits for employees of the district by establishing
37 or administering a retirement program or by electing
38 to participate in the Texas County and District
39 Retirement System or in any other statewide retirement
40 system in which the district is eligible to
41 participate.

1 Revisor's Note
2 (End of Subchapter)

3 Article 2, Chapter 1017, Acts of the 70th
4 Legislature, Regular Session, 1987, provides for
5 temporary directors of the district to serve until the
6 initial election of directors. The revised law omits
7 that article as executed. The omitted law reads:

8 Sec. 2.01. On the effective date of
9 this Act, the members of the commissioners
10 court of Hall County become temporary
11 directors of the district.

12 [Sections 1034.064-1034.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Revised Law

15 Sec. 1034.101. DISTRICT RESPONSIBILITY. The district has
16 full responsibility for operating hospital facilities and for
17 providing medical and hospital care for the district's needy
18 inhabitants. (Acts 70th Leg., R.S., Ch. 1017, Sec. 5.02 (part).)

19 Source Law

20 Sec. 5.02. On creation of the district, the
21 district:

22 (1) assumes full responsibility for
23 operating hospital facilities and for furnishing
24 medical and hospital care for the district's needy
25 inhabitants;

26 . . .

27 Revisor's Note

28 Section 5.02, Chapter 1017, Acts of the 70th
29 Legislature, Regular Session, 1987, provides that
30 "[o]n creation of the district," the district
31 "assumes" certain responsibilities. The revised law
32 omits "[o]n creation of the district" as executed. The
33 revised law substitutes "has" for "assumes" because
34 the obligation to assume the responsibility is
35 executed.

36 Revised Law

37 Sec. 1034.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
38 Hall County may not impose a tax or issue bonds or other obligations
39 for hospital purposes or to provide medical care for district
40 residents. (Acts 70th Leg., R.S., Ch. 1017, 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 70th Leg., R.S., Ch. 1017, 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. 1034.106. MOBILE EMERGENCY MEDICAL SERVICE. The
14 district may operate or provide for the operation of a mobile
15 emergency medical service. (Acts 70th Leg., R.S., Ch. 1017, 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. 1034.107. 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 payment of the purchase price.

33 (c) The board may lease hospital facilities for the
34 district.

35 (d) The board may sell or otherwise dispose of property,
36 including facilities or equipment, for the district. (Acts 70th
37 Leg., R.S., Ch. 1017, Sec. 5.06.)

1 the construction of any railroad, highway, pipeline,
2 or electric transmission and electric distribution,
3 telegraph, or telephone lines, conduits, poles, or
4 facilities, the district must bear the actual cost of
5 relocating, raising, lowering, rerouting, changing
6 the grade, or altering the construction to provide
7 comparable replacement without enhancement of
8 facilities, after deducting the net salvage value
9 derived from the old facility.

10 Revised Law

11 Sec. 1034.110. GIFTS AND ENDOWMENTS. The board may accept
12 for the district a gift or endowment to be held in trust for any
13 purpose and under any direction, limitation, or other provision
14 prescribed in writing by the donor that is consistent with the
15 proper management of the district. (Acts 70th Leg., R.S., Ch. 1017,
16 Sec. 5.14.)

17 Source Law

18 Sec. 5.14. On behalf of the district, the board
19 may accept donations, gifts, and endowments to be held
20 in trust for any purpose and under any direction,
21 limitation, or provision prescribed in writing by the
22 donor that is consistent with the proper management of
23 the district.

24 Revisor's Note

25 Section 5.14, Chapter 1017, Acts of the 70th
26 Legislature, Regular Session, 1987, refers to
27 "donations" and "gifts." The revised law omits
28 "donations" because "donations" is included in the
29 meaning of "gifts."

30 Revised Law

31 Sec. 1034.111. CONSTRUCTION CONTRACTS. (a) The board may
32 enter into construction contracts for the district.

33 (b) The board may enter into a construction contract that
34 involves the expenditure of more than the amount provided by
35 Section 271.024, Local Government Code, only after competitive
36 bidding as provided by Subchapter B, Chapter 271, Local Government
37 Code. (Acts 70th Leg., R.S., Ch. 1017, Sec. 5.07(a).)

38 Source Law

39 Sec. 5.07. (a) The board may enter into
40 construction contracts on behalf of the district;
41 however, the board may enter into construction
42 contracts that involve spending more than \$10,000 only
43 after competitive bidding as provided by Chapter 770,
44 Acts of the 66th Legislature, Regular Session, 1979

1 (Article 2368a.3, Vernon's Texas Civil Statutes).

2 Revisor's Note

3 (1) Section 5.07(a), Chapter 1017, Acts of the
4 70th Legislature, Regular Session, 1987, provides that
5 the district may enter into construction contracts
6 that involve spending more than \$10,000 only after
7 competitive bidding as provided by Chapter 770, Acts
8 of the 66th Legislature, Regular Session, 1979
9 (Article 2368a.3, Vernon's Texas Civil Statutes).
10 Chapter 149, Acts of the 70th Legislature, Regular
11 Session, 1987, revised the relevant parts of Article
12 2368a.3 as Subchapter B, Chapter 271, Local Government
13 Code, and the revised law is drafted accordingly. The
14 revised law omits the reference to the \$10,000 amount
15 as superseded by Section 2, Chapter 749, and Section
16 14, Chapter 757, Acts of the 73rd Legislature, Regular
17 Session, 1993, which amended Section 271.024, Local
18 Government Code, to increase the contract amount for
19 which competitive bidding is required to \$15,000. The
20 contract amount was increased to \$50,000 by Section 6,
21 Chapter 1266, Acts of the 81st Legislature, Regular
22 Session, 2009.

23 (2) Section 5.07(b), Chapter 1017, Acts of the
24 70th Legislature, Regular Session, 1987, provides that
25 Article 5160, Revised Statutes, applies to the
26 district's construction contracts in relation to
27 performance and payment bonds. The revised law omits
28 the reference because Article 5160 was codified as
29 Chapter 2253, Government Code, and that chapter
30 applies to hospital districts on its own terms. The
31 omitted law reads:

32 (b) Article 5160, Revised Statutes,
33 as it relates to performance and payment
34 bonds, applies to construction contracts
35 let by the district.

1 Revised Law

2 Sec. 1034.112. OPERATING AND MANAGEMENT CONTRACTS. The
3 board may enter into an operating or management contract relating
4 to a hospital facility for the district. (Acts 70th Leg., R.S., Ch.
5 1017, Sec. 5.08.)

6 Source Law

7 Sec. 5.08. The board may enter into operating or
8 management contracts relating to hospital facilities
9 on behalf of the district.

10 Revised Law

11 Sec. 1034.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
12 SERVICES. The board may contract with a political subdivision of
13 this state or with a state or federal agency for the district to:

- 14 (1) furnish a mobile emergency medical service; or
15 (2) provide for the investigatory or welfare needs of
16 district inhabitants. (Acts 70th Leg., R.S., Ch. 1017, Sec. 5.13.)

17 Source Law

18 Sec. 5.13. The board may contract with a city,
19 county, special district, or other political
20 subdivision of the state or with a state or federal
21 agency for the district to furnish a mobile emergency
22 medical service or to provide for the investigatory or
23 welfare needs of inhabitants of the district.

24 Revisor's Note

25 Section 5.13, Chapter 1017, Acts of the 70th
26 Legislature, Regular Session, 1987, refers to "a city,
27 county, special district, or other political
28 subdivision of the state." Throughout this chapter,
29 the revised law omits references to "city," "county,"
30 and "special district" when used in conjunction with
31 "political subdivision" because those terms are
32 included in the meaning of "political subdivision of
33 this state."

34 Revised Law

35 Sec. 1034.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
36 When an individual who resides in the district is admitted as a
37 patient to a district facility, the district administrator may have
38 an inquiry made into the financial circumstances of:

1 (c) On finding that the patient or a relative of
2 the patient legally responsible for the patient's
3 support can pay for all or any part of the care and
4 treatment provided by the district, the administrator
5 shall report that finding to the board, and the board
6 shall issue an order directing the patient or the
7 relative to pay the district a specified sum each week
8 based on the individual's ability to pay.

9 (d) The administrator may collect money owed to
10 the district from the estate of the patient or from
11 that of a relative who was legally responsible for the
12 patient's support in the manner provided by law for
13 collection of expenses in the last illness of a
14 deceased person.

15 (e) To the extent that a patient or a relative of
16 the patient legally responsible for the patient's
17 support cannot pay for care and treatment provided by
18 the district, the district shall supply that care and
19 treatment without charging the patient or the
20 patient's relative.

21 (f) If there is a dispute relating to an
22 individual's ability to pay or if the administrator has
23 any doubt concerning an individual's ability to pay,
24 the board shall call witnesses, hear and resolve the
25 question, and issue a final order. An appeal from a
26 final order of the board must be made to a district
27 court in the county in which the district is located
28 and the substantial evidence rule applies.

29 Revisor's Note

30 (1) Section 5.11(a), Chapter 1017, Acts of the
31 70th Legislature, Regular Session, 1987, requires the
32 district to adopt an application procedure for
33 assistance eligibility. The revised law omits the
34 provision because it duplicates provisions in Sections
35 61.053(a) and (b), Health and Safety Code, which apply
36 to the district by their own terms and detail the
37 application procedure. The omitted law reads:

38 Sec. 5.11. (a) Not later than the
39 beginning of each operating year, the
40 district shall adopt an application
41 procedure to determine eligibility for
42 assistance, as provided by Section 10.03,
43 Indigent Health Care and Treatment Act
44 (Article 4438f, Vernon's Texas Civil
45 Statutes).

46 (2) Section 5.11(f), Chapter 1017, Acts of the
47 70th Legislature, Regular Session, 1987, authorizes
48 the appeal of a final order to be made to the district
49 court in "the county in which the district is located."
50 The revised law substitutes "Hall County" for the
51 quoted language because Hall County is the county in
52 which the district is located.

1 law omits the references to "diseased" because it is
2 included in the meaning of "sick."

3 (3) Section 5.12(a), Chapter 1017, Acts of the
4 70th Legislature, Regular Session, 1987, refers to the
5 Indigent Health Care and Treatment Act (Article 4438f,
6 Vernon's Texas Civil Statutes). That act was codified
7 in 1989 as Chapter 61, Health and Safety Code. The
8 revised law is drafted accordingly.

9 Revised Law

10 Sec. 1034.116. AUTHORITY TO SUE AND BE SUED. The board may
11 sue and be sued on behalf of the district. (Acts 70th Leg., R.S.,
12 Ch. 1017, Sec. 5.15.)

13 Source Law

14 Sec. 5.15. The board may sue and be sued on
15 behalf of the district.

16 [Sections 1034.117-1034.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Revised Law

19 Sec. 1034.151. BUDGET. (a) The district administrator
20 shall prepare a proposed annual budget for the district.

21 (b) The proposed budget must contain a complete financial
22 statement, including a statement of:

23 (1) the outstanding obligations of the district;

24 (2) the amount of cash on hand to the credit of each
25 district fund;

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

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

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

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

34 (7) the estimated tax rate required. (Acts 70th Leg.,
35 R.S., Ch. 1017, Sec. 6.04.)

1 Source Law

2 Sec. 6.04. (a) The administrator of the
3 district shall prepare a proposed annual budget for
4 the district.

5 (b) The proposed budget must contain a complete
6 financial statement, including a statement of:

7 (1) the outstanding obligations of the
8 district;

9 (2) the amount of cash on hand to the
10 credit of each fund of the district;

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

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

15 (5) the amount of the balances expected at
16 the end of the year in which the budget is being
17 prepared;

18 (6) the estimated amount of revenues and
19 balances available to cover the proposed budget; and

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

22 Revised Law

23 Sec. 1034.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

24 The board shall hold a public hearing on the proposed annual budget.

25 (b) The board shall publish notice of the hearing in a
26 newspaper of general circulation in the district not later than the
27 10th day before the date of the hearing.

28 (c) Any district resident is entitled to be present and
29 participate at the hearing.

30 (d) At the conclusion of the hearing, the board shall adopt
31 a budget by acting on the budget proposed by the district
32 administrator. The board may make any changes in the proposed
33 budget that the board judges to be in the interests of the
34 taxpayers.

35 (e) The budget is effective only after adoption by the
36 board. (Acts 70th Leg., R.S., Ch. 1017, Sec. 6.05.)

37 Source Law

38 Sec. 6.05. (a) The board shall hold a public
39 hearing on the proposed annual budget.

40 (b) The board shall publish notice of the
41 hearing in a newspaper of general circulation in the
42 district not later than the 10th day before the date of
43 the hearing.

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

46 (d) At the conclusion of the hearing, the board
47 shall adopt a budget by acting on the budget proposed
48 by the administrator. The board may make any changes
49 in the proposed budget that in its judgment the
50 interests of the taxpayers demand.

1 (e) The budget is effective only after adoption
2 by the board.

3 Revised Law

4 Sec. 1034.153. AMENDMENTS TO BUDGET. After the annual
5 budget is adopted, the budget may be amended on the board's
6 approval. (Acts 70th Leg., R.S., Ch. 1017, Sec. 6.06.)

7 Source Law

8 Sec. 6.06. After adoption, the annual budget
9 may be amended on the board's approval.

10 Revised Law

11 Sec. 1034.154. RESTRICTION ON EXPENDITURES. Money may be
12 spent only for an expense included in the annual budget or an
13 amendment to the budget. (Acts 70th Leg., R.S., Ch. 1017, Sec.
14 6.07.)

15 Source Law

16 Sec. 6.07. Money may not be spent for an expense
17 not included in the annual budget or an amendment to
18 it.

19 Revised Law

20 Sec. 1034.155. FISCAL YEAR. (a) The district operates
21 according to a fiscal year established by the board.

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

23 (1) during a period that revenue bonds of the district
24 are outstanding; or

25 (2) more than once in a 24-month period. (Acts 70th
26 Leg., R.S., Ch. 1017, Sec. 6.01.)

27 Source Law

28 Sec. 6.01. (a) The district is operated on the
29 basis of a fiscal year established by the board.

30 (b) The fiscal year may not be changed during a
31 period that revenue bonds of the district are
32 outstanding or more than once in a 24-month period.

33 Revised Law

34 Sec. 1034.156. ANNUAL AUDIT. The board annually shall have
35 an audit made of the district's financial condition. (Acts 70th
36 Leg., R.S., Ch. 1017, Sec. 6.02.)

37 Source Law

38 Sec. 6.02. Annually, the board shall have an
39 audit made of the financial condition of the district.

1 Revised Law

2 Sec. 1034.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
3 RECORDS. The annual audit and other district records shall be open
4 to inspection during regular business hours at the district's
5 principal office. (Acts 70th Leg., R.S., Ch. 1017, Sec. 6.03.)

6 Source Law

7 Sec. 6.03. The annual audit and other district
8 records shall be open to inspection during regular
9 business hours at the principal office of the
10 district.

11 Revised Law

12 Sec. 1034.158. FINANCIAL REPORT. As soon as practicable
13 after the close of the fiscal year, the district administrator
14 shall prepare for the board:

15 (1) a sworn statement of the amount of district money;
16 and

17 (2) an account of the disbursements of that money.
18 (Acts 70th Leg., R.S., Ch. 1017, Sec. 6.08.)

19 Source Law

20 Sec. 6.08. As soon as practicable after the
21 close of the fiscal year, the administrator shall
22 prepare for the board a sworn statement of the amount
23 of money that belongs to the district and an account of
24 the disbursements of that money.

25 Revised Law

26 Sec. 1034.159. DEPOSITORY. (a) The board shall select at
27 least one bank to serve as a depository for district money.

28 (b) District money, other than money invested as provided by
29 Section 1034.160(b) and money transmitted to a bank for payment of
30 bonds or obligations issued or assumed by the district, shall be
31 deposited as received with the depository bank and shall remain on
32 deposit. This subsection does not limit the power of the board to:

33 (1) place a part of district money on time deposit; or
34 (2) purchase certificates of deposit. (Acts 70th
35 Leg., R.S., Ch. 1017, Secs. 6.10(a), (b).)

36 Source Law

37 Sec. 6.10. (a) The board shall name at least
38 one bank to serve as depository for district funds.
39 (b) District funds, other than those invested as

1 provided by Section 6.09(b) of this Act and those
2 transmitted to a bank of payment for bonds or
3 obligations issued or assumed by the district, shall
4 be deposited as received with the depository bank and
5 must remain on deposit. This subsection does not limit
6 the power of the board to place a portion of district
7 funds on time deposit or to purchase certificates of
8 deposit.

9 Revisor's Note

10 Section 6.10(c), Chapter 1017, Acts of the 70th
11 Legislature, Regular Session, 1987, requires a bank to
12 provide a specified amount of collateral to ensure the
13 security of district funds deposited at the bank. The
14 revised law omits the provision as superseded by
15 Subchapter B, Chapter 2257, Government Code (enacted
16 in 1989 as Article 2529d, Vernon's Texas Civil
17 Statutes), and specifically by Sections 2257.021 and
18 2257.022 of that subchapter, which establish the
19 amount of collateral required for a deposit of public
20 funds. Subchapter B, Chapter 2257, Government Code,
21 applies to the security for district funds under
22 Sections 2257.002 and 2257.004, Government Code. The
23 omitted law reads:

24 (c) Before the district deposits
25 funds in a bank in an amount that exceeds
26 the maximum amount secured by the Federal
27 Deposit Insurance Corporation, the bank
28 must execute a bond or other security in an
29 amount sufficient to secure from loss the
30 district funds that exceed the amount
31 secured by the Federal Deposit Insurance
32 Corporation.

33 Revised Law

34 Sec. 1034.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
35 Except as provided by Sections 1034.111, 1034.201, 1034.204, and
36 1034.205, 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 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., R.S., Ch. 1017, Sec. 6.09.)

1 Source Law

2 Sec. 6.09. (a) Except as provided by Sections
3 5.07(a), 7.01, 7.04, and 7.05 of this Act, the district
4 may not incur a debt payable from revenues of the
5 district other than the revenues on hand or to be on
6 hand in the current and immediately following fiscal
7 year of the district.

8 (b) The board may not invest operating,
9 depreciation, or building reserves in funds or
10 securities other than those specified by Article 836
11 or 837, Revised Statutes.

12 Revisor's Note

13 Section 6.09(b), Chapter 1017, Acts of the 70th
14 Legislature, Regular Session, 1987, refers to "Article
15 836 or 837, Revised Statutes." Those articles were
16 impliedly repealed by the enactment of the Public
17 Funds Investment Act of 1987 (Article 842a-2, Vernon's
18 Texas Civil Statutes), which was revised in 1993 as
19 Chapter 2256, Government Code. Chapter 2256,
20 Government Code, defines "local government" to include
21 hospital districts and applies to the district by its
22 own terms. The revised law therefore substitutes a
23 reference to Chapter 2256, Government Code, for the
24 references to Articles 836 and 837.

25 [Sections 1034.161-1034.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Revised Law

28 Sec. 1034.201. GENERAL OBLIGATION BONDS. If authorized by
29 an election, the board may issue and sell general obligation bonds
30 in the name and on the faith and credit of the district to:

31 (1) purchase, construct, acquire, repair, or renovate
32 buildings or improvements;

33 (2) equip buildings or improvements for hospital
34 purposes; or

35 (3) acquire and operate a mobile emergency medical
36 service. (Acts 70th Leg., R.S., Ch. 1017, Sec. 7.01.)

37 Source Law

38 Sec. 7.01. If authorized by an election, the
39 board may issue and sell bonds in the name and on the
40 faith and credit of the hospital district to:

- 1 (1) purchase, construct, acquire, repair,
2 or renovate buildings or improvements;
3 (2) equip buildings or improvements for
4 hospital purposes; or
5 (3) acquire and operate a mobile emergency
6 medical service.

7 Revisor's Note

8 Section 7.01, Chapter 1017, Acts of the 70th
9 Legislature, Regular Session, 1987, provides that the
10 board may issue and sell bonds in the name and on the
11 faith and credit of the district. Because the type of
12 bonds described by Section 7.01 are known as "general
13 obligation bonds," the revised law is drafted
14 accordingly.

15 Revised Law

16 Sec. 1034.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
17 the time general obligation bonds are issued by the district, the
18 board shall impose an ad valorem tax at a rate sufficient to create
19 an interest and sinking fund to pay the principal of and interest on
20 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 limit approved by the voters at the election authorizing the
24 imposition of the tax. (Acts 70th Leg., R.S., Ch. 1017, Sec. 7.02.)

25 Source Law

26 Sec. 7.02. (a) At the time the bonds are issued
27 by the district, the board shall levy a tax.

28 (b) The tax must be sufficient to create an
29 interest and sinking fund to pay the principal of and
30 interest on the bonds as they mature.

31 (c) In any year, the tax together with any other
32 tax the district levies may not exceed the limit
33 approved by the voters at the election authorizing the
34 levy of taxes.

35 Revisor's Note

36 Section 7.02, Chapter 1017, Acts of the 70th
37 Legislature, Regular Session, 1987, requires the
38 district to levy a tax to pay the principal of and
39 interest on bonds. The revised law specifies that the
40 tax is an "ad valorem" tax because it is clear from the
41 source law that the tax is a property tax. Section

1 1(b), Article VIII, Texas Constitution, requires all
2 property that is taxed to be taxed in proportion to its
3 value, and accordingly "ad valorem" tax is the term
4 most commonly used in Texas law to refer to a tax on
5 property.

6 Revised Law

7 Sec. 1034.203. GENERAL OBLIGATION BOND ELECTION. (a) The
8 district may issue general obligation bonds only if the bonds are
9 authorized by a majority of the district voters voting at an
10 election held for that purpose.

11 (b) The board may order a bond election.

12 (c) The order calling the election must specify:

- 13 (1) the nature and date of the election;
14 (2) the hours during which the polls will be open;
15 (3) the location of the polling places;
16 (4) the amount of the bonds to be authorized; and
17 (5) the maximum maturity of the bonds.

18 (d) Notice of a bond election shall be given as provided by
19 Section 1251.003, Government Code.

20 (e) The board shall declare the results of the election.
21 (Acts 70th Leg., R.S., Ch. 1017, Sec. 7.03.)

22 Source Law

23 Sec. 7.03. (a) The district may not issue
24 general obligation bonds until the bonds are
25 authorized by a majority of the qualified voters of the
26 district voting at an election called and held for that
27 purpose.

28 (b) The board may order a bond election. The
29 order calling the election must state the nature and
30 date of the election, the hours during which the polls
31 will be open, the location of the polling places, the
32 amount of bonds to be authorized, and the maximum
33 maturity of the bonds.

34 (c) Notice of a bond election shall be given as
35 provided by Article 704, Revised Statutes.

36 (d) The board shall canvass the returns and
37 declare the results of the election.

38 Revisor's Note

39 (1) Section 7.03(a), Chapter 1017, Acts of the
40 70th Legislature, Regular Session, 1987, refers to a
41 majority vote of the "qualified" voters of the

1 district. The revised law omits "qualified" as
2 unnecessary in this context because Chapter 11,
3 Election Code, governs eligibility to vote in an
4 election in this state and allows only "qualified"
5 voters who are residents of the territory covered by
6 the election to vote in an election.

7 (2) Section 7.03(a), Chapter 1017, Acts of the
8 70th Legislature, Regular Session, 1987, refers to an
9 election "called and held." The revised law omits the
10 reference to "calling" an election because, in this
11 context, "calling" an election is included in the
12 meaning of "holding" an election. Under Chapter 3,
13 Election Code, all elections must be ordered (called)
14 before they may be held.

15 (3) Section 7.03(c), Chapter 1017, Acts of the
16 70th Legislature, Regular Session, 1987, refers to
17 Article 704, Revised Statutes, which specifies certain
18 notice requirements for a bond election. That
19 provision was codified in 1999 as Section 1251.003,
20 Government Code. The revised law is drafted
21 accordingly.

22 (4) Section 7.03(d), Chapter 1017, Acts of the
23 70th Legislature, Regular Session, 1987, provides that
24 "[t]he board shall canvass the returns" of a bond
25 election. The revised law omits this requirement
26 because it duplicates Section 67.002, Election Code,
27 which requires the governing body of a political
28 subdivision that orders an election to canvass the
29 election returns.

30 Revised Law

31 Sec. 1034.204. REVENUE BONDS. (a) The board may issue
32 revenue bonds to:

33 (1) purchase, construct, acquire, repair, renovate,
34 or equip buildings or improvements for hospital purposes;

1 (2) acquire sites to be used for hospital purposes; or

2 (3) acquire and operate a mobile emergency medical
3 service to assist the district in carrying out its hospital
4 purposes.

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

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

10 (d) The bonds must be issued in the manner provided by
11 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
12 Health and Safety Code, for issuance of revenue bonds by a county
13 hospital authority. (Acts 70th Leg., R.S., Ch. 1017, Sec. 7.04.)

14 Source Law

15 Sec. 7.04. (a) The board may issue revenue
16 bonds to:

17 (1) purchase, construct, acquire, repair,
18 equip, or renovate buildings or improvements for
19 hospital purposes;

20 (2) acquire sites to be used for hospital
21 purposes; or

22 (3) acquire and operate a mobile emergency
23 medical service to assist the district in carrying out
24 its hospital purposes.

25 (b) The bonds must be payable from and secured
26 by a pledge of all or part of the revenues derived from
27 the operation of the district's hospital system. The
28 bonds may be additionally secured by a mortgage or deed
29 of trust lien on all or part of district property.

30 (c) The bonds must be issued in the manner
31 provided by Sections 8, 10, 11, 12, and 13, County
32 Hospital Authority Act (Article 4494r, Vernon's Texas
33 Civil Statutes), for issuance of revenue bonds by
34 county hospital authorities.

35 Revisor's Note

36 Section 7.04(c), Chapter 1017, Acts of the 70th
37 Legislature, Regular Session, 1987, refers to Sections
38 8, 10, 11, 12, and 13, County Hospital Authority Act
39 (Article 4494r, Vernon's Texas Civil Statutes). Those
40 provisions were codified in 1989 as Sections 264.042,
41 264.043, 264.046, 264.047, 264.048, and 264.049,
42 Health and Safety Code. The revised law is drafted
43 accordingly.

1 Revised Law

2 Sec. 1034.205. REFUNDING BONDS. (a) The board may issue
3 refunding bonds to refund outstanding indebtedness issued or
4 assumed by the district.

5 (b) Refunding bonds may be:

6 (1) sold, with the proceeds of the refunding bonds
7 applied to the payment of outstanding indebtedness; or

8 (2) exchanged wholly or partly for not less than a
9 similar principal amount of outstanding indebtedness. (Acts 70th
10 Leg., R.S., Ch. 1017, Secs. 7.05(a), (c) (part).)

11 Source Law

12 Sec. 7.05. (a) Refunding bonds of the district
13 may be issued to refund and pay off an outstanding
14 indebtedness the district has issued or assumed.

15 (c) The refunding bonds may be sold and the
16 proceeds applied to the payment of outstanding
17 indebtedness or may be exchanged in whole or in part
18 for not less than a similar principal amount of
19 outstanding indebtedness. . . .

20 Revisor's Note

21 Sections 7.05(b) and (c), Chapter 1017, Acts of
22 the 70th Legislature, Regular Session, 1987, require
23 the district to issue refunding bonds in the manner
24 prescribed by Chapter 784, Acts of the 61st
25 Legislature, Regular Session, 1969 (Article 717k-3,
26 Vernon's Texas Civil Statutes), and, for refunding
27 bonds that will be sold, to issue the bonds and to make
28 payments on the bonds in the manner prescribed by
29 Chapter 503, Acts of the 54th Legislature, Regular
30 Session, 1955 (Article 717k, Vernon's Texas Civil
31 Statutes). Articles 717k and 717k-3 were codified in
32 1999 as Chapter 1207, Government Code. The revised law
33 omits the provisions because Chapter 1207, Government
34 Code, applies to the district by its own terms under
35 Section 1207.001, Government Code. The omitted law
36 reads:

37 (b) The bonds must be issued in the
38 manner provided by Chapter 784, Acts of the

1 61st Legislature, Regular Session, 1969
2 (Article 717k-3, Vernon's Texas Civil
3 Statutes).

4 (c) . . . If the refunding bonds are
5 to be sold and the proceeds applied to the
6 payment of outstanding indebtedness, the
7 refunding bonds must be issued and payments
8 made in the manner provided by Chapter 503,
9 Acts of the 54th Legislature, Regular
10 Session, 1955 (Article 717k, Vernon's Texas
11 Civil Statutes).

12 Revised Law

13 Sec. 1034.206. MATURITY OF BONDS. District bonds must
14 mature not later than 50 years after the date of issuance. (Acts
15 70th Leg., R.S., Ch. 1017, Sec. 7.06 (part).)

16 Source Law

17 Sec. 7.06. District bonds must mature not more
18 than 50 years after the date of their issuance
19 and

20 Revisor's Note

21 Section 7.06, Chapter 1017, Acts of the 70th
22 Legislature, Regular Session, 1987, provides that
23 district bonds must bear interest at a rate that does
24 not exceed the rate provided by Chapter 3, Acts of the
25 61st Legislature, Regular Session, 1969 (Article
26 717k-2, Vernon's Texas Civil Statutes). The revised
27 law omits that provision because the maximum interest
28 rate noted in Chapter 3 was revised in 1999 as Section
29 1204.006, Government Code, and Section 1204.006
30 applies to the district by its own terms under Section
31 1204.001, Government Code. The omitted law reads:

32 Sec. 7.06. [District bonds] . . .
33 must bear interest at a rate not to exceed
34 that provided by Chapter 3, Acts of the 61st
35 Legislature, Regular Session, 1969 (Article
36 717k-2, Vernon's Texas Civil Statutes).

37 Revised Law

38 Sec. 1034.207. EXECUTION OF BONDS. The board president
39 shall execute district bonds in the district's name, and the board
40 secretary shall countersign the bonds in the manner provided by
41 Chapter 618, Government Code. (Acts 70th Leg., R.S., Ch. 1017, Sec.
42 7.07.)

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 1017, Acts of the 70th
28 Legislature, Regular Session, 1987, provides that
29 district bonds and indebtedness assumed by the
30 district are legal and authorized investments for
31 certain entities. The revised law omits that
32 provision as unnecessary. As to several of the
33 entities listed, Section 7.09 has been superseded and
34 impliedly repealed or it duplicates existing law.
35 Investments in securities by banks are regulated by
36 Section 34.101, Finance Code (enacted in 1995 as
37 Section 5.101, Texas Banking Act (Article 342-5.101,
38 Vernon's Texas Civil Statutes)). Investments in
39 securities by savings banks are regulated by Section

1 93.001(c)(10), Finance Code (enacted in 1993 as
2 Section 7.15(10), Texas Savings Bank Act (Article
3 489e, Vernon's Texas Civil Statutes)). Investments in
4 securities by trust companies are regulated by Section
5 184.101, Finance Code (enacted in 1997 as Section
6 5.101, Texas Trust Company Act (Article 342a-5.101,
7 Vernon's Texas Civil Statutes)). Investments in
8 securities by savings and loan associations are
9 regulated by Sections 63.002 and 64.001, Finance Code.
10 As to the remaining entities listed, Section 7.09
11 duplicates Section 1201.041, Government Code (enacted
12 as Section 9, Bond Procedures Act of 1981 (Article
13 717k-6, Vernon's Texas Civil Statutes)). While
14 Section 7.09 lists "guardians" and Section 1201.041
15 does not, the latter statute includes "a fiduciary"
16 and a guardian is a fiduciary. Section 1201.041,
17 Government Code, applies to district bonds by
18 application of Section 1201.002, Government Code. The
19 revised law omits the reference to sinking funds of
20 this state because it has been superseded by Section
21 404.024, Government Code (enacted in 1985 as Section
22 2.014, Treasury Act (Article 4393-1, Vernon's Texas
23 Civil Statutes) and last amended in 2007), which
24 governs the investment of state funds. Section
25 404.024(b)(10), Government Code, authorizes the
26 investment of state funds in obligations of political
27 subdivisions, including hospital districts. The
28 revised law omits the reference to public funds of
29 political subdivisions or public agencies of the state
30 because it has been superseded by Chapter 2256,
31 Government Code (enacted in 1987 as the Public Funds
32 Investment Act of 1987 (Article 842a-2, Vernon's Texas
33 Civil Statutes)), which governs the investment of
34 local funds. The omitted law reads:

1 Sec. 7.09. District bonds and
2 indebtedness assumed by the district are
3 legal and authorized investments for:

- 4 (1) banks;
5 (2) savings banks;
6 (3) trust companies;
7 (4) savings and loan
8 associations;
9 (5) insurance companies;
10 (6) fiduciaries;
11 (7) trustees;
12 (8) guardians; and
13 (9) sinking funds of cities,
14 counties, school districts, and other
15 political subdivisions of the state and
16 other public funds of the state and its
17 agencies, including the permanent school
18 fund.

19 (3) Section 7.10, Chapter 1017, Acts of the 70th
20 Legislature, Regular Session, 1987, provides that
21 district bonds may secure deposits of public funds of
22 this state or political subdivisions of this state.
23 The revised law omits the provision relating to
24 deposits of state funds by the comptroller 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. As to the deposits of other funds, the
29 provision duplicates Chapter 2257, Government Code,
30 which governs eligible collateral for deposits of
31 funds of other public agencies, including political
32 subdivisions, and permits those deposits to be secured
33 by obligations issued by hospital districts. The
34 omitted law reads:

35 Sec. 7.10. District bonds are
36 eligible to secure deposits of public funds
37 of the state and of cities, counties, school
38 districts, and other political subdivisions
39 of the state. The bonds are lawful and
40 sufficient security for deposits to the
41 extent of their value if accompanied by all
42 unmatured coupons.

43 [Sections 1034.209-1034.250 reserved for expansion]

44 SUBCHAPTER F. TAXES

45 Revised Law

46 Sec. 1034.251. IMPOSITION OF AD VALOREM TAX. (a) The board
47 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) district maintenance and operating expenses.

6 (c) The district may not impose a tax to pay the principal of
7 or interest on revenue bonds issued under this chapter. (Acts 70th
8 Leg., R.S., Ch. 1017, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

9 Source Law

10 Sec. 8.01. (a) The board may annually levy
11 taxes

12 (c) The taxes may be used to pay:

13 (1) the indebtedness issued or assumed by
14 the district; and

15 (2) the maintenance and operating expenses
16 of the district.

17 (d) The district may not levy taxes to pay the
18 principal of or interest on revenue bonds issued under
19 this Act.

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. 1034.252. 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) Unless the rate is increased as provided by Section
28 1034.253, the tax rate for all purposes may not exceed 20 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 70th
32 Leg., R.S., Ch. 1017, 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 20 cents on each \$100 valuation of all taxable property
40 in the district, unless the rate is increased in
41 accordance with Section 8.01A of this Act.

42 Sec. 8.03. In setting the tax rate, the board
43 shall take into consideration the income of the
44 district from sources other than taxation. . . .

1 Revisor's Note

2 Section 8.03, Chapter 1017, Acts of the 70th
3 Legislature, Regular Session, 1987, 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 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. 1034.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
16 The board may order an election to increase the district's maximum
17 tax rate to 75 cents on each \$100 valuation of taxable property in
18 the district. The board shall order the election if the board
19 receives a petition requesting an election that is signed by at
20 least 50 qualified voters in the district.

21 (b) The ballot for the election shall be printed to permit
22 voting for or against the proposition: "The imposition of annual
23 taxes by the district for hospital purposes at a rate not to exceed
24 75 cents on the \$100 valuation of all taxable property in the
25 district."

26 (c) If the board finds that the election results favor the
27 proposition, the board may impose taxes as authorized by the
28 proposition. If the board finds that the election results do not
29 favor the proposition, another election on the question of
30 increasing the district's maximum tax rate may not be held before
31 the first anniversary of the date of the most recent election at
32 which voters disapproved the proposition.

33 (d) Section 41.001(a), Election Code, does not apply to an
34 election ordered under this section. (Acts 70th Leg., R.S., Ch.
35 1017, Secs. 8.01A(a), (b) (part), (c) (part), (d) (part).)

1 section. The revised law omits the provision because
2 Section 1.002, Election Code, provides that the
3 Election Code applies to all elections held in this
4 state. The omitted law reads:

5 (c) . . . The election shall be held
6 in accordance with the applicable
7 provisions of the Election Code.

8 (3) Section 8.01A(d), Chapter 1017, Acts of the
9 70th Legislature, Regular Session, 1987, requires the
10 board to meet and canvass the election returns. The
11 revised law omits this requirement for the reason
12 stated in Revisor's Note (4) to Section 1034.203. The
13 omitted law reads:

14 (d) The board shall meet and canvass
15 the election returns. . . .

16 Revised Law

17 Sec. 1034.254. TAX ASSESSOR-COLLECTOR. The board may
18 provide for the appointment of a tax assessor-collector for the
19 district or may contract for the assessment and collection of taxes
20 as provided by the Tax Code. (Acts 70th Leg., R.S., Ch. 1017, Sec.
21 8.04(b).)

22 Source Law

23 (b) The board may provide for the appointment of
24 a tax assessor-collector for the district or may
25 contract for the assessment and collection of taxes as
26 provided by the Tax Code.

27 Revisor's Note
28 (End of Subchapter)

29 (1) Section 8.02(a), Chapter 1017, Acts of the
30 70th Legislature, Regular Session, 1987, provides that
31 the board may levy taxes for the entire year in which
32 the district is created. The revised law omits that
33 provision 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 (2) Section 8.04(a), Chapter 1017, Acts of the
38 70th Legislature, Regular Session, 1987, provides that
39 the Tax Code governs the appraisal, assessment, and

1 collection of district taxes. The revised law omits
2 this provision as unnecessary because Title 1, Tax
3 Code, governs the appraisal of property for and the
4 assessment and collection of ad valorem taxes by all
5 taxing units in this state, including hospital
6 districts. See Section 1.02, Tax Code. The omitted
7 law reads:

8 Sec. 8.04. (a) The Tax Code governs
9 the appraisal, assessment, and collection
10 of district taxes.

11 Revisor's Note
12 (End of Chapter)

13 (1) Sections 5.01(a) and 5.02(2), Chapter 1017,
14 Acts of the 70th Legislature, Regular Session, 1987,
15 require the transfer of certain land, buildings,
16 improvements, equipment, taxes, and funds to the
17 district after the district is created and provide for
18 the assumption of debt by the district on creation.
19 The revised law omits the provisions as executed. The
20 omitted law reads:

21 Sec. 5.01. (a) On creation of the
22 district, Hall County shall convey or
23 transfer to the district:

24 (1) title to land, buildings,
25 improvements, and equipment related to the
26 hospital system owned by Hall County;

27 (2) operating funds and
28 reserves for operating expenses and funds
29 that have been budgeted by Hall County to
30 provide medical care for residents of the
31 district for the remainder of the fiscal
32 year in which the district is established;

33 (3) taxes levied by Hall County
34 for hospital purposes for the current year;
35 and

36 (4) funds established for
37 payment of indebtedness assumed by the
38 district.

39 Sec. 5.02. [On creation of the
40 district, the district:]

41 . . .
42 (2) assumes any outstanding
43 indebtedness incurred by Hall County in
44 providing hospital care for residents of
45 the territory of the district before the
46 district's creation; and

47 (2) Section 9.02, Chapter 1017, Acts of the 70th
48 Legislature, Regular Session, 1987, validates all

1 resolutions, orders, and other acts of the board of
 2 managers of a hospital district operating in Hall
 3 County before the date on which the Hall County
 4 Hospital District was created and validates all
 5 district proceedings and contracts. The revised law
 6 omits this provision as executed. The omitted law
 7 reads:

8 Sec. 9.02. All resolutions, orders,
 9 and other acts or attempted acts of the
 10 board of managers of a hospital district
 11 operating in Hall County before the date on
 12 which the district authorized by this Act is
 13 created, and all proceedings of the
 14 district, including taxes voted for and
 15 collected, and all contracts are validated
 16 in all respects. All the resolutions,
 17 orders, and other acts or attempted acts of
 18 the board of managers of the district, all
 19 proceedings of the district, the district's
 20 tax authorization and collection, pledged
 21 revenues, and contracts shall be valid as
 22 though they had originally been duly and
 23 legally authorized or accomplished.

24 CHAPTER 1058. MCCAMEY COUNTY HOSPITAL DISTRICT

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13 CHAPTER 1058. MCCAMEY COUNTY HOSPITAL DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 1058.001. 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 McCamey 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. 1058.002. AUTHORITY FOR CREATION. The McCamey County
 29 Hospital District is created under the authority of Section 9,
 30 Article IX, Texas Constitution, and has the rights, powers, and
 31 duties provided by this chapter. (Acts 60th Leg., R.S., Ch. 183,
 32 Sec. 1 (part).)

33 Source Law

34 Sec. 1. Pursuant to authority granted by the
 35 provisions of Section 9 of Article IX of the

1 Constitution of the State of Texas, McCamey County
2 Hospital District is hereby authorized to be created
3 and . . . [shall] . . . possess such rights, powers and
4 duties as are hereinafter prescribed.

5 Revised Law

6 Sec. 1058.003. POLITICAL SUBDIVISION. The district is a
7 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
8 183, Sec. 21 (part).)

9 Source Law

10 Sec. 21. All hospital districts created under
11 the provisions of this Act shall be and are declared to
12 be political subdivisions of the State of Texas, and
13

14 Revised Law

15 Sec. 1058.004. DISTRICT TERRITORY. The boundaries of the
16 district are coextensive with the boundaries of the McCamey
17 Independent School District, as those boundaries existed on January
18 1, 1967. (Acts 60th Leg., R.S., Ch. 183, Sec. 1 (part).)

19 Source Law

20 Sec. 1. . . . [the district] as created shall
21 have boundaries coextensive with the boundaries of the
22 McCamey Independent School District, as constituted on
23 January 1, 1967, and

24 Revised Law

25 Sec. 1058.005. CONSOLIDATION OF DISTRICT AND RANKIN COUNTY
26 HOSPITAL DISTRICT. (a) The McCamey County Hospital District may be
27 consolidated into the Rankin County Hospital District as provided
28 by this section.

29 (b) On the request of 25 percent or more of the qualified
30 taxpaying voters of each hospital district, the commissioners court
31 of Upton County shall submit the consolidation proposal for vote.

32 (c) Consolidation of the district and the Rankin County
33 Hospital District must be separately approved by a two-thirds
34 majority of the voters voting in each hospital district at an
35 election ordered and held for that purpose.

36 (d) At the consolidation election, five directors shall be
37 elected to serve the consolidated district.

38 (e) Not more than one consolidation election may be held
39 after each general election.

1 (f) Refunding bonds may be issued by the consolidated
2 district to refund any outstanding bonds, including bonds issued by
3 the district on consolidation, original bonds, and refunding bonds.
4 Additional funding may be provided as authorized by this chapter.
5 (Acts 60th Leg., R.S., Ch. 183, Sec. 18.)

6 Source Law

7 Sec. 18. The qualified electorate of the
8 hospital districts as provided herein may by
9 two-thirds majority vote of each hospital district,
10 consolidate the McCamey Hospital District into the
11 Rankin Hospital District at any time subsequent to the
12 organization of the separate hospital districts. When
13 it is proposed to consolidate the two districts, 25
14 percent of the qualified taxpaying voters of each
15 district may, by petition, request the commissioners
16 court to submit such a proposal to an election in each
17 of the two hospital districts. By the same petition
18 and at the same election there shall be an election of
19 five directors to serve the consolidated district.

20 No more than one such election may be held after
21 each general election. Both districts must separately
22 approve the merger to effect the consolidation.

23 Refunding bonds may be issued by the district to
24 refund any outstanding bonds (whether issued by said
25 district upon merger and whether such outstanding
26 bonds are original or refunding bonds). Additional
27 funding may be as provided by this act.

28 Revisor's Note

29 (1) Section 18, Chapter 183, Acts of the 60th
30 Legislature, Regular Session, 1967, refers to the
31 "McCamey Hospital District" and the "Rankin Hospital
32 District." The revised law substitutes "McCamey
33 County Hospital District" and "Rankin County Hospital
34 District" for the quoted language in this section and
35 throughout the chapter because those are the names
36 designated in the provisions authorizing the creation
37 of the hospital districts. See Section 1, Chapter 183,
38 Acts of the 60th Legislature, Regular Session, 1967
39 (revised in this chapter as Section 1058.002),
40 creating the "McCamey County Hospital District," and
41 Section 1, Chapter 182, Acts of the 60th Legislature,
42 Regular Session, 1967, creating the "Rankin County
43 Hospital District."

44 (2) Section 18, Chapter 183, Acts of the 60th

1 Legislature, Regular Session, 1967, provides for the
2 consolidation of the McCamey County Hospital District
3 into the Rankin County Hospital District "at any time
4 subsequent to the organization of the separate
5 hospital districts." The revised law omits the quoted
6 language as executed because both districts have been
7 organized.

8 (3) Section 18, Chapter 183, Acts of the 60th
9 Legislature, Regular Session, 1967, provides for the
10 consolidation of the McCamey County Hospital District
11 into the Rankin County Hospital District and requests
12 the commissioners court to submit a proposal to the
13 voters of the two hospital districts. Throughout this
14 chapter, the revised law adds the reference to the
15 commissioners court of "Upton County" because both of
16 the hospital districts are located in Upton County.

17 Revisor's Note
18 (End of Subchapter)

19 (1) Sections 2 and 3, Chapter 183, Acts of the
20 60th Legislature, Regular Session, 1967, provide
21 procedures for holding an election on the creation of
22 the district and the imposition of an ad valorem tax.
23 Because the election has been held, the revised law
24 omits those provisions as executed. The omitted law
25 reads:

26 Sec. 2. The district shall not be
27 created nor shall any tax therein be
28 authorized unless and until such creation
29 and such tax are approved by a majority of
30 the qualified property taxpaying electors
31 of the district voting at an election called
32 for such purposes. Such election may be
33 initiated by the Commissioners Court of
34 Upton County, Texas, upon its own motion or
35 shall be called by said commissioners court
36 upon presentation of a petition therefor
37 signed by at least 100 qualified property
38 taxpaying electors of the district. Such
39 election shall be held not less than 20 nor
40 more than 35 days from the time such
41 election is ordered by the commissioners
42 court. The order calling the election shall
43 specify the time and places of holding same,
44 the form of ballot and the presiding judge

1 for each voting place. Notice of election
2 shall be given by publishing a substantial
3 copy of the election order in a newspaper of
4 general circulation in said district once a
5 week for two consecutive weeks, the first
6 publication to appear at least 14 days prior
7 to the date established for the election.
8 If the proposition to create the McCamey
9 County Hospital District fails to carry at
10 the election, no other election for the same
11 purpose may be held within one year after
12 the result of the election is announced
13 officially. At said election there shall be
14 submitted to the qualified property
15 taxpaying electors of said district the
16 proposition of whether or not McCamey
17 County Hospital District shall be created
18 . . . for the purpose of meeting the
19 requirements of the district's bonds, the
20 indebtedness assumed by it and its
21 maintenance and operating expenses, and a
22 majority of the qualified property
23 taxpaying electors of the district voting
24 at said election in favor of the proposition
25 shall be sufficient for its adoption. The
26 ballots shall have printed thereon the
27 following:

28 "FOR the creation of McCamey County
29 Hospital District, the levy of a tax not to
30 exceed 75 cents on the \$100 valuation and
31 the assumption by such district of all
32 outstanding bonds and indebtedness
33 heretofore issued and incurred by the
34 county for hospital purposes."

35 "AGAINST the creation of McCamey
36 County Hospital District, the levy of a tax
37 not to exceed 75 cents on the \$100 valuation
38 and the assumption by such district of all
39 outstanding bonds and indebtedness
40 heretofore issued and incurred by the
41 county for hospital purposes."

42 Sec. 3. Within 10 days after such
43 election is held, the commissioners court
44 in such county shall convene and canvass the
45 returns of the election and if a majority of
46 qualified property taxpaying electors
47 voting at said election vote in favor of the
48 proposition, the court shall so find and
49 declare the hospital district established
50 and created. . . .

51 (2) Section 22, Chapter 183, Acts of the 60th
52 Legislature, Regular Session, 1967, provides that if
53 there is a conflict between the act and any other law
54 of this state, the act controls. The revised law omits
55 that provision because, under general rules of
56 statutory construction, a statute automatically has
57 the effect of repealing prior conflicting enactments
58 and is ineffective to repeal subsequent legislation.
59 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. 22. . . . 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 [Sections 1058.006-1058.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Revised Law

14 Sec. 1058.051. BOARD ELECTION; TERM. (a) The board
15 consists of five directors elected by the district voters.

16 (b) Unless four-year terms are established under Section
17 285.081, Health and Safety Code, directors serve staggered two-year
18 terms with the terms of two or three directors expiring each year as
19 appropriate. (Acts 60th Leg., R.S., Ch. 183, Sec. 3 (part).)

20 Source Law

21 Sec. 3. . . . [The . . . board of directors]
22 which consists of five members, to be elected by the
23 qualified electors who own taxable property within the
24 district and who have duly rendered that property for
25 taxation. . . . The regular term of each director
26 shall be for two years but at the first called
27 election, the three directors receiving the highest
28 vote at such election shall serve for two years and the
29 other two directors shall serve for one year. . . .

30 Revisor's Note

31 (1) Section 3, Chapter 183, Acts of the 60th
32 Legislature, Regular Session, 1967, refers to the
33 "qualified" electors. The revised law omits
34 "qualified" as unnecessary in this context because
35 Chapter 11, Election Code, governs eligibility to vote
36 in an election in this state and allows only
37 "qualified" voters who are residents of the territory
38 covered by the election to vote in an election. The
39 revised law substitutes "voter" for "elector" because
40 "voter" is the term used in the Election Code.

1 (2) Section 3, Chapter 183, Acts of the 60th
2 Legislature, Regular Session, 1967, refers to electors
3 "who own taxable property within the district and who
4 have duly rendered that property for taxation." The
5 revised law omits the quoted language because in Hill
6 v. Stone, 421 U.S. 289 (1975), the United States
7 Supreme Court determined that property ownership as a
8 qualification for voting is an unconstitutional denial
9 of equal protection.

10 (3) Section 3, Chapter 183, Acts of the 60th
11 Legislature, Regular Session, 1967, prescribes
12 procedures for the election of initial directors. The
13 revised law omits those provisions as executed.
14 Section 3 also provides that three of the initial
15 directors serve for two years and that two of the
16 initial directors serve for one year. The revised law
17 revises the provision specifying staggered terms, but
18 omits the provision relating to the expiration of the
19 initial directors' terms as executed. The omitted law
20 reads:

21 Sec. 3. . . . Not less than 15 nor
22 more than 25 days after the district is
23 declared established and created the
24 commissioners court shall call an election
25 for the five directors who will serve as the
26 district's first board of directors, this
27 election to be held on a date not more than
28 30 days after the day of the passage of the
29 commissioners court order calling same but
30 on such date as will permit publication of
31 an election notice in a newspaper of general
32 circulation in the district one time not
33 less than 14 days prior to such election
34 date. Any candidate desiring to be voted
35 upon as a first director shall, no later
36 than five days subsequent to the day of
37 passage of the commissioners court order
38 calling the election, present a petition to
39 that court signed by such candidate
40 requesting that his name be placed upon the
41 official ballot. . . . The first year
42 terms shall be ended on the date of the
43 first annual elections as hereinafter
44 provided. . . .

45 (4) Section 3, Chapter 183, Acts of the 60th
46 Legislature, Regular Session, 1967, provides that

1 Revisor's Note

2 Section 3, Chapter 183, Acts of the 60th
3 Legislature, Regular Session, 1967, requires notice of
4 a directors' election to be published in "the county."
5 Throughout this chapter, the revised law substitutes
6 "Upton County" for "the county" because Upton County
7 is the county in which the district is located.

8 Revised Law

9 Sec. 1058.053. QUALIFICATIONS FOR OFFICE. (a) To qualify
10 for election to the board, a person must:

- 11 (1) be at least 18 years of age;
12 (2) have been a resident of the district for at least
13 two years;
14 (3) be a qualified voter; and
15 (4) own taxable property in the district and have duly
16 rendered that property for taxation.

17 (b) An elective or appointed officer of this state or a
18 political subdivision, including Upton County, is not qualified for
19 election to the board. (Acts 60th Leg., R.S., Ch. 183, Sec. 3
20 (part).)

21 Source Law

22 Sec. 3. . . . To qualify for the election to the
23 board, a person must:

- 24 1. be at least 21 years of age;
25 2. have been a resident of the district for
26 at least two years;
27 3. be a qualified voter;
28 4. own taxable property within the
29 district and have duly rendered that property for
30 taxation;
31 5. shall not be an officer of any political
32 subdivision or the State of Texas or the County of
33 Upton, whether such office be elective or by
34 appointment.
35 . . .

36 Revisor's Note

37 Section 3, Chapter 183, Acts of the 60th
38 Legislature, Regular Session, 1967, provides that a
39 person must be "at least 21 years of age" to qualify
40 for election as a director. The revised law
41 substitutes "18" for "21" because Section 129.002,

1 Civil Practice and Remedies Code, provides that a law
2 adopted before August 27, 1973, that extends a right,
3 privilege, or obligation to an individual on the basis
4 of a minimum age of 19, 20, or 21 years shall be
5 interpreted as prescribing a minimum age of 18 years.
6 Section 3 was enacted in 1967 and has not been amended.

7 Revised Law

8 Sec. 1058.054. BOND; RECORD OF BOND AND OATH. (a) Each
9 director shall qualify by executing a good and sufficient
10 commercial bond for \$1,000 that is:

11 (1) payable to the district; and

12 (2) conditioned on the faithful performance of the
13 director's duties.

14 (b) The district shall pay for a director's bond.

15 (c) Each director's bond and constitutional oath of office
16 must be deposited with the district's depository bank for
17 safekeeping. (Acts 60th Leg., R.S., Ch. 183, Sec. 3 (part).)

18 Source Law

19 Sec. 3. . . . Each member of the board of
20 directors shall qualify by executing the
21 constitutional oath of office and shall execute a good
22 and sufficient commercial bond for \$1,000 payable to
23 said district conditioned upon the faithful
24 performance of his duties, and such oaths and bonds
25 shall be deposited with the depository bank of the
26 district for safekeeping. The cost of this bond shall
27 be an expense of the hospital district.

28 . . .

29 Revisor's Note

30 Section 3, Chapter 183, Acts of the 60th
31 Legislature, Regular Session, 1967, 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 an
35 officer of this state to take the constitutional oath
36 (or affirmation) before assuming office.

37 Revised Law

38 Sec. 1058.055. BOARD VACANCY. (a) The remaining directors
39 by appointment shall fill a vacancy in the office of director.

1 (b) An appointed replacement serves until the next election
2 for directors. An elected director serves only for the remainder of
3 the unexpired term. (Acts 60th Leg., R.S., Ch. 183, Sec. 3 (part).)

4 Source Law

5 Sec. 3. . . . All vacancies in the office of
6 director shall be filled by appointment of the
7 remainder of the board of directors until the next
8 election for directors and at such election the
9 directors shall be elected for the unexpired term.
10 . . .

11 Revised Law

12 Sec. 1058.056. OFFICERS. (a) The board shall elect a
13 presiding officer.

14 (b) A presiding officer pro tem shall preside in the absence
15 of the presiding officer.

16 (c) The district administrator or any director may be
17 appointed secretary. (Acts 60th Leg., R.S., Ch. 183, Sec. 3
18 (part).)

19 Source Law

20 Sec. 3. . . . The board of directors shall
21 organize by election a chairman, who shall preside; or
22 in his absence a chairman pro tem shall preside; and
23 the administrator or any member of the board may be
24 appointed secretary. . . .

25 Revisor's Note

26 Section 3, Chapter 183, Acts of the 60th
27 Legislature, Regular Session, 1967, refers to a
28 "chairman, who shall preside" and a "chairman pro
29 tem." Throughout this chapter, the revised law
30 substitutes "presiding officer" and "presiding
31 officer pro tem" for those terms because, in context,
32 the terms have the same meaning and "presiding
33 officer" is more commonly used and is gender neutral.

34 Revised Law

35 Sec. 1058.057. VOTING REQUIREMENT. A concurrence of three
36 directors is sufficient in any matter relating to district
37 business. (Acts 60th Leg., R.S., Ch. 183, Sec. 3 (part).)

38 Source Law

39 Sec. 3. . . . [members of the board of

1 directors] . . . a concurrence of three shall be
2 sufficient in all matters pertaining to the business
3 of the district. . . .

4 Revisor's Note

5 Section 3, Chapter 183, Acts of the 60th
6 Legislature, Regular Session, 1967, 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.

12 The omitted law reads:

13 Sec. 3. . . . Any three members of
14 the board of directors shall constitute a
15 quorum and

16 Revised Law

17 Sec. 1058.058. RECORDS OF PROCEEDINGS. (a) The board shall
18 require the board secretary to keep suitable records of all
19 proceedings of each board meeting.

20 (b) After each meeting:

21 (1) the member presiding at the meeting shall read and
22 sign the record; and

23 (2) the board secretary shall attest the record.
24 (Acts 60th Leg., R.S., Ch. 183, Sec. 3 (part).)

25 Source Law

26 Sec. 3. . . . The board shall require the
27 secretary to keep suitable records of all proceedings
28 of each meeting of the board. Such records shall be
29 read and signed after each meeting by the chairman or
30 the member presiding, and attested by the secretary.
31 . . .

32 Revised Law

33 Sec. 1058.059. DISTRICT ADMINISTRATOR. (a) The board
34 shall appoint a general manager to be known as the district
35 administrator.

36 (b) The district administrator must be a qualified
37 practitioner of medicine or be specifically trained for work of
38 that type. The district administrator may not be a director.

39 (c) The district administrator receives the compensation

1 determined by the board.

2 (d) The district administrator serves at the pleasure of the
3 board, and the board may remove the district administrator at any
4 time.

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

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

10 (2) contains any other condition the board requires.

11 (Acts 60th Leg., R.S., Ch. 183, Sec. 4 (part).)

12 Source Law

13 Sec. 4. The board shall appoint a general
14 manager to be known as the administrator of the
15 hospital district. The administrator shall hold
16 office at the pleasure of the board and shall receive
17 such compensation as may be fixed by the board. The
18 administrator shall be subject to removal at any time
19 by the board. The administrator shall, before
20 entering into the discharge of his duties, execute a
21 bond payable to the district, in the amount of not less
22 than \$10,000 conditioned that he shall well and
23 faithfully perform the duties required of him, and
24 containing such other conditions as the board may
25 require. . . . Said administrator shall not be a
26 member of the board and shall be a qualified
27 practitioner of medicine or be specifically trained
28 for work of such character. . . .

29 Revised Law

30 Sec. 1058.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
31 Subject to any limitations prescribed by the board, the district
32 administrator shall:

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

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

35 and

36 (3) direct the affairs of the district. (Acts 60th
37 Leg., R.S., Ch. 183, Sec. 4 (part).)

38 Source Law

39 Sec. 4. . . . The administrator shall perform
40 all duties which may be required of him by the board,
41 and shall supervise all of the work and activities of
42 the district and have general direction of the affairs
43 of the district within such limitations as may be
44 prescribed by the board. . . .

1 Revised Law

2 Sec. 1058.061. ASSISTANT TO DISTRICT ADMINISTRATOR. (a)
3 The board may designate an assistant to the district administrator
4 to discharge a duty or function of the administrator in the event of
5 the administrator's incapacity, absence, or inability to discharge
6 the duty or function.

7 (b) The assistant shall post the bond required by board
8 order.

9 (c) The assistant is subject to any limitations prescribed
10 by board order. (Acts 60th Leg., R.S., Ch. 183, Sec. 5.)

11 Source Law

12 Sec. 5. In the event of incapacity, absence or
13 inability of the administrator to discharge any of the
14 duties required of him, the board may designate an
15 assistant to the administrator to discharge any duties
16 or functions required of the administrator. Such
17 assistant or other persons shall give bond and have
18 such limitations upon his authority as may be fixed by
19 the order of the board.

20 Revised Law

21 Sec. 1058.062. LEGAL COUNSEL. The board may employ legal
22 counsel to represent the district in all legal matters. (Acts 60th
23 Leg., R.S., Ch. 183, Sec. 20.)

24 Source Law

25 Sec. 20. The board of directors of said hospital
26 district shall be authorized to employ legal counsel
27 to represent the hospital district in all legal
28 matters.

29 Revised Law

30 Sec. 1058.063. RETIREMENT PROGRAM. (a) With the approval
31 of the commissioners court of Upton County, the board may contract
32 with this state or the federal government as necessary to establish
33 or continue a retirement program for the benefit of district
34 employees.

35 (b) The board may establish other retirement programs for
36 the benefit of district employees as it considers necessary and
37 advisable. (Acts 60th Leg., R.S., Ch. 183, Sec. 4 (part).)

38 Source Law

39 Sec. 4. . . . [The board of directors, with the
40 approval of the commissioner's court] Further,

1 under the same conditions, the board of hospital
2 directors may enter into such contracts with the state
3 and federal government as may be necessary to
4 establish or continue a retirement program for the
5 benefit of its employees.

6 The board of directors may in addition to
7 retirement programs authorized by this Act establish
8 such other retirement program for the benefit of its
9 employees as it deems necessary and advisable.

10 Revised Law

11 Sec. 1058.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

12 All district records, including books, accounts, notices, and
13 minutes, and all other matters of the district and the operation of
14 its facilities shall be:

15 (1) maintained at the district office; and

16 (2) open to public inspection at the district office
17 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 183, Sec. 9
18 (part).)

19 Source Law

20 Sec. 9. . . . All books, records, accounts,
21 notices and minutes and all other matters of the
22 district and the operation of its facilities shall be
23 maintained at the office of the district and there be
24 open to the public inspection at all reasonable hours.

25 Revised Law

26 Sec. 1058.065. SEAL. The board shall have a seal engraved
27 with the district's name to authenticate the board's acts. The
28 board secretary shall keep the seal. (Acts 60th Leg., R.S., Ch.
29 183, Sec. 3 (part).)

30 Source Law

31 Sec. 3. . . . The board shall have a seal, on
32 which shall be engraved the name of the hospital
33 district; and said seal shall be kept by the secretary
34 and used in authentication of all acts of the board.

35 . . .

36 Revisor's Note
37 (End of Subchapter)

38 Section 3, Chapter 183, Acts of the 60th
39 Legislature, Regular Session, 1967, states that a
40 person must file a ballot application with the board
41 secretary to be a candidate for director and
42 prescribes a deadline for filing the application. The
43 revised law omits the requirement to file the

1 application with the board secretary because it
2 duplicates Sections 144.003 and 144.004, Election
3 Code. The revised law omits the filing deadline
4 because it is superseded by Section 144.005, Election
5 Code. Section 1.002, Election Code, provides that the
6 Election Code applies to all elections held in this
7 state. The omitted law reads:

8 Sec. 3. . . . Any person desiring his
9 name to be printed on the ballot as a
10 candidate for director shall file an
11 application to have his name placed on the
12 ballot with the secretary of the board of
13 directors of the district. Such
14 application shall be filed with the
15 secretary at least 25 days prior to the date
16 of election.

17 [Sections 1058.066-1058.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Revised Law

20 Sec. 1058.101. DISTRICT RESPONSIBILITY. The district has
21 full responsibility for providing medical and hospital care for the
22 district's needy and indigent residents. (Acts 60th Leg., R.S.,
23 Ch. 183, Sec. 11 (part).)

24 Source Law

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

31 Revisor's Note

32 Section 11, Chapter 183, Acts of the 60th
33 Legislature, Regular Session, 1967, provides that the
34 district "shall be deemed to have assumed" full
35 responsibility for providing medical and hospital care
36 for the district's needy and indigent residents "from
37 the date that taxes are collected for the hospital
38 district." The revised law substitutes "has" for
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. 1058.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION.
4 Any part of a county or a municipality, any part of which is in the
5 district, may not impose a tax for hospital purposes. (Acts 60th
6 Leg., R.S., Ch. 183, Sec. 11 (part).)

7 Source Law

8 Sec. 11. No county or part thereof that has been
9 constituted a part of this hospital district, and no
10 city therein, shall thereafter levy any tax for
11 hospital purposes; and

12 Revisor's Note

13 Section 11, Chapter 183, Acts of the 60th
14 Legislature, Regular Session, 1967, prohibits certain
15 counties and any "city therein" from levying a tax for
16 hospital purposes. The revised law substitutes
17 "municipality" for "city" because that is the term
18 used in the Local Government Code. Additionally,
19 throughout this chapter, the revised law substitutes
20 "impose" for "levy" because, in the context of
21 taxation, the terms are synonymous and "impose" is the
22 term used in Title 1, Tax Code.

23 Revised Law

24 Sec. 1058.103. MANAGEMENT AND CONTROL OF DISTRICT. The
25 management and control of the district is vested in the board.
26 (Acts 60th Leg., R.S., Ch. 183, Sec. 3 (part).)

27 Source Law

28 Sec. 3. . . . The management and control of the
29 district is vested in a board of directors

30 Revised Law

31 Sec. 1058.104. EMINENT DOMAIN. (a) The district may
32 exercise the power of eminent domain to acquire a fee simple or
33 other interest in any type of property, real, personal, or mixed,
34 located in district territory if the interest is necessary or
35 convenient to exercise a right, power, privilege, or function
36 conferred on the district by this chapter.

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

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

7 (1) pay in advance or provide a bond otherwise
8 required for the issuance of a temporary restraining order or a
9 temporary injunction; or

10 (2) provide a bond for costs or a supersedeas bond on
11 an appeal or petition for review. (Acts 60th Leg., R.S., Ch. 183,
12 Sec. 17.)

13 Source Law

14 Sec. 17. The hospital district organized in
15 pursuance of this Act shall have the right and power of
16 eminent domain for the purpose of acquiring by
17 condemnation any and all property of any kind or
18 character, real, personal or mixed, or any interest
19 therein, including outright ownership of such property
20 in fee simple absolute, within the boundaries of the
21 said district, necessary or convenient to the exercise
22 of the rights, powers, privileges and functions
23 conferred upon it by this Act, in the manner provided
24 by general law with respect to condemnation by
25 counties; provided that the said district shall not be
26 required to make deposits in the registry of the trial
27 court of the sum required by paragraph numbered 2 in
28 Article 3268, Revised Civil Statutes of Texas, 1925,
29 or to make the bond required therein. In condemnation
30 proceedings being prosecuted by the said district, the
31 district shall not be required to pay in advance or
32 give any bond otherwise required for the issuance of a
33 temporary restraining order or a temporary injunction
34 relating to a condemnation proceeding, nor to give
35 bond for costs or for supersedeas or any appeal or writ
36 of error proceeding to any court of civil appeals, or
37 to the supreme court.

38 Revisor's Note

39 (1) Section 17, Chapter 183, Acts of the 60th
40 Legislature, Regular Session, 1967, 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
45 [property]" because the phrases have the same meaning
46 and the latter phrase is consistent with modern usage

1 in laws relating to eminent domain.

2 (2) Section 17, Chapter 183, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that the
4 district must exercise the power of eminent domain in
5 the manner provided by "general law with respect to
6 condemnation by counties." The revised law substitutes
7 for the quoted language a reference to Chapter 21,
8 Property Code, because that is the general law
9 governing eminent domain for governmental entities,
10 including counties.

11 (3) Section 17, Chapter 183, Acts of the 60th
12 Legislature, Regular Session, 1967, refers to
13 "paragraph numbered 2 in Article 3268, Revised Civil
14 Statutes of Texas, 1925." That statute was codified in
15 1983 as Section 21.021(a), Property Code, and the
16 revised law is drafted accordingly.

17 (4) Section 17, Chapter 183, Acts of the 60th
18 Legislature, Regular Session, 1967, provides that the
19 district is not required to provide bond on an appeal
20 or "writ of error proceeding" to "any court of civil
21 appeals, or to the supreme court." The revised law
22 substitutes "petition for review" for "writ of error"
23 because, effective September 1, 1997, the Texas
24 Supreme Court replaced the writ of error procedure
25 with the petition for review procedure. See Rule 53.1,
26 Texas Rules of Appellate Procedure. The revised law
27 omits the references to the court of civil appeals (now
28 the court of appeals) and the supreme court because
29 those courts are the only courts to which the district
30 may appeal or with which the district may file a
31 petition for review.

32 Revised Law

33 Sec. 1058.105. GIFTS AND ENDOWMENTS. The board may accept
34 for the district a gift or endowment to be held in trust and

1 administered by the board for the purposes and under any
2 directions, limitations, or other provisions prescribed in writing
3 by the donor that are not inconsistent with the proper management
4 and objectives of the district. (Acts 60th Leg., R.S., Ch. 183,
5 Sec. 16.)

6 Source Law

7 Sec. 16. Said board of directors of the hospital
8 district is authorized on behalf of said hospital
9 district to accept donations, gifts and endowments for
10 the hospital district, to be held in trust and
11 administered by the board of directors for such
12 purposes and under such directions, limitations and
13 provisions as may be prescribed in writing by donor,
14 not inconsistent with proper management and objects of
15 this hospital district.

16 Revisor's Note

17 Section 16, Chapter 183, Acts of the 60th
18 Legislature, Regular Session, 1967, 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. 1058.106. AWARD OF CERTAIN CONTRACTS. (a) The board,
24 on behalf of the district, may enter into a contract that exceeds
25 \$2,000 only with the lowest qualified bidder.

26 (b) Before awarding a contract under this section, notice
27 must be given by:

28 (1) advertising in one or more newspapers of general
29 circulation in this state, once a week for four weeks; and

30 (2) posting a notice for at least 25 days at four
31 public places in Upton County, including:

32 (A) at the courthouse door; and

33 (B) in at least two other places in the district.

34 (c) On application by a person who wants to bid on the
35 contract, the board shall provide to the person:

36 (1) a copy of the plans and specifications; or

37 (2) other data necessary to make the bid.

38 (d) A bid under this section must be in writing, sealed, and

1 delivered to the presiding officer of the board together with a
2 certified check for at least five percent of the total amount of the
3 bid.

4 (e) If the bidder's bid is accepted but the bidder refuses a
5 proper contract with the board, the certified check required by
6 Subsection (d) is forfeited to the district.

7 (f) The board may reject a bid under this section that the
8 board considers too high. (Acts 60th Leg., R.S., Ch. 183, Sec. 13
9 (part).)

10 Source Law

11 Sec. 13. Any contract of any nature whatsoever
12 entered into by the board of directors on behalf of
13 said hospital district in excess of \$2,000 shall be let
14 to the lowest qualified bidder after advertising the
15 same in one or more newspapers of general circulation
16 in this state for four consecutive weeks, and by
17 posting notices thereof for at least 25 days in four
18 public places in the county, one at the courthouse door
19 and at least two within the district. Any person, firm
20 or corporation desiring to bid on any such contract,
21 shall, upon application to the directors, be furnished
22 with a copy of the plans and specifications or other
23 data necessary to make the said bid. All bids shall be
24 in writing and sealed and delivered to the chairman of
25 the board of directors, with a certified check for at
26 least five percent of the total amount bid, which shall
27 be forfeited to the district in case the bidder refuses
28 to enter into a proper contract if his bid is accepted.
29 Any bid may be rejected if deemed too high. . . .

30 Revisor's Note

31 (1) Section 13, Chapter 183, Acts of the 60th
32 Legislature, Regular Session, 1967, refers to any
33 person, "firm or corporation." The revised law omits
34 the quoted language because under Section 311.005(2),
35 Government Code (Code Construction Act), "person" is
36 defined to include any legal entity.

37 (2) Section 13, Chapter 183, Acts of the 60th
38 Legislature, Regular Session, 1967, provides that the
39 provisions of Article 5160, Revised Civil Statutes of
40 Texas, 1925, apply to the district's construction
41 contracts in relation to surety bonds. The revised law
42 omits this reference because Article 5160 was codified
43 as Chapter 2253, Government Code, and that chapter

1 applies to hospital districts on its own terms. The
2 omitted law reads:

3 Sec. 13. . . . The contractor shall
4 give surety bond to the district in
5 accordance with the provisions of Article
6 5160, Revised Civil Statutes of Texas,
7 1925, and amendments thereto.

8 Revised Law

9 Sec. 1058.107. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
10 CARE AND TREATMENT. With the approval of the commissioners court
11 of Upton County, the board may contract with:

12 (1) a county other than Upton County for the care and
13 treatment of sick or injured persons of that county; and

14 (2) this state or a federal agency for the care and
15 treatment of a sick or injured person for whom this state or the
16 federal government is responsible. (Acts 60th Leg., R.S., Ch. 183,
17 Sec. 4 (part).)

18 Source Law

19 Sec. 4. . . . The board of directors, with the
20 approval of the commissioners court, shall be
21 authorized to contract with any county other than
22 Upton County for care and treatment of the county's
23 sick, diseased and injured persons, and with the state
24 and agencies of the federal government for the care and
25 treatment of such persons for whom the state and such
26 agencies of the federal government are responsible.
27 . . .

28 Revisor's Note

29 Section 4, Chapter 183, Acts of the 60th
30 Legislature, Regular Session, 1967, refers to the
31 treatment of "sick, diseased and injured persons."
32 The revised law omits "diseased" because "diseased" is
33 included in the meaning of "sick."

34 Revised Law

35 Sec. 1058.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When
36 a patient from the district is admitted to a district facility, the
37 district administrator shall have an inquiry made into the
38 circumstances of:

39 (1) the patient; and

40 (2) the patient's relatives legally liable for the

1 patient's support.

2 (b) If the district administrator determines that the
3 patient or those relatives cannot pay for all or part of the
4 patient's care and treatment in the hospital, the expense of that
5 care becomes a charge against the district.

6 (c) If the district administrator determines that the
7 patient or those relatives are liable to pay for all or part of the
8 patient's care and treatment, the patient or those relatives shall
9 be ordered to pay the district's treasurer a specified amount each
10 week for the patient's support. The amount ordered must be
11 proportionate to the financial ability and may not exceed the
12 actual per capita cost of maintenance.

13 (d) The district administrator may collect the amount from
14 the patient's estate, or from those relatives legally liable for
15 the patient's support, in the manner provided by law for the
16 collection of expenses of the last illness of a deceased person.

17 (e) If there is a dispute, or a doubt in the district
18 administrator's mind, as to the ability to pay, the board shall hold
19 a hearing and, after calling witnesses, shall:

20 (1) resolve the dispute or doubt; and

21 (2) issue any appropriate order.

22 (f) Either party to the dispute may appeal the district's
23 order to the district court. The appeal is by trial de novo as that
24 term is used in appeals from the justice courts to the county
25 courts. (Acts 60th Leg., R.S., Ch. 183, Sec. 15.)

26 Source Law

27 Sec. 15. Whenever a patient has been admitted to
28 the facilities of the hospital district from the area
29 of the said hospital district, the administrator shall
30 cause inquiry to be made as to his circumstances, and
31 of the relatives of such patient legally liable for his
32 support. If he finds that such patient or said
33 relatives are liable to pay for his care and treatment
34 in whole or in part, an order shall be made directing
35 such patient or such relative, to pay to the treasurer
36 of the hospital district for the support of such
37 patient a specified sum per week, in proportion to the
38 financial ability, but such sum shall not exceed the
39 actual per capita cost of maintenance. The
40 administrator shall have power and authority to
41 collect such sum from the estate of the patient, or his
42 relatives legally liable for his support, in the

1 manner provided by law for the collection of expenses
2 of the last illness of a deceased person. If the
3 administrator finds that such patient or said
4 relatives are not able to pay, either in whole or in
5 part, for his care and treatment in such hospital the
6 same shall become a charge upon the hospital district.
7 Should there be a dispute, as to ability to pay, or
8 doubt in the mind of the administrator, the board of
9 directors of said district shall hear and determine
10 the same after calling witnesses, and shall make such
11 order as may be proper, from which appeal shall lie to
12 the district court by either party to the dispute. The
13 trial on appeal shall be de novo as that term is used in
14 appeals from the justice courts to the county courts.

15 Revised Law

16 Sec. 1058.109. AUTHORITY TO SUE AND BE SUED. As a
17 governmental agency, the district may sue and be sued in the
18 district's own name in any court of this state. (Acts 60th Leg.,
19 R.S., Ch. 183, Sec. 21 (part).)

20 Source Law

21 Sec. 21. [All hospital districts created under
22 the provisions of this Act] . . . as governmental
23 agency may sue and be sued in any and all courts of this
24 state in the name of such district.

25 Revisor's Note
26 (End of Subchapter)

27 Section 14, Chapter 183, Acts of the 60th
28 Legislature, Regular Session, 1967, provides
29 authority for the "State Board of Health or any State
30 Board of Charities (or Public Welfare) now existing or
31 as may hereafter be created" to inspect district
32 facilities and records. The revised law omits Section
33 14 because various state laws, including Chapters 222
34 and 241, Health and Safety Code, provide the necessary
35 inspection authority to appropriate state agencies.
36 The omitted law reads:

37 Sec. 14. The hospital district
38 established or maintained under the
39 provisions of this Act shall be subject to
40 inspection by any duly authorized
41 representative of the State Board of Health
42 or any State Board of Charities (or Public
43 Welfare) now existing or as may hereafter be
44 created, and resident officers shall admit
45 such representatives into all hospital
46 district facilities and give them access on
47 demand to all records, reports, books,
48 papers and accounts pertaining to the
49 hospital district.

1 [Sections 1058.110-1058.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Revised Law

4 Sec. 1058.151. BUDGET. The board annually shall require a
5 budget to be prepared for the next fiscal year that includes:

6 (1) proposed expenditures and disbursements;

7 (2) estimated receipts and collections; and

8 (3) the amount of taxes required to be imposed for the
9 year. (Acts 60th Leg., R.S., Ch. 183, Sec. 9 (part).)

10 Source Law

11 Sec. 9. . . . The board of directors shall each
12 year cause a budget to be prepared showing the proposed
13 expenditures and disbursements and the estimated
14 receipts and collections for the following fiscal year
15 and The proposed budget shall also show the
16 amount of taxes required to be levied and collected
17 during such fiscal year and

18 Revisor's Note

19 Section 9, Chapter 183, Acts of the 60th
20 Legislature, Regular Session, 1967, refers to taxes
21 required to be "levied and collected." The revised law
22 substitutes "imposed" for the quoted language because
23 "impose" is the term generally used in Title 1, Tax
24 Code, and includes the levying and collection of an ad
25 valorem tax.

26 Revised Law

27 Sec. 1058.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
28 The board shall hold a public hearing on the proposed budget.

29 (b) Notice of the hearing must be published at least once in
30 a newspaper of general circulation in Upton County not later than
31 the 10th day before the date of the hearing.

32 (c) Any district taxpayer is entitled to:

33 (1) appear at the time and place designated in the
34 notice; and

35 (2) be heard regarding any item included in the
36 proposed budget. (Acts 60th Leg., R.S., Ch. 183, Sec. 9 (part).)

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

3 (2) the details of district operation during the
4 preceding fiscal year; and

5 (3) a full and complete list of all delinquent
6 accounts owing and due the district, including names and addresses
7 of delinquent debtors.

8 (b) The report shall be filed in:

9 (1) the district office; and

10 (2) the office of the county clerk of Upton County.

11 (Acts 60th Leg., R.S., Ch. 183, Sec. 9 (part).)

12 Source Law

13 Sec. 9. . . . The directors and administrator
14 of said hospital district shall annually prepare a
15 report under oath containing a full statement of all
16 the moneys, choses in action and how disbursed or
17 otherwise disposed of. Such report shall show in
18 detail the operations of the district for the year and
19 shall contain a full and complete list of all
20 delinquent accounts owing and due such hospital
21 district including names and addresses of delinquent
22 debtors. Such report shall be filed in the office of
23 the district and in the County Clerk's Office of Upton
24 County, Texas.
25 . . .

26 Revised Law

27 Sec. 1058.156. DEPOSITORY. (a) The board shall designate
28 one or more banks in the district to serve as a depository for
29 district money.

30 (b) All district money shall be immediately deposited on
31 receipt with a depository bank, except that sufficient money must
32 be remitted to an appropriate bank to pay the principal of and
33 interest on the district's outstanding bonds, or other obligations
34 assumed by the district, on or before the maturity date of the
35 principal and interest.

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

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

1 director of a bank does not disqualify that bank from being
2 designated as depository. (Acts 60th Leg., R.S., Ch. 183, Secs. 6
3 (part), 10.)

4 Source Law

5 Sec. 6. . . . All other income of the hospital
6 district shall be deposited in like manner with the
7 district depository.
8 . . .

9 Sec. 10. The board of directors of the district
10 shall name one or more banks within the district to
11 serve as depository for the funds of the district. All
12 such funds shall, as derived and collected, be
13 immediately deposited with such depository bank or
14 banks except that sufficient funds shall be remitted
15 to the bank or banks for the payment of principal of
16 and interest on the outstanding bonds of the district
17 or other obligations assumed by it and in time that
18 such money may be received by said bank or banks of
19 payment on or prior to the date of maturity of such
20 principal and interest so to be paid. To the extent
21 that funds in the depository bank or banks are not
22 insured by the Federal Deposit Insurance Corporation,
23 they shall be secured in the manner provided by law for
24 security of county funds. Membership on the board of
25 directors of an officer or director of a bank shall not
26 disqualify such bank from being designated as
27 depository.

28 Revisor's Note

29 Section 10, Chapter 183, Acts of the 60th
30 Legislature, Regular Session, 1967, refers to money
31 "derived and collected." The revised law substitutes
32 "on receipt" for the quoted language because the terms
33 are synonymous and the former is more commonly used.

34 [Sections 1058.157-1058.200 reserved for expansion]

35 SUBCHAPTER E. BONDS

36 Revised Law

37 Sec. 1058.201. GENERAL OBLIGATION BONDS. The board may
38 issue and sell general obligation bonds in the name and on the faith
39 and credit of the district for any purpose relating to the purchase,
40 construction, acquisition, repair, or renovation of buildings or
41 improvements and equipping buildings or improvements for hospital
42 purposes. (Acts 60th Leg., R.S., Ch. 183, Sec. 7 (part).)

43 Source Law

44 Sec. 7. The board of directors shall have the
45 power and authority to issue and sell as the
46 obligations of such hospital district, and in the name

1 and upon the faith and credit of such hospital
2 district, bonds for the purchase, construction,
3 acquisition, repair or renovation of buildings and
4 improvements and equipping the same for hospital
5 purposes and for any or all of such purposes;

6 Revisor's Note

7 Section 7, Chapter 183, Acts of the 60th
8 Legislature, Regular Session, 1967, provides that the
9 board may issue and sell bonds as obligations of the
10 district in the name and on the faith and credit of the
11 district. Because the type of bonds described by
12 Section 7 are known as "general obligation bonds," the
13 revised law is drafted accordingly.

14 Revised Law

15 Sec. 1058.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
16 The board shall impose an ad valorem tax at a rate sufficient to
17 create an interest and sinking fund to pay the principal of and
18 interest on general obligation bonds issued under Section 1058.201
19 as the bonds mature.

20 (b) The tax required by this section together with any other
21 ad valorem tax imposed for the district may not in any year exceed
22 75 cents on each \$100 valuation of all taxable property in the
23 district. (Acts 60th Leg., R.S., Ch. 183, Secs. 6 (part), 7
24 (part).)

25 Source Law

26 Sec. 6. . . . [the board of directors shall
27 . . . levy . . .] a tax of not to exceed 75 cents on the
28 \$100 valuation of all taxable property within the
29 hospital district,

30 Sec. 7. . . . provided, that a sufficient tax
31 shall be levied to create an interest and sinking fund
32 to pay the interest and principal as same matures
33 provided said tax together with any other taxes levied
34 for said district shall not exceed 75 cents in any one
35 year. . . .

36 Revisor's Note

37 Section 7, Chapter 183, Acts of the 60th
38 Legislature, Regular Session, 1967, requires the levy
39 of a tax to pay the principal of and interest on bonds.
40 The revised law specifies that the tax is an "ad
41 valorem" tax because it is clear from the source law

1 that the tax is a property tax. Section 1(b), Article
2 VIII, Texas Constitution, requires all property that
3 is taxed to be taxed in proportion to its value, and
4 accordingly "ad valorem" tax is the term most commonly
5 used in Texas law to refer to a tax on property.

6 Revised Law

7 Sec. 1058.203. GENERAL OBLIGATION BOND ELECTION. (a) The
8 district may issue general obligation bonds only if the bonds are
9 authorized by a majority of the district voters voting at an
10 election held for that purpose.

11 (b) The board may order a bond election on its own motion.

12 (c) The order must specify:

13 (1) the location of the polling places;

14 (2) the presiding election officers;

15 (3) the purpose for which the bonds are to be issued;

16 (4) the amount of the bonds;

17 (5) the maximum interest rate of the bonds; and

18 (6) the maximum maturity date of the bonds.

19 (d) Notice of a bond election shall be given by publishing a
20 substantial copy of the order in a newspaper of general circulation
21 in the district once each week for two consecutive weeks before the
22 date of the election. The first publication must occur at least 20
23 days before the date set for the election. (Acts 60th Leg., R.S.,
24 Ch. 183, Sec. 7 (part).)

25 Source Law

26 Sec. 7. . . . No bonds shall be issued by such
27 hospital district (except refunding bonds) until
28 authorized by a majority vote of the legally qualified
29 property taxpaying voters, residing in such hospital
30 district, voting at an election called and held for
31 such purpose. Such election may be called by the board
32 of directors of its own motion, shall specify the place
33 or places where the election shall be held, the
34 presiding officers thereof, the purpose for which the
35 bonds are to be issued, the amount thereof, maximum
36 interest rate (not to exceed six percent per annum) and
37 the maximum maturity date of such bonds Notice
38 of election shall be given by publishing a substantial
39 copy of the order calling the election in a newspaper
40 of general circulation in such district once a week for
41 two consecutive weeks prior to the date of election,
42 the date of the first publication being at least 20
43 full days prior to the date set for the election. . . .

1 Revisor's Note

2 (1) Section 7, Chapter 183, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that
4 "[n]o bonds . . . (except refunding bonds)" may be
5 issued without an election. The revised law omits the
6 exception for refunding bonds because Chapter 1207,
7 Government Code, provides general authority for an
8 issuer, including a hospital district, to issue
9 refunding securities, and Section 1207.003,
10 Government Code, authorizes an issuer to issue
11 refunding bonds without an election.

12 (2) Section 7, Chapter 183, Acts of the 60th
13 Legislature, Regular Session, 1967, refers to the
14 "legally qualified" voters of the district. The
15 revised law omits "legally qualified" as unnecessary
16 in this context because Chapter 11, Election Code,
17 governs eligibility to vote in an election in this
18 state and allows only "legally qualified" voters who
19 are residents of the territory covered by the election
20 to vote in an election.

21 (3) Section 7, Chapter 183, Acts of the 60th
22 Legislature, Regular Session, 1967, refers to
23 "property taxpaying" voters. The revised law omits
24 the quoted language for the reason stated in Revisor's
25 Note (2) to Section 1058.051.

26 (4) Section 7, Chapter 183, Acts of the 60th
27 Legislature, Regular Session, 1967, refers to an
28 election "called and held." The revised law omits the
29 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 (5) Section 7, Chapter 183, Acts of the 60th

1 Legislature, Regular Session, 1967, provides that the
2 election order must include the maximum interest rate
3 "(not to exceed six percent per annum)." The revised
4 law omits the quoted language because it has been
5 superseded by the enactment of the maximum interest
6 rate provision found in Section 1204.006, Government
7 Code. That section reflects the 1981 amendment of
8 Chapter 3, Acts of the 61st Legislature, Regular
9 Session, 1969 (Article 717k-2, Vernon's Texas Civil
10 Statutes, now Chapter 1204, Government Code), by
11 Section 1, Chapter 61, Acts of the 67th Legislature,
12 Regular Session, 1981, and permits a public agency,
13 including a hospital district, to issue public
14 securities at any net effective interest rate of 15
15 percent or less. Section 1204.006, Government Code,
16 applies to district bonds by application of Section
17 1204.001, Government Code.

18 (6) Section 7, Chapter 183, Acts of the 60th
19 Legislature, Regular Session, 1967, requires the
20 district to pay the costs of elections. The revised
21 law omits the provision because it duplicates Section
22 1.014, Election Code, applicable to the district under
23 Section 1.002, Election Code. The omitted law reads:

24 Sec. 7. . . . The costs of such
25 election shall be paid by the hospital
26 district.
27 . . .

28 (7) Section 7, Chapter 183, Acts of the 60th
29 Legislature, Regular Session, 1967, authorizes the
30 district to issue refunding bonds for bonds issued
31 under that section. The revised law omits this
32 provision for the reason stated in Revisor's Note (1)
33 to this section. Section 7 also provides that
34 refunding bonds issued under Section 7 must bear
35 interest at a lower rate than the bonds being refunded
36 unless the refunding will result in a lower total

1 amount of interest paid. The revised law omits that
2 provision as superseded by Section 1207.008,
3 Government Code, which establishes the financial terms
4 under which refunding bonds may be issued. Section
5 1207.008 applies to district bonds by application of
6 Section 1207.001, Government Code. The omitted law
7 reads:

8 Sec. 7. . . . In the manner
9 hereinabove provided, the bonds of such
10 hospital district may, without the
11 necessity of any election therefor, be
12 issued for the purpose of refunding and
13 paying off any bonded indebtedness
14 theretofore assumed by such hospital
15 district; such refunding bonds may be sold
16 and the proceeds thereof applied to the
17 payment of any such outstanding bonds or may
18 be exchanged in whole or in part for not
19 less than a like amount of said outstanding
20 bonds and interest matured thereon, but
21 unpaid; provided the average interest cost
22 per annum on the refunding bonds, computed
23 in accordance with recognized standard bond
24 interest cost per annum so computed, upon
25 the bonds to be discharged out of the
26 proceeds of the refunding bonds, unless the
27 total interest cost on the refunding bonds,
28 computed to their respective maturity
29 dates, is less than the total interest so
30 computed on the bonds to be discharged out
31 of such proceeds. In the foregoing
32 computations, any premium or premiums
33 required to be paid upon the bonds to be
34 refunded as a condition to payment in
35 advance of their stated maturity dates
36 shall be taken into account as an addition
37 to the net interest cost to the hospital
38 district of the refunding bonds.

39 Revised Law

40 Sec. 1058.204. MATURITY OF GENERAL OBLIGATION BONDS.
41 District general obligation bonds must mature not later than 40
42 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 183,
43 Sec. 7 (part).)

44 Source Law

45 Sec. 7. . . . [the maximum maturity date of such
46 bonds] (not to exceed 40 years from their date of
47 issuance). . . .

48 Revised Law

49 Sec. 1058.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
50 The board's presiding officer shall execute the general obligation

1 bonds in the district's name.

2 (b) The board secretary shall countersign the bonds. (Acts
3 60th Leg., R.S., Ch. 183, Sec. 7 (part).)

4 Source Law

5 Sec. 7. . . . Such bonds shall be executed in
6 the name of the hospital district and on its behalf by
7 the chairman of the board of directors and
8 countersigned by the secretary of the board of
9 directors, and

10 Revisor's Note

11 Section 7, Chapter 183, Acts of the 60th
12 Legislature, Regular Session, 1967, provides that
13 district bonds are subject to the law governing
14 counties related to bond approval by the attorney
15 general and registration of the bonds by the
16 comptroller. Section 7 also provides that after
17 approval and registration the bonds are "incontestable
18 for any cause." The revised law omits those provisions
19 because they duplicate in substance Chapter 1202,
20 Government Code (enacted as Article 3, Chapter 53,
21 Acts of the 70th Legislature, 2nd Called Session,
22 1987). Section 1202.003(a), Government Code, requires
23 bonds to be submitted to the attorney general. Section
24 1202.003(b), Government Code, provides for approval of
25 the bonds by the attorney general and requires the
26 attorney general to submit the approved bonds to the
27 comptroller for registration. Section 1202.005,
28 Government Code, requires registration of the bonds by
29 the comptroller. Section 1202.006, Government Code,
30 provides that after approval and registration, the
31 bonds are incontestable and binding obligations.
32 Chapter 1202, Government Code, applies to district
33 bonds by application of Section 1202.001, Government
34 Code. The omitted law reads:

35 Sec. 7. . . . [Such bonds] . . .
36 shall be subject to the same requirements in
37 the manner of approval thereof by the
38 Attorney General of the State of Texas and

1 the registration thereof by the Comptroller
2 of Public Accounts of the State of Texas as
3 are by law provided. Upon the approval of
4 such bonds by the Attorney General of Texas
5 the same shall be incontestable for any
6 cause. . . .

7 Revisor's Note
8 (End of Subchapter)

9 (1) Section 8, Chapter 183, Acts of the 60th
10 Legislature, Regular Session, 1967, provides that
11 district bonds are legal and authorized investments
12 for certain entities. The revised law omits the
13 provision as unnecessary. As to several of the
14 entities listed, Section 8 has been superseded and
15 impliedly repealed. Investments in securities by
16 banks are regulated by Section 34.101, Finance Code
17 (enacted in 1995 as Section 5.101, Texas Banking Act
18 (Article 342-5.101, Vernon's Texas Civil Statutes)).
19 Investments in securities by savings banks are
20 regulated by Section 93.001(c)(10), Finance Code
21 (enacted in 1993 as Section 7.15(10), Texas Savings
22 Bank Act (Article 489e, Vernon's Texas Civil
23 Statutes)). Investments in securities by trust
24 companies are regulated by Section 184.101, Finance
25 Code (enacted in 1997 as Section 5.101, Texas Trust
26 Company Act (Article 342a-5.101, Vernon's Texas Civil
27 Statutes)). Investments in securities by building and
28 loan associations (now called savings and loan
29 associations) are regulated by Sections 63.002 and
30 64.001, Finance Code. As to the remaining entities
31 listed, Section 8 is superseded by Section 1201.041,
32 Government Code, enacted as Section 9, Bond Procedures
33 Act of 1981 (Article 717k-6, Vernon's Texas Civil
34 Statutes). Section 1201.041, Government Code, applies
35 to district bonds by application of Section 1201.002,
36 Government Code. The revised law omits the reference
37 to public funds of political subdivisions or public
38 agencies of the state because it has been superseded by

1 Chapter 2256, Government Code (enacted in 1987 as the
2 Public Funds Investment Act of 1987 (Article 842a-2,
3 Vernon's Texas Civil Statutes)), which governs the
4 investment of local funds. The omitted law reads:

5 Sec. 8. All bonds issued by the
6 district authorized to be established and
7 created under the provisions of this Act
8 shall be and are declared to be legal and
9 authorized investments for banks, savings
10 banks, trust companies, building and loan
11 associations, insurance companies,
12 fiduciaries, trustees, and for the sinking
13 funds of cities, towns, villages, counties,
14 school districts, or other political
15 corporations or subdivisions of the State
16 of Texas, and

17 (2) Section 8, Chapter 183, Acts of the 60th
18 Legislature, Regular Session, 1967, provides that
19 district bonds may secure certain deposits. Although
20 Section 8 does not specifically mention the deposits
21 the bonds are eligible to secure, the only deposits
22 they could secure would be deposits of public funds of
23 this state or political subdivisions of this state. As
24 such, the revised law omits the provision as impliedly
25 repealed by Section 404.0221, Government Code (enacted
26 in 1995), which lists eligible collateral for deposits
27 of state funds by the comptroller, and by Chapter 2257,
28 Government Code (enacted in 1989 as Article 2529d,
29 Vernon's Texas Civil Statutes), which governs eligible
30 collateral for deposits of funds of other public
31 agencies, including political subdivisions. The
32 omitted law reads:

33 Sec. 8. . . . such bonds shall be
34 lawful and sufficient security for deposits
35 to the extent of their face value when
36 accompanied by all unmatured coupons
37 appurtenant thereto.

38 [Sections 1058.206-1058.250 reserved for expansion]

39 SUBCHAPTER F. TAXES

40 Revised Law

41 Sec. 1058.251. IMPOSITION OF AD VALOREM TAX. (a) On final
42 approval of the budget, the board shall impose a tax on all taxable

1 property in the district subject to district taxation.

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

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

6 (2) provide for the maintenance and operation of the
7 hospital or hospital system;

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

10 (4) acquire necessary sites for the hospital system by
11 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 183,
12 Secs. 6 (part), 9 (part).)

13 Source Law

14 Sec. 6. Upon the creation of such hospital
15 district, the board of directors shall have the power
16 and authority and it shall be their duty to levy on all
17 property subject to hospital district taxation for the
18 benefit of the district . . . a tax . . . of all
19 taxable property within the hospital district for the
20 purpose of (1) paying the interest on and creating a
21 sinking fund for bonds which may have been assumed or
22 which may be issued by the hospital district for
23 hospital purposes as herein provided; (2) providing
24 for the operation and maintenance of the hospital or
25 hospital system; and (3) for the purposes of making
26 further improvements and additions to the hospital
27 system, and for the acquisition of necessary sites
28 therefor, by purchase, lease or condemnation.
29 . . .

30 Sec. 9. . . . upon final approval of the
31 budget, the board of directors shall levy such tax as
32 may be required and . . .

33 Revisor's Note

34 (1) Section 6, Chapter 183, Acts of the 60th
35 Legislature, Regular Session, 1967, provides that
36 "[u]pon the creation of such hospital district" the
37 board shall impose taxes. The revised law omits the
38 quoted language as executed.

39 (2) Section 6, Chapter 183, Acts of the 60th
40 Legislature, Regular Session, 1967, requires the board
41 to impose taxes at a certain time and in a certain
42 manner. The revised law omits those provisions
43 because they were repealed by Section 6(b), Chapter

1 841, Acts of the 66th Legislature, Regular Session,
2 1979, which repealed all "general, local, and special
3 laws" that conflicted with that act. The 1979 act
4 enacted the Property Tax Code (Title 1, Tax Code), a
5 comprehensive, substantive codification of property
6 tax law. Title 1, Tax Code, provides the exclusive
7 procedures for the taxation of property by a taxing
8 unit, including a hospital district. The omitted law
9 reads:

10 Sec. 6. . . . [the board of directors
11 shall have the power and authority and it
12 shall be their duty to levy on all property
13 subject to hospital district taxation for
14 the benefit of the district] at the same
15 time taxes are levied for county purposes,
16 using county values and county tax rolls, [a
17 tax]

18 Not later than October 1st of each
19 year, the board of directors shall levy the
20 tax on all taxable property within the
21 district which is subject to taxation and
22 The tax so levied shall be collected
23 on all property subject to hospital
24 district taxation . . . for the county on
25 the county tax values, and in the same
26 manner and under the same conditions as
27 county taxes. . . .

28 Revised Law

29 Sec. 1058.252. TAX RATE. The board shall impose the tax at
30 a rate not to exceed 75 cents on each \$100 valuation of all taxable
31 property in the district. (Acts 60th Leg., R.S., Ch. 183, Secs. 2
32 (part), 6 (part).)

33 Source Law

34 Sec. 2. . . . [At said election there shall be
35 submitted to the qualified property taxpaying electors
36 of said district the proposition of whether or not
37 McCamey County Hospital District shall be created]
38 with authority to levy annual taxes at a rate not to
39 exceed 75 cents on the \$100 valuation of all taxable
40 property within such district [for the purpose of
41 meeting the requirements of the district's bonds, the
42 indebtedness assumed by it and its maintenance and
43 operating expenses,]

44 Sec. 6. . . . [the board of directors shall
45 . . . levy . . .] a tax of not to exceed 75 cents on the
46 \$100 valuation of all taxable property within the
47 hospital district,

48 Revised Law

49 Sec. 1058.253. ASSESSMENT AND COLLECTION BY COUNTY TAX

1 ASSESSOR-COLLECTOR. Unless an election is held under Section
2 1058.254, the tax assessor-collector of Upton County shall assess
3 and collect taxes imposed by the district. (Acts 60th Leg., R.S.,
4 Ch. 183, Secs. 6 (part), 9 (part).)

5 Source Law

6 Sec. 6. . . . [The board] . . . shall
7 immediately certify such tax rate to the tax assessor
8 and collector of the county in which the district is
9 located. The tax so levied shall be collected . . . by
10 the assessor and collector of taxes for the county
11

12 Sec. 9. . . . [the board shall] . . . certify
13 the tax rate for such year to the county tax assessor
14 and collector as provided in Section 6 hereof, and it
15 shall be the duty of the said tax assessor and
16 collector to assess and collect such tax.
17

18 Revisor's Note

19 (1) Section 6, Chapter 183, Acts of the 60th
20 Legislature, Regular Session, 1967, provides that the
21 tax assessor-collector shall charge a fee for the
22 assessment and collection of district taxes. The
23 revised law omits that provision because it was
24 repealed by Section 6(b), Chapter 841, Acts of the 66th
25 Legislature, Regular Session, 1979. See Revisor's
26 Note (2) to Section 1058.251. Section 6.27(b), Tax
27 Code, provides for the compensation of a county tax
28 assessor-collector assessing and collecting taxes for
29 another taxing unit. The omitted law reads:

30 Sec. 6. . . . The assessor and
31 collector of taxes shall charge and deduct
32 from payments to the hospital district the
33 fees for assessing and collecting the tax at
34 the rate of not exceeding five percent of
35 the amounts collected as may be determined
36 by the board of directors but in no event in
37 excess of \$5,000 for any one fiscal year.
38 Such fees shall be deposited in the county's
39 general fund, and shall be reported as fees
40 of office of the tax assessor and
41 collector. . . .

42 (2) Section 6, Chapter 183, Acts of the 60th
43 Legislature, Regular Session, 1967, provides that
44 interest and penalties on district taxes and discounts
45 are the same as for county taxes. The revised law

1 Section 1058.052. (Acts 60th Leg., R.S., Ch. 183, Sec. 19 (part).)

2 Source Law

3 Sec. 19. After the establishment of a district,
4 and upon the petition of not less than five percent of
5 the qualified taxpaying voters thereof the court may
6 order an election to determine whether or not such
7 district shall have a separate tax assessor, separate
8 tax collector and . . . for the assessment and
9 collection of district taxes. Notice of such election
10 shall be given as in the original election, and

11 Revisor's Note

12 (1) Section 19, Chapter 183, Acts of the 60th
13 Legislature, Regular Session, 1967, refers to voting
14 by "qualified" voters. The revised law omits
15 "qualified" for the reasons stated in Revisor's Note
16 (1) to Section 1058.051.

17 (2) Section 19, Chapter 183, Acts of the 60th
18 Legislature, Regular Session, 1967, refers to a
19 separate board of equalization for the assessment and
20 collection of district taxes and requires the board to
21 exercise the equalization duties. The revised law
22 omits the reference to a board of equalization because
23 boards of equalization were abolished and their
24 functions and duties transferred to appraisal review
25 boards by the 1979 enactment of the Property Tax Code,
26 Title 1, Tax Code (Section 1, Chapter 841, Acts of the
27 66th Legislature, Regular Session, 1979). The omitted
28 law reads:

29 Sec. 19. . . . [an election to
30 determine whether or not such district
31 shall have] . . . separate board of
32 equalization . . . the directors shall
33 exercise all of the powers herein conferred
34 upon said court with relation to the
35 equalization of taxes,

36 Revised Law

37 Sec. 1058.255. APPOINTMENT OF SEPARATE TAX ASSESSOR AND
38 COLLECTOR. If the appointment of a separate tax assessor and
39 separate tax collector is approved by a two-thirds majority vote of
40 the district voters voting at an election held under Section
41 1058.254, the board shall appoint:

- 1 (1) a suitable person as tax assessor; and
2 (2) a suitable person as tax collector. (Acts 60th
3 Leg., R.S., Ch. 183, Sec. 19 (part).)

4 Source Law

5 Sec. 19. . . . [election to determine whether
6 or not such district shall have a separate tax
7 assessor, separate tax collector] . . . if said
8 proposition carries by a two-thirds vote, the said
9 directors shall appoint a suitable person as assessor
10 and other such person as collector, and

11 Revisor's Note

12 (1) Section 19, Chapter 183, Acts of the 60th
13 Legislature, Regular Session, 1967, establishes the
14 duties of the separate tax assessor and tax collector
15 and requires them to give bond. The revised law omits
16 those provisions because they duplicate the Tax Code.
17 Section 6.23, Tax Code, specifies the duties of a tax
18 assessor-collector assessing taxes for a taxing unit,
19 including the district, and Section 6.29, Tax Code,
20 specifies that a taxing unit shall require a tax
21 assessor-collector to give bond. The omitted law
22 reads:

23 Sec. 19. . . . they shall give bond
24 and exercise the same powers and perform the
25 same duties as provided herein for the
26 county assessor and collector; and

27 (2) Section 19, Chapter 183, Acts of the 60th
28 Legislature, Regular Session, 1967, states that
29 general law shall apply to the assessment, collection,
30 and equalization of district taxes. The revised law
31 omits that provision because Title 1, Tax Code,
32 governs the assessment and collection of all ad
33 valorem taxes. Section 1.02, Tax Code, requires all
34 taxing units of government to administer the
35 assessment and collection of taxes in conformity with
36 that title. The revised law omits the references to
37 "equalization" for the reason stated in Revisor's Note
38 (2) to Section 1058.254. The omitted law reads:

1 Sec. 19. . . . the general laws
2 relating to the assessment, collection and
3 equalization of taxes, insofar as
4 applicable, shall apply to the assessment,
5 collection and equalization of district
6 taxes.

7 Revisor's Note
8 (End of Subchapter)

9 Section 6, Chapter 183, Acts of the 60th
10 Legislature, Regular Session, 1967, provides that the
11 board may impose taxes for the entire year in which the
12 district is established. The revised law omits that
13 provision as executed. The omitted law reads:

14 Sec. 6. . . . The board of directors
15 shall have the authority to levy the tax
16 aforesaid for the entire year in which the
17 said hospital district is established, for
18 the purposes of securing funds to initiate
19 the operation of the hospital district, and
20 to pay assumed bonds.

21 Revisor's Note
22 (End of Chapter)

23 (1) Section 12, Chapter 183, Acts of the 60th
24 Legislature, Regular Session, 1967, provides for the
25 transfer of certain land, buildings, and equipment to
26 the district after the district is created and
27 provides for the assumption of debt by the district on
28 creation. The revised law omits those provisions as
29 executed. The omitted law reads:

30 Sec. 12. All lands, buildings and
31 equipment that at the time of the creation
32 of the district which are located within the
33 boundaries of the district and which were
34 acquired by Upton County for the purpose of
35 providing hospital service or care for
36 patients of such county, shall become the
37 property of McCamey County Hospital
38 District, and the Commissioners Court of
39 Upton County, Texas, shall provide by order
40 that all property so owned shall be conveyed
41 to the McCamey County Hospital District in
42 consideration of the hospital district
43 assuming all debts and obligations arising
44 from the acquisition, construction and
45 operation of such county hospital
46 facilities. The hospital district, through
47 its board of directors, shall by resolution
48 accept said properties and shall assume all
49 the liabilities and obligations including
50 bonds and warrants incurred by Upton County
51 for such hospital purposes.

52 (2) Section 22, Chapter 183, Acts of the 60th

1 Legislature, Regular Session, 1967, effectively
2 provides that the act is severable. The revised law
3 omits that provision because it duplicates Section
4 311.032, Government Code (Code Construction Act),
5 which provides that a provision of a statute is
6 severable from each other provision of the statute
7 that can be given effect. The omitted law reads:

8 Sec. 22. If any word, phrase,
9 sentence, section, portion or provision of
10 this Act or the application thereof to any
11 person or circumstance shall be held to be
12 invalid or unconstitutional, the remainder
13 of this Act, and the application of such
14 word, phrase, sentence, section, portion or
15 provision to other persons or
16 circumstances, shall not be affected
17 thereby. . . .

18 (3) Section 23, Chapter 183, Acts of the 60th
19 Legislature, Regular Session, 1967, states that public
20 notice of the enactment of the statute was provided in
21 a manner that satisfies the requirements of the Texas
22 Constitution. The revised law omits that section as
23 executed. The omitted law reads:

24 Sec. 23. The Legislature hereby
25 finds affirmatively that 30 days' public
26 notice was duly given in accordance with the
27 provisions of Article IX, Section 9, of the
28 Constitution of the State of Texas, of the
29 intention to apply to this Legislature to
30 enact a law providing for the creation,
31 establishment, maintenance and operation of
32 the hospital district herein provided for.

33 CHAPTER 1069. NACOGDOCHES COUNTY HOSPITAL DISTRICT

34 SUBCHAPTER A. GENERAL PROVISIONS

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5 [Sections 1069.259-1069.300 reserved for expansion]

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13 CHAPTER 1069. NACOGDOCHES COUNTY HOSPITAL DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 1069.001. 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 Nacogdoches 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. 1069.002. AUTHORITY FOR OPERATION. The Nacogdoches
 29 County Hospital District operates in accordance with Section 9,
 30 Article IX, Texas Constitution, and has the rights, powers, and
 31 duties provided by this chapter. (Acts 60th Leg., R.S., Ch. 431,
 32 Sec. 1 (part).)

33 Source Law

34 Sec. 1. In accordance with the provisions of
 35 Article IX, Section 9, of the Constitution of the State

1 of Texas, this Act shall be operative so as to
2 authorize the creation, establishment, maintenance
3 and operation of a hospital district within this state
4 . . . to be known as "Nacogdoches County Hospital
5 District" with such rights, powers and duties as
6 provided in this Act.

7 Revisor's Note

8 Section 1, Chapter 431, Acts of the 60th
9 Legislature, Regular Session, 1967, authorizes the
10 "creation, establishment, maintenance and operation"
11 of the district. The revised law omits "creation" and
12 "establishment" as executed. The revised law omits
13 "maintenance" because, in this context, the meaning of
14 that term is included in the meaning of "operation."

15 Revised Law

16 Sec. 1069.003. ESSENTIAL PUBLIC FUNCTION. The district
17 performs an essential public function in carrying out the purposes
18 of this chapter. (Acts 60th Leg., R.S., Ch. 431, Sec. 21 (part).)

19 Source Law

20 Sec. 21. In carrying out the purposes of this
21 Act, the district will be performing an essential
22 public function and

23 Revised Law

24 Sec. 1069.004. DISTRICT TERRITORY. Unless the district's
25 boundaries are expanded under Subchapter D, the boundaries of the
26 district are coextensive with the boundaries of Nacogdoches County,
27 Texas. (Acts 60th Leg., R.S., Ch. 431, Sec. 1 (part); New.)

28 Source Law

29 Sec. 1. . . . [hospital district within this
30 state] with boundaries coextensive with the boundaries
31 of Nacogdoches County, Texas,

32 Revisor's Note

33 Section 1, Chapter 431, Acts of the 60th
34 Legislature, Regular Session, 1967, provides that the
35 district's boundaries are coextensive with the
36 boundaries of Nacogdoches County, Texas. However,
37 Section 16D, Chapter 431 (revised as Subchapter D of
38 this chapter), provides for the district's annexation
39 of territory outside Nacogdoches County. For

1 consistency with Section 16D, and because the
2 boundaries of the district could change by application
3 of the annexation provision of this chapter, the
4 revised law adds a clause noting that the district
5 territory is subject to change.

6 Revised Law

7 Sec. 1069.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
8 OBLIGATION. The support and maintenance of the district may not
9 become a charge against or obligation of this state. (Acts 60th
10 Leg., R.S., Ch. 431, Sec. 20 (part).)

11 Source Law

12 Sec. 20. The support and maintenance of the
13 hospital district shall never become a charge against
14 or obligation of the State of Texas,

15 Revised Law

16 Sec. 1069.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
17 The legislature may not make a direct appropriation for the
18 construction, maintenance, or improvement of a district facility.
19 (Acts 60th Leg., R.S., Ch. 431, Sec. 20 (part).)

20 Source Law

21 Sec. 20. . . . nor shall any direct
22 appropriation be made by the Legislature for the
23 construction, maintenance or improvement of any of the
24 facilities of such district.

25 Revisor's Note
26 (End of Subchapter)

27 Section 3, Chapter 431, Acts of the 60th
28 Legislature, Regular Session, 1967, provides
29 procedures for holding an election on the creation of
30 the district and the imposition of an ad valorem tax.
31 Section 8, Chapter 431, Acts of the 60th Legislature,
32 Regular Session, 1967, provides for the election to
33 include a bond proposition. Because the election has
34 been held, the revised law omits the relevant law as
35 executed. The omitted law reads:

36 Sec. 3. The district shall not be
37 created, nor shall any tax therein be
38 authorized unless and until such creation
39 and such tax are approved by a majority of

1 the qualified electors of the area of the
2 proposed district voting at an election
3 called for such purpose. Such election may
4 be called by the County Judge of Nacogdoches
5 County or shall be called by the county
6 judge upon presentation of a petition
7 therefor signed by at least 100 qualified
8 electors of the area of the proposed
9 district. Such election shall be held not
10 less than 45 nor more than 90 days from the
11 date the election is ordered. . . . If the
12 proposition to create the Nacogdoches
13 County Hospital District fails to carry at
14 the election, no other election for the same
15 purpose may be held within one year after
16 the result of the election is announced
17 officially.

18 At said election there shall be
19 submitted to the qualified electors of the
20 area of the proposed district the
21 proposition of whether the hospital
22 district shall be created with authority to
23 levy annual taxes . . . for the purpose of
24 meeting the requirements of the district's
25 bonds, indebtedness assumed by it, and its
26 maintenance and operating expenses.

27 The ballots for such creation election
28 shall have printed thereon the following:

29 "FOR the creation of NACOGDOCHES
30 COUNTY HOSPITAL DISTRICT, providing for the
31 levy of a tax not to exceed 75 cents on each
32 \$100 valuation, and providing for the
33 assumption by such district of all
34 outstanding bonds and indebtedness
35 heretofore issued by Nacogdoches County and
36 by any city or town within said County for
37 hospital purposes."

38 "AGAINST the creation of NACOGDOCHES
39 COUNTY HOSPITAL DISTRICT, providing for the
40 levy of a tax not to exceed 75 cents on each
41 \$100 valuation, and providing for the
42 assumption by such district of all
43 outstanding bonds and indebtedness
44 heretofore issued by Nacogdoches County and
45 by any city or town within said County for
46 hospital purposes."

47 Within 10 days after such election is
48 held, or as soon thereafter as possible, the
49 commissioners court of said county shall
50 convene and canvass the returns of the
51 election and, in the event such election
52 results favorably to the proposition
53 specified in Section 2, the court shall so
54 find and declare the hospital district
55 established and created.

56 Sec. 8. A petition for an election to
57 create the hospital district (as provided
58 in Section 3) presented to the county judge
59 may incorporate a request that a separate
60 proposition be submitted at such election
61 as to whether the board of directors of the
62 district (in the event the same is created)
63 shall be authorized to issue bonds for the
64 purposes specified in Section 7. Any
65 proposition so submitted shall specify the
66 maximum amount of bonds to be issued, their
67 maximum maturity, and maximum interest
68 rate.

1 [Sections 1069.007-1069.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Revised Law

4 Sec. 1069.051. BOARD ELECTION; TERM. (a) The board
5 consists of:

6 (1) one director elected from each commissioners
7 precinct; and

8 (2) three directors elected from the district at
9 large.

10 (b) Unless four-year terms are established under Section
11 285.081, Health and Safety Code:

12 (1) directors serve staggered two-year terms; and

13 (2) an election shall be held annually on the May
14 uniform election date to elect the appropriate number of directors.

15 (Acts 60th Leg., R.S., Ch. 431, Sec. 4 (part); New.)

16 Source Law

17 Sec. 4. One director is elected from each
18 commissioner precinct and three directors are elected
19 at large. Directors serve staggered two-year
20 terms. . . . A regular election of directors shall be
21 held on the first Saturday in May of each year and the
22 appropriate number of successor directors shall be
23 elected. . . .

24 Revisor's Note

25 (1) Section 4, Chapter 431, Acts of the 60th
26 Legislature, Regular Session, 1967, provides that
27 directors serve staggered two-year terms. Section
28 285.081, Health and Safety Code, applicable to this
29 district, provides a mechanism by which the governing
30 board of a hospital district, on its own motion, may
31 order that the members are to be elected in
32 even-numbered years to serve four-year terms. The
33 revised law is drafted accordingly and adds a
34 reference to Section 285.081, Health and Safety Code,
35 for the convenience of the reader.

36 (2) Section 4, Chapter 431, Acts of the 60th
37 Legislature, Regular Session, 1967, was amended in

1 1995 to require board elections on the "first Saturday
2 in May." From 1987 to 2003, Section 41.001, Election
3 Code, provided for a uniform election date for all
4 political subdivisions on the first Saturday in May.
5 In Chapter 1315, Acts of the 78th Legislature, Regular
6 Session, 2003, the legislature amended Section 41.001
7 by moving the uniform election date in May to the third
8 Saturday. In Chapter 1, Acts of the 78th Legislature,
9 3rd Called Session, 2003, the legislature amended
10 Section 41.001 by moving the uniform election date in
11 May back to the first Saturday. In Chapter 471, Acts
12 of the 79th Legislature, Regular Session, 2005, the
13 legislature amended Section 41.001 by moving the
14 uniform election date in May to the second Saturday.
15 The revised law substitutes "May uniform election
16 date" for "first Saturday in May" to reflect these
17 changes while preserving as closely as possible the
18 legislative intent expressed in the 1995 amendment to
19 Section 4 that the election be held on the first
20 Saturday in May, which was at that time the uniform
21 election date in May.

22 (3) Section 4, Chapter 431, Acts of the 60th
23 Legislature, Regular Session, 1967, requires each
24 director to take the constitutional oath of office.
25 The revised law omits that provision because Section
26 1, Article XVI, Texas Constitution, requires an
27 officer of this state to take the constitutional oath
28 (or affirmation) before assuming office. The omitted
29 law reads:

30 Sec. 4. . . . Each director and his
31 successor in office shall qualify by
32 executing the constitutional oath of
33 office, and

34 (4) Section 4, Chapter 431, Acts of the 60th
35 Legislature, Regular Session, 1967, prescribes that
36 the directors acting as a board may exercise the powers

1 that the person wants to represent the district at
2 large. Such petition shall be so filed at least 25 days
3 prior to the date of election. The secretary shall
4 accept such petition only if it is accompanied by
5 evidence such candidate has the requisite
6 qualifications as herein prescribed.

7 Revisor's Note

8 (1) Section 4, Chapter 431, Acts of the 60th
9 Legislature, Regular Session, 1967, refers to
10 "electors." Throughout this chapter, the revised law
11 substitutes "voters" for "electors" because "voters"
12 is the term used in the Election Code.

13 (2) Section 4, Chapter 431, Acts of the 60th
14 Legislature, Regular Session, 1967, requires a
15 candidate for director to file a petition signed by at
16 least 25 qualified voters at least 25 days before the
17 date of the election to have the candidate's name
18 appear on the ballot. Under Section 144.003, Election
19 Code (applicable to the district under Section
20 144.001, Election Code), a candidate for office must
21 submit an application for a place on the ballot. The
22 application must be filed by the deadline imposed by
23 Section 144.005, Election Code, which is either 71 or
24 78 days before the date of the election, depending on
25 when the election is held. Because the petition serves
26 as an additional requirement for a candidate to appear
27 on the ballot, the revised law conforms the date the
28 petition must be filed to the date the application must
29 be filed.

30 (3) Section 4, Chapter 431, Acts of the 60th
31 Legislature, Regular Session, 1967, authorizes the
32 board secretary to accept a petition asking that a
33 person's name be printed on the ballot as a candidate
34 for director of the district "only if it is
35 accompanied by evidence such candidate has the
36 requisite qualifications as herein prescribed." The
37 revised law substitutes "Section 1069.054" for "herein

1 prescribed" because the qualifications for a candidate
2 for director are revised in Section 1069.054.

3 Revised Law

4 Sec. 1069.054. QUALIFICATIONS FOR OFFICE. (a) To be
5 eligible to be a candidate for or to serve as a director, a person
6 must be:

7 (1) a resident of the district; and

8 (2) a qualified voter.

9 (b) A director elected or appointed to represent a
10 commissioners precinct must be a resident of that commissioners
11 precinct.

12 (c) A district employee may not serve as a director. (Acts
13 60th Leg., R.S., Ch. 431, Sec. 4 (part).)

14 Source Law

15 Sec. 4. . . . To be eligible to be a candidate
16 for or to serve as a director, a person must be a
17 resident of the district and a qualified voter. In
18 addition to those qualifications, a person who is
19 elected from a commissioner precinct or who is
20 appointed to fill a vacancy for a commissioner
21 precinct must be a resident of that commissioner
22 precinct. An employee of the district may not serve as
23 a director. . . .

24 Revised Law

25 Sec. 1069.055. BOARD VACANCY. (a) If a vacancy occurs in
26 the office of director, the remaining directors shall appoint a
27 director for the unexpired term.

28 (b) If the number of directors is reduced to fewer than four
29 for any reason, the remaining directors shall immediately call a
30 special election to fill the vacancies. If the remaining directors
31 do not call the election, a district court, on application of a
32 district voter or taxpayer, may order the directors to hold the
33 election. (Acts 60th Leg., R.S., Ch. 431, Sec. 4 (part).)

34 Source Law

35 Sec. 4. . . . All vacancies in the office of
36 director shall be filled for the unexpired term by
37 appointment of the remainder of the board of
38 directors. In the event the number of directors shall
39 be reduced to less than four for any reason, the
40 remaining directors shall immediately call a special
41 election to fill said vacancies, and upon failure to do
42 so, a district court, upon application of any elector

1 or taxpayer of the district, may issue a mandate
2 requiring that such election be ordered by the
3 remaining directors. . . .

4 Revisor's Note

5 Section 4, Chapter 431, Acts of the 60th
6 Legislature, Regular Session, 1967, provides that if
7 there are fewer than four directors, a district court
8 may "issue a mandate requiring that such election [to
9 fill vacancies in directors' offices] be ordered by the
10 remaining directors." The revised law substitutes
11 "order the directors to hold the election" for the
12 quoted language because a mandate requiring directors
13 to order an election is necessarily an order for
14 directors to hold the election. See generally Titles 1
15 and 4 through 7, Election Code, providing that the
16 authority ordering an election is the authority
17 responsible for holding the election.

18 Revised Law

19 Sec. 1069.056. OFFICERS. (a) The board shall elect:

20 (1) a president and a vice president from among its
21 members; and

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

23 (b) Each officer of the board serves a one-year term.

24 (c) The board shall fill a vacancy in a board office for the
25 unexpired term. (Acts 60th Leg., R.S., Ch. 431, Sec. 4 (part).)

26 Source Law

27 Sec. 4. . . . The board of directors shall
28 organize by electing one of their number as president
29 and one of their number as vice president. Each officer
30 of the board serves for a term of one year. The board
31 shall fill a vacancy in a board office for the
32 unexpired term. A secretary, who need not be a
33 director, shall also be elected. . . .

34 Revised Law

35 Sec. 1069.057. QUORUM; VOTING REQUIREMENT. (a) Any four
36 directors constitute a quorum.

37 (b) A majority of the directors voting must concur in any
38 matter relating to district business. (Acts 60th Leg., R.S., Ch.
39 431, Sec. 4 (part).)

1 "manager" is included in the meaning of
2 "administrator" and "administrator" is the term used
3 by the district.

4 Revised Law

5 Sec. 1069.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
6 Subject to any limitation prescribed by the board, the district
7 administrator shall:

8 (1) supervise the work and activities of the district;
9 and

10 (2) direct the affairs of the district. (Acts 60th
11 Leg., R.S., Ch. 431, Sec. 5 (part).)

12 Source Law

13 Sec. 5. . . . The administrator or manager
14 shall supervise all the work and activities of the
15 district and shall have general direction of the
16 affairs of the district, subject to such limitations
17 as may be prescribed by the board. . . .

18 Revised Law

19 Sec. 1069.060. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
20 board may appoint to the staff any doctors and employ any
21 technician, nurse, or other employee the board considers necessary
22 for the efficient operation of the district.

23 (b) The district may employ fiscal agents, accountants,
24 architects, and attorneys as the board considers proper.

25 (c) The board may provide that the district administrator
26 has the authority to employ district employees, including
27 technicians and nurses. (Acts 60th Leg., R.S., Ch. 431, Secs. 5
28 (part), 16.)

29 Source Law

30 Sec. 5. . . . The board of directors shall have
31 the authority to appoint to the staff such doctors, and
32 employ such technicians, nurses and other employees of
33 every kind and character as may be deemed necessary for
34 the efficient operation of the district. The board may
35 provide that the administrator or manager shall have
36 the authority to employ technicians, nurses, and
37 employees of the district. . . .

38 Sec. 16. The district may employ fiscal agents,
39 accountants, architects and attorneys as the board may
40 consider proper.

1 Revised Law

2 Sec. 1069.061. RETIREMENT BENEFITS. The board may provide
3 retirement benefits for district employees by:

4 (1) establishing or administering a retirement
5 program; or

6 (2) participating in:

7 (A) the Texas County and District Retirement
8 System; or

9 (B) another statewide retirement system in which
10 the district is eligible to participate. (Acts 60th Leg., R.S., Ch.
11 431, Sec. 16A.)

12 Source Law

13 Sec. 16A. The board may provide retirement
14 benefits for employees of the district by:

15 (1) establishing or administering a
16 retirement program; or

17 (2) electing to participate in the Texas
18 County and District Retirement System or in any other
19 statewide retirement system in which the district is
20 eligible to participate.

21 [Sections 1069.062-1069.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Revised Law

24 Sec. 1069.101. DISTRICT RESPONSIBILITY. The district has
25 full responsibility for operating all hospital facilities for
26 providing medical and hospital care for the district's needy
27 inhabitants. (Acts 60th Leg., R.S., Ch. 431, Sec. 19 (part).)

28 Source Law

29 Sec. 19. . . . The said hospital district shall
30 assume full responsibility for the operation of all
31 hospital facilities for the furnishing of medical and
32 hospital care for its needy inhabitants. . . .

33 Revisor's Note

34 Section 19, Chapter 431, Acts of the 60th
35 Legislature, Regular Session, 1967, provides that the
36 district "shall assume" full responsibility for
37 operating hospital facilities for providing medical
38 and hospital care for the district's needy
39 inhabitants. The revised law substitutes "has" for

1 the quoted language because the duty to assume the
2 responsibility is executed.

3 Revised Law

4 Sec. 1069.102. 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 or to provide medical care. (Acts 60th Leg.,
8 R.S., Ch. 431, Sec. 19 (part).)

9 Source Law

10 Sec. 19. After creation of the hospital
11 district, no municipality or political subdivision
12 within the boundaries of the district shall have the
13 power to levy taxes or issue bonds or other obligations
14 for hospital purposes or for providing medical
15 care. . . .

16 Revisor's Note

17 (1) Section 19, Chapter 431, Acts of the 60th
18 Legislature, Regular Session, 1967, provides that
19 "[a]fter creation of the hospital district," certain
20 political subdivisions may not levy certain taxes or
21 issue certain bonds or other obligations. The revised
22 law omits the quoted language as executed. In
23 addition, throughout this chapter, the revised law
24 substitutes "impose" for "levy" because, in the
25 context of taxation, the terms are synonymous and
26 "impose" is more commonly used.

27 (2) Section 19, Chapter 431, Acts of the 60th
28 Legislature, Regular Session, 1967, refers to a
29 "municipality or political subdivision." Throughout
30 this chapter, the revised law omits "municipality"
31 when used in conjunction with "political subdivision"
32 because "municipality" is included in the meaning of
33 "political subdivision."

34 Revised Law

35 Sec. 1069.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
36 The board shall manage, control, and administer the district's
37 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 431, Sec.

1 5 (part).)

2 Source Law

3 Sec. 5. The board of directors shall manage,
4 control, and administer the hospitals and hospital
5 system of the district. . . .

6 Revised Law

7 Sec. 1069.104. HOSPITAL SYSTEM. (a) The district shall
8 provide for:

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

10 (A) purchasing, constructing, acquiring,
11 repairing, or renovating buildings and equipment; and

12 (B) equipping the buildings; and

13 (2) the administration of the hospital system for
14 hospital purposes.

15 (b) The hospital system may include:

16 (1) domiciliary care and treatment of the sick,
17 injured, or geriatric;

18 (2) outpatient clinics;

19 (3) dispensaries;

20 (4) convalescent home facilities;

21 (5) necessary nurses;

22 (6) domiciliaries and training centers;

23 (7) blood banks;

24 (8) community mental health centers;

25 (9) research centers or laboratories; and

26 (10) any other facilities the board considers
27 necessary for hospital care. (Acts 60th Leg., R.S., Ch. 431, Secs.
28 2 (part), 9(c).)

29 Source Law

30 Sec. 2. . . . thereafter the district shall
31 provide for the establishment of a hospital system by
32 the purchase, construction, acquisition, repair or
33 renovation of buildings and equipment, and equipping
34 same, and the administration thereof for hospital
35 purposes. . . .

36 [Sec. 9]

37 (c) The hospital system may include domiciliary
38 care and treatment of the sick, wounded and injured,
39 out-patient clinic or clinics, dispensaries,
40 geriatric domiciliary care and treatment,

1 convalescent home facilities, necessary nurses,
2 domiciliaries and training centers, blood banks,
3 community mental health centers, and research centers
4 or laboratories, and any other facilities deemed
5 necessary for hospital care by the directors.

6 Revisor's Note

7 Section 9(c), Chapter 431, Acts of the 60th
8 Legislature, Regular Session, 1967, refers to the care
9 of the "sick, wounded and injured." The revised law
10 omits "wounded" because "wounded" is included in the
11 meaning of "injured."

12 Revised Law

13 Sec. 1069.105. RULES. The board may adopt rules for the
14 operation of the district, including rules governing:

15 (1) the operation of the hospital and hospital system;

16 (2) the duties, functions, and responsibilities of
17 district staff and employees; and

18 (3) the acquisition of goods or services. (Acts 60th
19 Leg., R.S., Ch. 431, Secs. 5 (part), 10(d) (part), 16B.)

20 Source Law

21 Sec. 5. . . . The district through its board of
22 directors shall have the power and authority . . . to
23 promulgate rules and regulations for the operation of
24 the district. . . .

25 [Sec. 10]

26 (d) The board may adopt rules and . . . for the
27 acquisition of goods or services.

28 Sec. 16B. The board may adopt rules governing
29 the operation of the hospital and hospital system and
30 the duties, functions, and responsibilities of
31 district staff and employees.

32 Revisor's Note

33 Section 5, Chapter 431, Acts of the 60th
34 Legislature, Regular Session, 1967, provides that the
35 board may "promulgate rules and regulations" for the
36 district. The revised law substitutes "adopt" for
37 "promulgate" because the terms are synonymous and the
38 former is more commonly used. The revised law omits
39 "regulations" because under Section 311.005(5),
40 Government Code (Code Construction Act), a rule is
41 defined to include a regulation.

1 Revised Law

2 Sec. 1069.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)

3 Except as provided by Section 1069.112, the board may prescribe:

4 (1) procedures for the acquisition of goods or
5 services, including the method and manner of making purchases and
6 expenditures by and for the district; and

7 (2) all accounting and control procedures.

8 (b) In making purchases, the board may determine the method
9 of purchase that provides the best value to the district,
10 including:

11 (1) competitive bidding;

12 (2) competitive sealed proposals;

13 (3) catalogue purchase;

14 (4) a group purchasing program; or

15 (5) an open market contract.

16 (c) In determining what is the best value to the district,
17 the board shall consider:

18 (1) the purchase price;

19 (2) the reputation of the vendor and of the vendor's
20 goods or services;

21 (3) the quality of the vendor's goods or services;

22 (4) the extent to which the goods or services meet the
23 district's needs;

24 (5) the vendor's past relationship with the district;

25 (6) the total long-term cost to the district of
26 acquiring the vendor's goods or services; and

27 (7) any other relevant factor that a private business
28 entity would consider in selecting a vendor.

29 (d) The state auditor may audit purchases of goods or
30 services by the district.

31 (e) To the extent of any conflict, this section prevails
32 over any other law relating to the purchasing of goods and services.

33 (f) Chapters 2151 and 2254, Government Code, do not apply to
34 purchases of goods and services made under this section.

1 (g) The board may incur an obligation, including a lease or
2 lease-purchase agreement for real property, facilities, or
3 equipment for use in the hospital system, payable from the pledged
4 sales and use tax revenue of the district. (Acts 60th Leg., R.S.,
5 Ch. 431, Secs. 10(a), (b), (c), (d) (part), (e), (f), (g).)

6 Source Law

7 Sec. 10. (a) Except as provided by Subsection
8 (i), the board of directors of such district shall have
9 the power to prescribe the method and manner of making
10 purchases and expenditures by and for such hospital
11 district, and also shall be authorized to prescribe
12 all accounting and control procedures. In making
13 purchases, the board may determine the method of
14 purchase that provides the best value to the district,
15 including:

- 16 (1) competitive bidding;
- 17 (2) competitive sealed proposals;
- 18 (3) catalogue purchase;
- 19 (4) a group purchasing program; or
- 20 (5) an open market contract.

21 (b) In determining what is the best value to the
22 district, the board shall consider:

- 23 (1) the purchase price;
- 24 (2) the reputation of the vendor and of the
25 vendor's goods or services;
- 26 (3) the quality of the vendor's goods or
27 services;
- 28 (4) the extent to which the goods or
29 services meet the district's needs;
- 30 (5) the vendor's past relationship with
31 the district;
- 32 (6) the total long-term cost to the
33 district of acquiring the vendor's goods or services;
34 and

35 (7) any other relevant factor that a
36 private business entity would consider in selecting a
37 vendor.

38 (c) The state auditor may audit purchases of
39 goods or services by the district.

40 (d) [The board may adopt] . . . procedures for
41 the acquisition of goods or services.

42 (e) To the extent of any conflict, this section
43 prevails over any other law relating to the purchasing
44 of goods and services.

45 (f) Except as otherwise provided by this
46 section, Chapters 2151 and 2254, Government Code, do
47 not apply to purchases of goods and services made under
48 this section.

49 (g) The board may incur obligations, including a
50 lease or lease-purchase agreement for real property,
51 facilities, or equipment for use in the hospital
52 system payable from the pledged sales and use tax
53 revenues of the district.

54 Revisor's Note

55 Section 10(f), Chapter 431, Acts of the 60th
56 Legislature, Regular Session, 1967, provides that
57 "[e]xcept as otherwise provided by this section,"

1 Chapters 2151 and 2254, Government Code, do not apply
2 to certain purchases of goods and services. The
3 revised law omits the quoted language because Section
4 10 does not provide an exception to Chapters 2151 and
5 2254.

6 Revised Law

7 Sec. 1069.107. DISTRICT PROPERTY, FACILITIES, AND
8 EQUIPMENT. (a) The board shall determine:

9 (1) the type, number, and location of buildings
10 required to maintain an adequate hospital system; and

11 (2) the type of equipment necessary for hospital care.

12 (b) The board may:

13 (1) acquire real property, facilities, and equipment
14 for the district for use in the hospital system in the manner
15 determined by the board;

16 (2) lease to physicians, individuals, companies,
17 corporations, or other legal entities or acquire by lease or by
18 lease-purchase agreement real property, facilities, or equipment
19 for use in the hospital system on terms the board determines are in
20 the best interest of district residents; and

21 (3) sell or otherwise dispose of district real
22 property, facilities, or equipment on terms the board determines
23 are in the best interest of district residents.

24 (c) The district may acquire equipment for use in the
25 district's hospital system and mortgage or pledge the acquired
26 property as security for the payment of the purchase price. A
27 contract entered into under this subsection must provide that the
28 entire obligation be retired not later than the fifth anniversary
29 of the date of the contract. (Acts 60th Leg., R.S., Ch. 431, Secs.
30 9(a), (b), 10(j).)

31 Source Law

32 Sec. 9. (a) The board shall determine:

33 (1) the type, number, and location of
34 buildings required to establish and maintain an
35 adequate hospital system; and

36 (2) the type of equipment necessary for
37 hospital care.

- 1 (b) The board may:
2 (1) acquire real property, facilities, and
3 equipment for the district for use in the hospital
4 system in the manner determined by the board;
5 (2) lease to physicians, individuals,
6 companies, corporations, or other legal entities or
7 acquire by lease or by lease-purchase agreement real
8 property, facilities, or equipment for use in the
9 hospital system on terms determined by the board to be
10 in the best interest of its residents; and
11 (3) sell or otherwise dispose of district
12 real property, facilities, or equipment on terms
13 determined by the board to be in the best interest of
14 its residents.

15 [Sec. 10]

16 (j) The district may acquire equipment for use
17 in its hospital system and mortgage or pledge the
18 property so acquired as security for the payment of the
19 purchase price, but any such contract shall provide
20 for the entire obligation of the district to be retired
21 within five years from the date of the contract.

22 Revisor's Note

23 Section 9, Chapter 431, Acts of the 60th
24 Legislature, Regular Session, 1967, requires the board
25 to determine the buildings required to "establish and
26 maintain" an adequate hospital system. The revised
27 law omits the reference to establishing the hospital
28 system as executed.

29 Revised Law

30 Sec. 1069.108. EMINENT DOMAIN. (a) The district may
31 exercise the power of eminent domain to acquire a fee simple or
32 other interest in any type of property located in district
33 territory if the interest is necessary or convenient to a power,
34 right, or privilege conferred by this chapter.

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

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

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

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

1 Legislature, Regular Session, 1967, refers to
2 "Paragraph 2 of Article 3268, Revised Civil Statutes
3 of Texas, 1925, as amended." That statute was codified
4 in 1983 as Section 21.021(a), Property Code, and the
5 revised law is drafted accordingly. In addition,
6 throughout this chapter, the revised law omits the
7 references to "as amended" because under Section
8 311.027, Government Code (Code Construction Act), a
9 reference to a statute applies to all reenactments,
10 revisions, or amendments of that statute unless
11 expressly provided otherwise.

12 (4) Section 14, Chapter 431, Acts of the 60th
13 Legislature, Regular Session, 1967, refers to a "writ
14 of error." The revised law substitutes "petition for
15 review" for "writ of error" because, effective
16 September 1, 1997, the Texas Supreme Court replaced
17 the writ of error procedure with the petition for
18 review procedure. See Rule 53.1, Texas Rules of
19 Appellate Procedure.

20 Revised Law

21 Sec. 1069.109. GIFTS AND ENDOWMENTS. The board may accept
22 for the district a gift or endowment to be held in trust and
23 administered by the board for the purposes and under any direction,
24 limitation, or other provision prescribed in writing by the donor
25 that are not inconsistent with the proper management and objectives
26 of the district. (Acts 60th Leg., R.S., Ch. 431, Sec. 18(a).)

27 Source Law

28 Sec. 18. (a) The board of directors of the
29 hospital district is authorized on behalf of such
30 district to accept donations, gifts and endowments to
31 be held in trust and administered by the board of
32 directors for such purposes and under such directions,
33 limitations and provisions as may be prescribed in
34 writing by the donor not inconsistent with proper
35 management and object of the hospital district.

36 Revisor's Note

37 Section 18(a), Chapter 431, Acts of the 60th
38 Legislature, Regular Session, 1967, 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. 1069.110. CHARITABLE ORGANIZATION. (a) In this
6 section, "charitable organization" means an organization that is
7 eligible for an exemption from federal income tax under Section
8 501(a), Internal Revenue Code of 1986, by being listed as an exempt
9 organization by Section 501(c)(3) or (4) of that code.

10 (b) The board may facilitate the achievement of district
11 purposes by creating a charitable organization to:

12 (1) provide or arrange for hospital and health care
13 services;

14 (2) develop resources for hospital and health care
15 services; and

16 (3) provide ancillary support services for the
17 district.

18 (c) A charitable organization created under this section is
19 a unit of local government for purposes of Chapter 101, Civil
20 Practice and Remedies Code. (Acts 60th Leg., R.S., Ch. 431, Sec.
21 18(b).)

22 Source Law

23 (b) The board of directors may facilitate
24 achievement of the purpose of the district by creating
25 a charitable organization to provide or arrange for
26 hospital and health care services, develop resources
27 for hospital and health care services, and provide
28 ancillary support services for the district. For
29 purposes of this subsection, "charitable
30 organization" means an organization eligible for an
31 exemption from federal income tax under Section 501(a)
32 of the Internal Revenue Code of 1986, as amended, by
33 being listed as an exempt organization in Section
34 501(c)(3) or (4) of the code. A charitable
35 organization created by the board under this
36 subsection is a unit of local government for the
37 purposes of Chapter 101, Civil Practice and Remedies
38 Code.

39 Revised Law

40 Sec. 1069.111. NONPROFIT CORPORATION. (a) The board, on
41 the district's behalf, may create and sponsor a nonprofit
42 corporation under the Business Organizations Code and may

1 contribute money to or solicit money for the corporation.

2 (b) The corporation may use money, other than money the
3 corporation pays to the district, only to provide health care or
4 other services the district is authorized to provide under this
5 chapter.

6 (c) The corporation may invest the corporation's money in
7 any manner in which the district may invest the district's money,
8 including investing money as authorized by Chapter 2256, Government
9 Code.

10 (d) The board shall establish adequate controls to ensure
11 that the corporation uses its money as required by this section.
12 (Acts 60th Leg., R.S., Ch. 431, Sec. 18(c).)

13 Source Law

14 (c) In addition to any other powers granted to
15 the board of directors by this Act or other law, the
16 board of directors, on behalf of the district, may
17 sponsor and create a nonprofit corporation under the
18 Texas Non-Profit Corporation Act (Article 1396-1.01 et
19 seq., Vernon's Texas Civil Statutes) and may
20 contribute funds to or solicit funds for the
21 corporation. The corporation may use funds, other than
22 funds paid by the corporation to the district, only to
23 provide health care or other services the district may
24 provide under this Act. The board of directors shall
25 establish adequate controls to ensure that the
26 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 (1) Section 18(c), Chapter 431, Acts of the 60th
33 Legislature, Regular Session, 1967, provides that
34 "[i]n addition to any other powers granted to the board
35 of directors by this Act or other law," the board may
36 create a nonprofit corporation. The revised law omits
37 the quoted language as unnecessary because the powers
38 granted to the board by the act or other law apply on
39 their own terms.

40 (2) Section 18(c), Chapter 431, Acts of the 60th
41 Legislature, Regular Session, 1967, refers to the
42 Texas Non-Profit Corporation Act. That act was

1 codified in various chapters of the Business
2 Organizations Code by Chapter 182, Acts of the 78th
3 Legislature, Regular Session, 2003. On January 1,
4 2010, the Texas Non-Profit Corporation Act expired,
5 and, as of that date, the Business Organizations Code
6 applies to all business entities. The revised law is
7 drafted accordingly.

8 Revised Law

9 Sec. 1069.112. CONSTRUCTION OR EQUIPMENT PURCHASE
10 CONTRACTS. A contract for construction or the purchase of
11 equipment that involves the expenditure of more than \$25,000 may be
12 made only after advertising in the manner provided by Subchapter B,
13 Chapter 271, Local Government Code. (Acts 60th Leg., R.S., Ch. 431,
14 Sec. 10(i) (part).)

15 Source Law

16 (i) All contracts for construction or purchases
17 of equipment involving the expenditure of more than
18 \$25,000 may be made only after advertising in the
19 manner provided by Subchapter B, Chapter 271, Local
20 Government Code. . . .

21 Revisor's Note

22 Section 10(i), Chapter 431, Acts of the 60th
23 Legislature, Regular Session, 1967, provides that the
24 provisions of Article 5160, Revised Statutes, apply to
25 the district's construction contracts in relation to
26 performance and payment bonds. The revised law omits
27 this reference because Article 5160 was codified as
28 Chapter 2253, Government Code, and that chapter
29 applies to hospital districts on its own terms. The
30 omitted law reads:

31 (i) . . . The provisions of Article
32 5160 relating to performance and payment
33 bonds shall apply to construction contracts
34 let by the district.

35 Revised Law

36 Sec. 1069.113. OPERATING AND MANAGEMENT CONTRACTS. The
37 district, through its board, may enter into an operating or
38 management contract relating to a district facility. (Acts 60th

1 Leg., R.S., Ch. 431, Sec. 9(d).)

2 Source Law

3 (d) The district, through its board of
4 directors, is further authorized to enter into an
5 operating or management contract with regard to its
6 facilities or a part thereof.

7 Revised Law

8 Sec. 1069.114. CONTRACTS FOR CARE AND TREATMENT. (a) The
9 board may contract with a county or municipality located outside
10 the district's boundaries for the care and treatment of a sick or
11 injured person of that county or municipality.

12 (b) The board may contract with this state or a federal
13 agency for the treatment of a sick or injured person. (Acts 60th
14 Leg., R.S., Ch. 431, Sec. 5 (part.))

15 Source Law

16 Sec. 5. . . . Such board shall be authorized to
17 contract with any county or incorporated municipality
18 located outside its boundaries for the care and
19 treatment of the sick, diseased or injured persons of
20 any such county or municipality, and shall have the
21 authority to contract with the State of Texas or
22 agencies of the federal government for the treatment
23 of sick, diseased or injured persons.

24 Revisor's Note

25 (1) Section 5, Chapter 431, Acts of the 60th
26 Legislature, Regular Session, 1967, refers to an
27 "incorporated" municipality. The revised law omits
28 "incorporated" because under the Local Government Code
29 all municipalities must be incorporated.

30 (2) Section 5, Chapter 431, Acts of the 60th
31 Legislature, Regular Session, 1967, refers to "sick,
32 diseased or injured" persons. Throughout this
33 chapter, the revised law omits "diseased" because
34 "diseased" is included in the meaning of "sick."

35 Revised Law

36 Sec. 1069.115. CONTRACTS WITH POLITICAL SUBDIVISION FOR
37 SERVICES. The board may contract with a political subdivision of
38 this state or with a state or federal agency for the district to:

39 (1) furnish a mobile emergency medical service;

1 patient or those relatives can pay for all or part of the patient's
2 care and treatment, the administrator shall issue an order
3 directing the patient or those relatives to pay the district a
4 specified amount during an agreed term for the patient's care and
5 support. The amount ordered must be proportionate to their
6 financial ability.

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

11 (e) If there is a dispute as to the ability to pay, or doubt
12 in the mind of the district administrator, the board shall hold a
13 hearing and, after calling witnesses, shall:

14 (1) resolve the dispute or doubt; and

15 (2) issue any appropriate order.

16 (f) The final order of the board may be appealed to the
17 district court. The substantial evidence rule applies to the
18 appeal. (Acts 60th Leg., R.S., Ch. 431, Secs. 17(b), (c), (d), (e),
19 (f).)

20 Source Law

21 (b) Whenever a patient residing within the
22 district has been admitted to a district facility, the
23 administrator or manager may cause inquiry to be made
24 as to the patient's financial circumstances and the
25 financial circumstances of the relatives of such
26 patient legally liable for the patient's support.

27 (c) If the administrator or manager finds that
28 such patient or said relatives are able to pay for the
29 patient's care and treatment in whole or in part, the
30 administrator or manager shall issue an order
31 directing such patient or said relatives to pay to the
32 hospital district for the care and support of such
33 patient a specified sum for an agreed term regarding
34 payment that is in proportion to their financial
35 ability.

36 (d) The administrator or manager shall have
37 power and authority to collect such sums from the
38 estate of the patient or the patient's relatives
39 legally liable for the patient's support in the manner
40 provided by law for collection of expenses in the last
41 illness of a deceased person.

42 (e) If the administrator or manager finds that
43 such patient or said relatives are not able to pay
44 either in whole or in part for the patient's care and
45 treatment in such hospital, same shall become a charge
46 upon the hospital district as to the amount of the
47 inability to pay.

48 (f) Should there be any dispute as to the

1 ability to pay or doubt in the mind of the
2 administrator or manager, the board of directors shall
3 hear and determine same after calling witnesses, and
4 shall make such order or orders as may be proper.
5 Appeals from the final order of the board shall lie to
6 the district court. The substantial evidence rule
7 shall apply.

8 Revisor's Note

9 Section 17(a), Chapter 431, Acts of the 60th
10 Legislature, Regular Session, 1967, requires the
11 district to adopt an application procedure for
12 determining eligibility for indigent health care. The
13 revised law omits the provision because it duplicates
14 provisions in Sections 61.053(a) and (b), Health and
15 Safety Code, which apply to the district and detail the
16 application procedure. The omitted law reads:

17 Sec. 17. (a) The application
18 procedure to determine eligibility for
19 indigent health care must be adopted not
20 later than the beginning of each operating
21 year and must comply with Chapter 61, Health
22 and Safety Code.

23 Revised Law

24 Sec. 1069.117. REIMBURSEMENT FOR SERVICE. (a) The board
25 shall require a county, municipality, or public hospital located
26 outside the district to reimburse the district for the district's
27 care and treatment of a sick or injured person of that county,
28 municipality, or public hospital as provided by Chapter 61, Health
29 and Safety Code.

30 (b) The board shall require the sheriff of a county or the
31 police chief of a municipality to reimburse the district for the
32 district's care and treatment of a person confined in a jail
33 facility of the county or municipality who is not a district
34 resident.

35 (c) The board may contract with the state or federal
36 government for that government to reimburse the district for
37 treatment of a sick or injured person. (Acts 60th Leg., R.S., Ch.
38 431, Sec. 16E.)

39 Source Law

40 Sec. 16E. (a) The board shall require
41 reimbursement from a county, municipality, or public

1 hospital located outside the boundaries of the
2 district for the district's care and treatment of a
3 sick, diseased, or injured person of that county,
4 municipality, or public hospital as provided by
5 Chapter 61, Health and Safety Code.

6 (b) The board shall require reimbursement from
7 the sheriff or police chief of a county or municipality
8 for the district's care and treatment of a person
9 confined in a jail facility of the county or
10 municipality who is not a resident of the district.

11 (c) The board may contract with the state or
12 federal government for the state or federal government
13 to reimburse the district for treatment of a sick,
14 diseased, or injured person.

15 Revised Law

16 Sec. 1069.118. AUTHORITY TO SUE AND BE SUED. The district,
17 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.
18 431, Sec. 5 (part).)

19 Source Law

20 Sec. 5. . . . The district through its board of
21 directors shall have the power and authority to sue and
22 be sued and

23 [Sections 1069.119-1069.150 reserved for expansion]

24 SUBCHAPTER D. CHANGE IN BOUNDARIES

25 Revised Law

26 Sec. 1069.151. PETITION TO EXPAND DISTRICT
27 TERRITORY. (a) Registered voters of a defined territory not
28 included in the district may file a petition with the board
29 secretary requesting inclusion of the territory in the district.

30 (b) The petition must be signed by at least 50 registered
31 voters of the territory or a majority of those voters, whichever is
32 fewer. (Acts 60th Leg., R.S., Ch. 431, Sec. 16D(a).)

33 Source Law

34 Sec. 16D. (a) Registered voters of a defined
35 territory that is not included in a district may file a
36 petition with the secretary of the board requesting
37 the inclusion of the territory in the district. The
38 petition must be signed by at least 50 registered
39 voters of the territory or a majority of those voters,
40 whichever is less.

41 Revised Law

42 Sec. 1069.152. HEARING. (a) The board by order shall set
43 a time and place to hold a hearing on a petition to include a defined
44 territory in the district.

45 (b) The board shall set a date for the hearing that is after

1 the 30th day after the date the board issues the order. (Acts 60th
2 Leg., R.S., Ch. 431, Sec. 16D(b).)

3 Source Law

4 (b) The board by order shall set a time and place
5 to hold a hearing on the petition to include the
6 territory in the district. The board shall set a date
7 for the hearing that is after the 30th day after the
8 date the board issues the order.

9 Revised Law

10 Sec. 1069.153. ORDER OF ANNEXATION. (a) If, after a
11 hearing under Section 1069.152, the board finds that annexation of
12 the defined territory into the district would be feasible and would
13 benefit the district, the board may approve the annexation by a
14 resolution entered in its minutes.

15 (b) The board is not required to include in the annexation
16 all territory described in the petition if the board finds that a
17 modification or change is necessary or desirable. (Acts 60th Leg.,
18 R.S., Ch. 431, Sec. 16D(c).)

19 Source Law

20 (c) If after the hearing the board finds that
21 annexation of the territory into the district would be
22 feasible and would benefit the district, the board may
23 approve the annexation by a resolution entered in its
24 minutes. The board is not required to include all of
25 the territory described in the petition if the board
26 finds that a modification or change is necessary or
27 desirable.

28 Revised Law

29 Sec. 1069.154. RATIFICATION ELECTION. (a) Annexation of
30 territory is final when approved by a majority of the voters at:

- 31 (1) an election held in the district; and
32 (2) a separate election held in the territory proposed
33 to be annexed.

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 form of the ballot; and
39 (4) the presiding and alternate election judges for
40 each polling place.

1 (c) Notice of the election shall be given by publishing a
2 substantial copy of the election order in a newspaper of general
3 circulation in the county once each week for two consecutive weeks.
4 The first publication must occur at least 30 days before the date of
5 the election.

6 (d) Section 41.001(a), Election Code, does not apply to an
7 election held under this section. (Acts 60th Leg., R.S., Ch. 431,
8 Secs. 3 (part), 16D(d) (part), (f) (part).)

9 Source Law

10 Sec. 3. . . . The order calling the election
11 shall specify the date, place or places of holding the
12 election, the form of ballot, the presiding judge and
13 alternate judge for each voting place, and provide for
14 clerks as in county elections. Notice of election
15 shall be given by publishing a substantial copy of the
16 election order in a newspaper of general circulation
17 in the county once a week for two consecutive weeks,
18 the first publication to appear at least 30 days prior
19 to the date established for the election. . . .

20 [Sec. 16D]

21 (d) Annexation of territory is final when
22 approved by a majority of the voters at an election
23 held in the district and by a majority of the voters at
24 a separate election held in the territory to be
25 annexed. . . .

26 (f) . . . The election shall be ordered and
27 notice of the election shall be given in the same
28 manner as provided by Section 3 for ordering and giving
29 notice of an election authorizing creation of the
30 district. Section 41.001(a), Election Code, does not
31 apply to an election held under this section.

32 Revisor's Note

33 Section 16D(f), Chapter 431, Acts of the 60th
34 Legislature, Regular Session, 1967, states that the
35 election must be held after the 45th day and not later
36 than the 60th day after the date the election is
37 ordered. The revised law omits the provision as
38 superseded by Section 3.005, Election Code, applicable
39 to the district under Section 1.002, Election Code.
40 Section 3.005 requires an election order issued by the
41 authority of a political subdivision to be issued not
42 later than the 62nd, 71st, or 78th day before election
43 day, depending on when the election is held, and
44 provides that Section 3.005 supersedes a law outside

1 the Election Code to the extent of any conflict. The
2 omitted law reads:

3 (f) The election shall be held after
4 the 45th day and on or before the 60th day
5 after the date the election is
6 ordered. . . .

7 Revised Law

8 Sec. 1069.155. ASSUMPTION OF DEBT AND TAXES. If the
9 district has outstanding debts or taxes, the voters in an election
10 to approve annexation under Section 1069.154 must determine whether
11 the annexed territory will assume its portion of the debts or taxes
12 on annexation. (Acts 60th Leg., R.S., Ch. 431, Sec. 16D(d) (part).)

13 Source Law

14 (d) . . . If the district has outstanding debts
15 or taxes, the voters in the election to approve the
16 annexation must also determine if the annexed
17 territory will assume its proportion of the debts or
18 taxes if added to the district.

19 Revised Law

20 Sec. 1069.156. BALLOT. The ballot for an election under
21 Section 1069.154 shall be printed to permit voting for or against
22 the following, as applicable:

23 (1) "Adding (description of territory to be added) to
24 the Nacogdoches County Hospital District."

25 (2) "(Description of territory to be added) assuming
26 its proportionate share of the outstanding debts and taxes of the
27 Nacogdoches County Hospital District, if it is added to the
28 district." (Acts 60th Leg., R.S., Ch. 431, Sec. 16D(e).)

29 Source Law

30 (e) The election ballots shall be printed to
31 permit voting for or against the following, as
32 applicable:

33 (1) "Adding (description of territory to
34 be added) to the Nacogdoches County Hospital
35 District."

36 (2) "(Description of territory to be
37 added) assuming its proportionate share of the
38 outstanding debts and taxes of the Nacogdoches County
39 Hospital District, if it is added to the district."

40 [Sections 1069.157-1069.200 reserved for expansion]

1 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1069.201. 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) cash on hand to the credit of each district fund;

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

11 (4) money available to the district from all sources
12 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 60th Leg.,
18 R.S., Ch. 431, Sec. 6 (part).)

19 Source Law

20 Sec. 6. . . . 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. 1069.202. NOTICE; HEARING; APPROVAL 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 act on

1 the budget as proposed by the board president. The board may make
2 any changes in the proposed budget that the board judges to be in
3 the interest of the taxpayers and the law warrants. The budget must
4 be approved by the board. (Acts 60th Leg., R.S., Ch. 431, Sec. 6
5 (part).)

6 Source Law

7 Sec. 6. . . . 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
11 resident of the district shall have the right to be
12 present and participate in said hearing. At the
13 conclusion of the hearing, the budget, as proposed by
14 the president, shall be acted upon 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 demand. . . . the annual budget, and . . .
19 shall be approved by the board of directors. . . .

20 Revised Law

21 Sec. 1069.203. AMENDMENTS TO BUDGET. The annual budget may
22 be amended as required by circumstances. The board must approve all
23 amendments. (Acts 60th Leg., R.S., Ch. 431, Sec. 6 (part).)

24 Source Law

25 Sec. 6. . . . The annual budget may be amended
26 from time to time as the circumstances may require, but
27 [the annual budget, and] all amendments thereto, shall
28 be approved by the board of directors. . . .

29 Revisor's Note

30 Section 6, Chapter 431, Acts of the 60th
31 Legislature, Regular Session, 1967, 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 amend the budget implies the authority to
35 do so at any time.

36 Revised Law

37 Sec. 1069.204. RESTRICTION ON EXPENDITURES. Money may be
38 spent only for an expense included in the annual budget or an
39 amendment to the budget. (Acts 60th Leg., R.S., Ch. 431, Sec. 6
40 (part).)

41 Source Law

42 Sec. 6. . . . No expenditure may be made for

1 any expense not included in the annual budget or an
2 amendment thereto. . . .

3 Revised Law

4 Sec. 1069.205. FISCAL YEAR. The district operates
5 according to a fiscal year that begins on July 1 and ends on June 30.
6 (Acts 60th Leg., R.S., Ch. 431, Sec. 6 (part).)

7 Source Law

8 Sec. 6. The district shall be operated on the
9 basis of a fiscal year commencing on July 1 of each
10 year and ending on June 30 of the following year, and
11

12 Revised Law

13 Sec. 1069.206. AUDIT. The district shall have an audit made
14 of the district's financial condition. (Acts 60th Leg., R.S., Ch.
15 431, Sec. 6 (part).)

16 Source Law

17 Sec. 6. [The district] . . . it shall cause an
18 audit to be made of the financial condition of said
19 district,

20 Revised Law

21 Sec. 1069.207. 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 60th Leg., R.S., Ch. 431,
24 Sec. 6 (part).)

25 Source Law

26 Sec. 6. . . . an audit . . . which together with
27 other records of the district shall be open to
28 inspection at the principal office of the
29 district. . . .

30 Revised Law

31 Sec. 1069.208. 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 60th Leg., R.S., Ch. 431, Sec. 6 (part).)

38 Source Law

39 Sec. 6. . . . As soon as practicable after the
40 close of each fiscal year, the administrator or

1 manager shall prepare for the board a full sworn
2 statement of all moneys belonging to the district and a
3 full account of the disbursements of same.

4 Revised Law

5 Sec. 1069.209. DEPOSITORY. (a) The board shall select one
6 or more banks in the district to serve as a depository for district
7 money.

8 (b) All district money shall be immediately deposited on
9 receipt with a depository bank, except that sufficient money must
10 be remitted to the place or places designated as agent for the
11 payment of principal of and interest on the district's outstanding
12 bonds or other obligations assumed by the district in time for the
13 agent to make that payment on or before the maturity date of the
14 principal and interest.

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

19 (d) Membership on the district's board of an officer or
20 director of a bank does not disqualify the bank from being
21 designated as depository. (Acts 60th Leg., R.S., Ch. 431, Sec. 11.)

22 Source Law

23 Sec. 11. The board of directors of the district
24 shall name one or more banks within its boundaries to
25 serve as depository for the funds of the district. All
26 such funds shall, as derived and collected, be
27 immediately deposited with such depository bank or
28 banks, except that sufficient funds shall be remitted
29 to the place or places designated as agent for the
30 payment of principal of and interest on the
31 outstanding bonds of the district or other obligations
32 assumed by it and in time that such money may be
33 received by said agent or agents for payment on or
34 prior to the date of maturity of such principal and
35 interest so to be paid. To the extent that funds in the
36 depository bank or banks are not insured by the Federal
37 Deposit Insurance Corporation, they shall be secured
38 in the manner provided by law for security of county
39 funds. Membership on the board of directors of an
40 officer or director of a bank shall not disqualify such
41 bank from being designated as depository.

42 Revisor's Note

43 Section 11, Chapter 431, Acts of the 60th
44 Legislature, Regular Session, 1967, refers to money
45 "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. 1069.210. SPENDING RESTRICTIONS. Except as provided
5 by Sections 1069.106, 1069.107, and 1069.211 and by Subchapter F,
6 the district may not incur an obligation payable from district
7 revenue other than the revenue on hand or to be on hand in the
8 current and immediately following district fiscal years. (Acts
9 60th Leg., R.S., Ch. 431, Sec. 10(1).)

10 Source Law

11 (1) Except as permitted by this section and as
12 permitted by Sections 7 and 8, the district may incur
13 no obligation payable from any revenues of the
14 district (taxes or otherwise) except those on hand or
15 to be on hand within the then current and following
16 fiscal year of the district.

17 Revisor's Note

18 Section 10(1), Chapter 431, Acts of the 60th
19 Legislature, Regular Session, 1967, states that
20 "[e]xcept as permitted by this section and as
21 permitted by Sections 7 and 8," the district may not
22 incur certain obligations. The relevant parts of
23 Section 10 are codified in this chapter as Sections
24 1069.106, 1069.107, and 1069.211. As explained in the
25 revisor's note at the end of Subchapter A, Section 8 is
26 omitted from the revised law as executed. Section 7 is
27 codified in Subchapter F. The revised law is drafted
28 accordingly.

29 Revised Law

30 Sec. 1069.211. ECONOMIC DEVELOPMENT. The district may
31 allocate a portion of its annual sales and use tax revenue, not to
32 exceed one-fourth of one percent, to encourage economic development
33 in the district as described by Section 52-a, Article III, Texas
34 Constitution. (Acts 60th Leg., R.S., Ch. 431, Sec. 10(k).)

35 Source Law

36 (k) The district may allocate a portion of its
37 annual sales and use tax revenue, not to exceed
38 one-fourth of one percent, to encourage economic

1 development in the district as described by Section
2 52-a, Article III, Texas Constitution.

3 Revised Law

4 Sec. 1069.212. AUTHORITY TO BORROW MONEY. (a) Pending
5 receipt of accounts receivable, the board may borrow money for the
6 payment of maintenance and operating expenses of the district.

7 (b) A loan obtained by the district under this section must
8 be repaid not later than one year after the date on which the loan is
9 made. (Acts 60th Leg., R.S., Ch. 431, Sec. 10(h).)

10 Source Law

11 (h) Pending receipt of accounts receivable, the
12 board may borrow money for the payment of maintenance
13 and operating expenses of the district. A loan
14 obtained by the district must be repaid not later than
15 one year after the date on which the loan is made.

16 [Sections 1069.213-1069.250 reserved for expansion]

17 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

18 Revised Law

19 Sec. 1069.251. GENERAL OBLIGATION BONDS. The board may
20 issue and sell general obligation bonds in the name and on the faith
21 and credit of the district for any purpose relating to the purchase,
22 construction, acquisition, repair, or renovation of buildings or
23 improvements and equipping of buildings or improvements for
24 hospital purposes. (Acts 60th Leg., R.S., Ch. 431, Sec. 7(a)
25 (part).)

26 Source Law

27 Sec. 7. (a) The board of directors shall have
28 the power and authority to issue and sell its bonds in
29 the name and upon the faith and credit of such hospital
30 district for the purchase, construction, acquisition,
31 repair or renovation of buildings and improvements and
32 equipping the same for hospital purposes, and for any
33 or all of such purposes. . . .

34 Revisor's Note

35 Section 7(a), Chapter 431, Acts of the 60th
36 Legislature, Regular Session, 1967, provides that the
37 board has the power and authority to issue and sell
38 bonds in the name and on the faith and credit of the
39 district. Because the type of bonds described by
40 Section 7(a) are known as "general obligation bonds,"

1 the revised law is drafted accordingly.

2 Revised Law

3 Sec. 1069.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
4 the time general obligation bonds are issued by the district, the
5 board shall impose an ad valorem tax at a rate sufficient to create
6 an interest and sinking fund to pay the principal of and interest on
7 the bonds as the bonds mature.

8 (b) The tax required by this section together with any other
9 ad valorem tax imposed for the district may not in any year exceed
10 75 cents on each \$100 valuation of all taxable property in the
11 district subject to hospital district taxation. (Acts 60th Leg.,
12 R.S., Ch. 431, Sec. 7(a) (part).)

13 Source Law

14 Sec. 7. (a) . . . At the time of issuance of
15 any 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 such tax together with any
19 other taxes levied for said district shall not exceed
20 75 cents on each \$100 valuation of taxable property in
21 any one year, within the district subject to hospital
22 district taxation. . . .

23 Revisor's Note

24 Section 7(a), Chapter 431, Acts of the 60th
25 Legislature, Regular Session, 1967, 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. Section
30 1(b), Article VIII, Texas Constitution, requires all
31 property that is taxed to be taxed in proportion to its
32 value, and accordingly "ad valorem" tax is the term
33 most commonly used in Texas law to refer to a tax on
34 property.

35 Revised Law

36 Sec. 1069.253. GENERAL OBLIGATION BOND ELECTION. (a) The
37 district may issue general obligation bonds only if the bonds are
38 authorized by a majority of the district voters voting at an

1 election held for that purpose.

2 (b) The order calling a bond election shall provide for
3 clerks as in county elections and must specify:

4 (1) the date of the election;

5 (2) the location of the polling places;

6 (3) the presiding and alternate election judges for
7 each polling place;

8 (4) the amount of the bonds to be authorized;

9 (5) the maximum interest rate of the bonds; and

10 (6) the maximum maturity of the bonds.

11 (c) Notice of a bond election shall be given as provided by
12 Section 1251.003, Government Code. (Acts 60th Leg., R.S., Ch. 431,
13 Sec. 7(a) (part).)

14 Source Law

15 Sec. 7. (a) . . . No bonds shall be issued by
16 such hospital district . . . until authorized by a
17 majority of the qualified electors of the district
18 voting at an election called for such purpose. The
19 order for bond election shall specify the date of the
20 election, the amount of bonds to be authorized, the
21 maximum maturity thereof, the maximum rate of interest
22 they are to bear, the place or places where the
23 election shall be held, the presiding judge and
24 alternate judge for each voting place and provide for
25 clerks as in county elections. Notice of any bond
26 election . . . shall be given as provided by Section
27 1251.003, Government Code, and

28 Revisor's Note

29 (1) Section 7(a), Chapter 431, Acts of the 60th
30 Legislature, Regular Session, 1967, refers to a
31 majority of the qualified electors. The revised law
32 omits "qualified" as unnecessary in this context
33 because Chapter 11, Election Code, governs eligibility
34 to vote in an election in this state and allows only
35 "qualified" voters who are residents of the territory
36 covered by the election to vote in an election.

37 (2) Section 7(a), Chapter 431, Acts of the 60th
38 Legislature, Regular Session, 1967, provides that
39 notice of a bond election under Section 8, which
40 addresses a bond election at the creation of the

1 authorized by a majority of the qualified electors of
2 the district]

3 (b) Refunding bonds of the district may be
4 issued for the purpose of refunding and paying off any
5 outstanding indebtedness it has issued or assumed.
6 Such refunding bonds may be sold and the proceeds
7 thereof applied to the payment of outstanding
8 indebtedness, or may be exchanged in whole or in part
9 for not less than a like principal amount of such
10 outstanding indebtedness.

11 Revised Law

12 Sec. 1069.255. MATURITY OF BONDS. District bonds must
13 mature not later than 40 years after the date of issuance. (Acts
14 60th Leg., R.S., Ch. 431, Sec. 7(c) (part).)

15 Source Law

16 (c) . . . Bonds of the district shall mature
17 within 40 years of their date,

18 Revised Law

19 Sec. 1069.256. EXECUTION OF BONDS. District bonds shall be
20 executed in the manner provided by Chapter 618, Government Code.
21 (Acts 60th Leg., R.S., Ch. 431, Sec. 7(c) (part).)

22 Source Law

23 (c) . . . Bonds of the district . . . shall be
24 executed in the manner provided by Chapter 618,
25 Government Code, and

26 Revisor's Note

27 (1) Section 7(c), Chapter 431, Acts of the 60th
28 Legislature, Regular Session, 1967, provides in part
29 that district bonds must bear interest at a rate not to
30 exceed the rate allowed by Chapter 1204, Government
31 Code. The revised law omits the provision because it
32 duplicates Section 1204.006, Government Code, which
33 permits a public agency, including a hospital
34 district, to issue public securities at any net
35 effective interest rate of 15 percent or less. Section
36 1204.006 applies to district bonds by application of
37 Section 1204.001, Government Code. The omitted law
38 reads:

39 (c) A public security issued by the
40 district must bear interest at a rate not to
41 exceed the maximum interest rate allowed by
42 Chapter 1204, Government Code. . . .

1 free from taxation by the state or any municipality or
2 political subdivision thereof.

3 Revisor's Note
4 (End of Subchapter)

5 (1) Section 13, Chapter 431, Acts of the 60th
6 Legislature, Regular Session, 1967, provides that
7 district bonds are legal and authorized investments
8 for certain entities. The revised law omits the
9 provision as unnecessary. As to several of the
10 entities listed, Section 13 has been superseded and
11 impliedly repealed. Investments in securities by
12 banks are regulated by Section 34.101, Finance Code
13 (enacted in 1995 as Section 5.101, Texas Banking Act
14 (Article 342-5.101, Vernon's Texas Civil Statutes)).
15 Investments in securities by savings banks are
16 regulated by Section 93.001(c)(10), Finance Code
17 (enacted in 1993 as Section 7.15(10), Texas Savings
18 Bank Act (Article 489e, Vernon's Texas Civil
19 Statutes)). Investments in securities by trust
20 companies are regulated by Section 184.101, Finance
21 Code (enacted in 1997 as Section 5.101, Texas Trust
22 Company Act (Article 342a-5.101, Vernon's Texas Civil
23 Statutes)). Investments in securities by savings and
24 loan associations are regulated by Sections 63.002 and
25 64.001, Finance Code. As to the remaining entities
26 listed, Section 13 is superseded by Section 1201.041,
27 Government Code, enacted as Section 9, Bond Procedures
28 Act of 1981 (Article 717k-6, Vernon's Texas Civil
29 Statutes). Section 1201.041, Government Code, applies
30 to district bonds by application of Section 1201.002,
31 Government Code. The revised law omits the reference
32 to public funds of this state because it has been
33 superseded by Section 404.024, Government Code
34 (enacted in 1985 as Section 2.014, Treasury Act
35 (Article 4393-1, Vernon's Texas Civil Statutes)),
36 which governs the investment of state funds. Section

1 404.024(b)(10), Government Code, authorizes the
2 investment of state funds in obligations of political
3 subdivisions, including hospital districts. The
4 revised law omits the reference to public funds of
5 political subdivisions or public agencies of the state
6 because it has been superseded by Chapter 2256,
7 Government Code (enacted in 1987 as the Public Funds
8 Investment Act of 1987 (Article 842a-2, Vernon's Texas
9 Civil Statutes)), which governs the investment of
10 local funds. The omitted law reads:

11 Sec. 13. All bonds issued and
12 indebtedness assumed by the district shall
13 be and are hereby declared to be legal and
14 authorized investments of banks, savings
15 banks, trust companies, building and loan
16 associations, savings and loan
17 associations, insurance companies,
18 fiduciaries, trustees, and sinking funds of
19 cities, towns, villages, counties, school
20 districts, or other political subdivisions
21 of the State of Texas, and for all public
22 funds of the State of Texas or its agencies
23 including the state permanent school
24 fund. . . .

25 (2) Section 13, Chapter 431, Acts of the 60th
26 Legislature, Regular Session, 1967, provides that
27 district bonds may secure deposits of public funds of
28 this state or political subdivisions of this state.
29 The revised law omits the provision as impliedly
30 repealed by Section 404.0221, Government Code (enacted
31 in 1995), which lists eligible collateral for deposits
32 of state funds by the comptroller, and by Chapter 2257,
33 Government Code (enacted in 1989 as Article 2529d,
34 Vernon's Texas Civil Statutes), which governs eligible
35 collateral for deposits of funds of other public
36 agencies, including political subdivisions. The
37 omitted law reads:

38 Sec. 13. . . . Such bonds and
39 indebtedness shall be eligible to secure
40 deposit of public funds of the State of
41 Texas and public funds of cities, towns,
42 villages, counties, school districts or
43 other political subdivisions or
44 corporations of the State of Texas, and

1 shall be lawful and sufficient security for
2 said deposits to the extent of their value
3 when accompanied by all unmatured coupons
4 appurtenant thereto.

5 [Sections 1069.259-1069.300 reserved for expansion]

6 SUBCHAPTER G. TAXES

7 Revised Law

8 Sec. 1069.301. IMPOSITION OF AD VALOREM TAX. (a) The board
9 shall impose a tax on all taxable property in the district subject
10 to district taxation.

11 (b) The board shall impose the tax to pay:

12 (1) indebtedness issued or assumed by the district;
13 and

14 (2) the maintenance and operating expenses of the
15 district. (Acts 60th Leg., R.S., Ch. 431, Secs. 12 (part), 15
16 (part).)

17 Source Law

18 Sec. 12. The board of directors shall annually
19 levy a tax . . . for the purpose of paying (1) the
20 indebtedness assumed or issued by the district and (2)
21 the maintenance and operating expenses of the
22 district. . . .

23 Sec. 15. . . . Hospital tax shall be levied upon
24 all taxable property within said district subject to
25 hospital district taxation.

26 Revised Law

27 Sec. 1069.302. TAX RATE. (a) The board may impose the tax
28 at a rate not to exceed 75 cents on each \$100 valuation of the
29 taxable property in the district subject to hospital district
30 taxation.

31 (b) In setting the tax rate, the board shall consider the
32 income of the district from sources other than taxation. (Acts 60th
33 Leg., R.S., Ch. 431, Secs. 3 (part), 12 (part).)

34 Source Law

35 Sec. 3. . . . [the hospital district shall be
36 created with authority to levy annual taxes] at a rate
37 not to exceed 75 cents on each \$100 valuation of
38 taxable property within such district subject to
39 hospital district taxation

40 Sec. 12. [The board of directors shall annually
41 levy a tax] of not to exceed the amount hereinabove
42 permitted In setting such tax rate the board
43 shall take into consideration the income of the

1 district from sources other than taxation. . . .

2 Revisor's Note

3 Section 12, Chapter 431, Acts of the 60th
4 Legislature, Regular Session, 1967, requires the board
5 to levy the tax and to certify the tax rate to the tax
6 assessor-collector. The revised law omits that
7 provision because Section 26.05(a), Tax Code, requires
8 the governing body of a taxing unit to adopt a tax rate
9 for the current tax year and to notify the tax assessor
10 of that rate. The omitted law reads:

11 Sec. 12. . . . Upon determination of
12 the amount of tax required to be levied, the
13 board shall make such levy and certify the
14 same to the tax assessor-collector of said
15 district.

16 Revised Law

17 Sec. 1069.303. ASSESSMENT AND COLLECTION BY COUNTY TAX
18 ASSESSOR-COLLECTOR. Unless the board by majority vote elects to
19 have taxes assessed and collected under Section 1069.304, the tax
20 assessor-collector of the county in which the district is located
21 shall assess and collect taxes imposed by the district. (Acts 60th
22 Leg., R.S., Ch. 431, Secs. 15 (part), 15(a) (part).)

23 Source Law

24 Sec. 15. . . . [All taxes of the district shall
25 be assessed and collected] . . . as provided in
26 Subsection (a) hereof unless the directors, by
27 majority vote, elect to have taxes assessed and
28 collected by its own tax assessor-collector under
29 Subsection (b) hereof. . . .

30 (a) Under this subsection, The tax
31 assessor-collector of the county in which said
32 district is situated shall be charged and required to
33 accomplish the assessment and collection of all taxes
34 levied by and on behalf of the district. . . .

35 Revisor's Note

36 (1) Sections 15 and 15(a), Chapter 431, Acts of
37 the 60th Legislature, Regular Session, 1967, refer to
38 the assessment and collection of district taxes on
39 county tax values. The revised law omits those
40 provisions because they were repealed by Section 6(b),
41 Chapter 841, Acts of the 66th Legislature, Regular
42 Session, 1979, which repealed all "general, local, and

1 special laws" that conflicted with that act. Chapter
2 841 enacted the Property Tax Code (Title 1, Tax Code),
3 a comprehensive, substantive codification of property
4 tax law. Title 1, Tax Code, provides the exclusive
5 procedures for the appraisal of property for taxation
6 by a taxing unit, including a hospital district. The
7 omitted law reads:

8 Sec. 15. . . . All taxes of the
9 district shall be assessed and collected on
10 county tax values

11 (a) . . . district taxes shall be
12 assessed and collected on county tax values
13 in the same manner as provided by law with
14 relation to county taxes. . . .

15 (2) Section 15(a), Chapter 431, Acts of the 60th
16 Legislature, Regular Session, 1967, provides that the
17 tax assessor-collector shall charge a fee for the
18 assessment and collection of district taxes. The
19 revised law omits that provision because it was
20 repealed by Section 6(b), Chapter 841, Acts of the 66th
21 Legislature, Regular Session, 1979. See Revisor's Note
22 (1). Section 6.27(b), Tax Code, provides for the
23 compensation of a county tax assessor-collector
24 assessing and collecting taxes for another taxing
25 unit. The omitted law reads:

26 (a) . . . The assessor-collector of
27 taxes shall charge and deduct from payments
28 to the hospital district an amount as fees
29 for assessing and collecting the taxes at a
30 rate of one percent of the taxes assessed
31 and one percent of the taxes collected, but
32 in no event shall the amount paid exceed
33 \$5,000 in any one calendar year. Such fees
34 shall be deposited in the officers' salary
35 fund of the county and reported as fees of
36 office of the county tax
37 assessor-collector. . . .

38 (3) Section 15(a), Chapter 431, Acts of the 60th
39 Legislature, Regular Session, 1967, provides that
40 interest and penalties on district taxes and discounts
41 are the same as for county taxes. The revised law
42 omits that provision because it was repealed by
43 Section 6(b), Chapter 841, Acts of the 66th

1 Legislature, Regular Session, 1979. See Revisor's
2 Note (1). Chapter 33, Tax Code, provides for penalties
3 and interest on delinquent taxes, and Section 31.05,
4 Tax Code, provides for discounts on the early payment
5 of taxes. The omitted law reads:

6 (a) . . . Interest and penalties on
7 taxes paid to the hospital district shall be
8 the same as in the case of county taxes.
9 Discounts shall be the same as allowed by
10 the county. . . .

11 (4) Section 15(a), Chapter 431, Acts of the 60th
12 Legislature, Regular Session, 1967, provides that tax
13 revenue shall be deposited in the district's
14 depository. The revised law omits the provision
15 because Section 31.10, Tax Code, requires the tax
16 collector for a taxing unit to deposit taxes collected
17 in the unit's depository. The omitted law reads:

18 (a) . . . The residue of tax
19 collections after deduction of discounts
20 and fees for assessing and collecting shall
21 be deposited in the district's
22 depository. . . .

23 (5) Section 15(a), Chapter 431, Acts of the 60th
24 Legislature, Regular Session, 1967, provides that the
25 bond of the county tax assessor-collector is security
26 for the performance of district duties unless the
27 board determines that an additional bond is necessary.
28 The revised law omits that provision because it
29 duplicates Section 6.29(b), Tax Code, which authorizes
30 a taxing unit for which the county tax
31 assessor-collector collects a tax to require that
32 collector to post an additional bond. The omitted law
33 reads:

34 (a) . . . The bond of the county tax
35 assessor-collector shall stand as security
36 for the proper performance of his duties as
37 assessor-collector of the district; or, if
38 in the judgment of the district board of
39 directors it is necessary, additional bond
40 payable to the district may be
41 required. . . .

42 (6) Section 15(a), Chapter 431, Acts of the 60th

1 Legislature, Regular Session, 1967, states that the
2 tax assessor-collector may act in accordance with
3 state law relating to the assessment, collection, and
4 enforcement of state and county taxes. The revised law
5 omits that provision as unnecessary. The state law
6 relating to the assessment, collection, and
7 enforcement of all ad valorem taxes is Title 1, Tax
8 Code. Section 1.02, Tax Code, requires all taxing
9 units of government to administer the assessment,
10 collection, and enforcement of taxes in conformity
11 with that title. The omitted law reads:

12 (a) . . . In all matters pertaining
13 to the assessment, collection and
14 enforcement of taxes for the district, the
15 county tax assessor-collector shall be
16 authorized to act in all respects according
17 to the laws of the State of Texas relating
18 to state and county taxes.

19 Revised Law

20 Sec. 1069.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX
21 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
22 assessed and collected by a tax assessor-collector appointed by the
23 board. An election under this subsection must be made by December 1
24 and governs the manner in which taxes are assessed and collected,
25 until changed by a similar resolution.

26 (b) The district tax assessor-collector must be a district
27 resident.

28 (c) The board shall prescribe for the district tax
29 assessor-collector the term of employment and compensation. (Acts
30 60th Leg., R.S., Ch. 431, Secs. 15 (part), 15(b) (part).)

31 Source Law

32 Sec. 15. . . . [All taxes of the district shall
33 be assessed and collected . . . as provided in
34 Subsection (a) hereof] unless the directors, by
35 majority vote, elect to have taxes assessed and
36 collected by its own tax assessor-collector under
37 Subsection (b) hereof. Any such election may be made
38 prior to December 1 annually and shall govern the
39 manner in which taxes are thereafter assessed and
40 collected, until changed by a similar
41 resolution. . . .

42 (b) Under this subsection, taxes shall be

1 assessed and collected by a tax assessor-collector
2 appointed by the directors, who shall also fix the
3 terms of his employment, compensation and . . . the
4 tax assessor shall be residents of the district and
5

6 Revisor's Note

7 (1) Section 15(b), Chapter 431, Acts of the 60th
8 Legislature, Regular Session, 1967, states that the
9 board shall appoint a board of equalization and
10 establishes the duties of that board and the district
11 tax assessor-collector. The revised law omits the
12 references to a board of equalization because boards
13 of equalization were abolished and their functions and
14 duties transferred to appraisal review boards by the
15 enactment of the Property Tax Code, Title 1, Tax Code
16 (Section 1, Chapter 841, Acts of the 66th Legislature,
17 Regular Session, 1979). The provisions relating to
18 the duties of the tax assessor-collector are omitted
19 because the Tax Code specifies the duties of a tax
20 assessor-collector. The omitted law reads:

21 (b) . . . The directors shall also
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 such powers and
30 duties. . . .

31 (2) Section 15(b), Chapter 431, Acts of the 60th
32 Legislature, Regular Session, 1967, requires the board
33 to set a bond amount of not less than \$5,000 as
34 security for the district tax assessor-collector. The
35 revised law omits the provision because it was
36 repealed by Section 6(b), Chapter 841, Acts of the 66th
37 Legislature, Regular Session, 1979. See Revisor's Note
38 (1) to Section 1069.303. Section 6.29(a), Tax Code,
39 authorizes the governing body of a taxing unit,
40 including a hospital district, to require the unit's
41 tax assessor-collector to post bond without limiting

1 the amount. The omitted law reads:

2 (b) . . . requirement for bond to
3 assure the faithful performance of his
4 duties, but in no event shall such bond be
5 for less than \$5,000. . . .

6 (3) Section 15(b), Chapter 431, Acts of the 60th
7 Legislature, Regular Session, 1967, refers to the
8 applicability of the Tax Code to the district. The
9 revised law omits the provision because the Tax Code
10 applies to the district on its own terms. The omitted
11 law reads:

12 (b) . . . Except as in this law
13 provided to the contrary, all the
14 provisions of the Tax Code shall apply to
15 the district.

16 Revisor's Note
17 (End of Subchapter)

18 Section 15, Chapter 431, Acts of the 60th
19 Legislature, Regular Session, 1967, provides that the
20 directors may impose taxes for the entire year in which
21 the district is established. The revised law omits
22 that provision as executed. The omitted law reads:

23 Sec. 15. The directors shall have the
24 authority to levy taxes for the entire year
25 in which the district is established as the
26 result of the election herein
27 provided. . . .

28 Revisor's Note
29 (End of Chapter)

30 (1) Sections 2 and 19, Chapter 431, Acts of the
31 60th Legislature, Regular Session, 1967, provide for
32 the transfer of certain land, buildings, improvements,
33 equipment, funds, and taxes to the district after the
34 district is created and provide for the assumption of
35 debt by the district on creation. The revised law
36 omits the provisions as executed. The omitted law
37 reads:

38 Sec. 2. The district herein
39 authorized to be created shall take over and
40 there shall be transferred to it title to
41 all lands, buildings, improvements and
42 equipment in anywise pertaining to the
43 hospitals or hospital system owned by

1 Nacogdoches County and any city or town
2 within such county and Such
3 district shall assume the outstanding
4 indebtedness incurred by any city or town
5 within Nacogdoches County or by Nacogdoches
6 County for hospital purposes prior to the
7 creation of said district.

8 Sec. 19. . . . When the district is
9 created and established, the county and all
10 towns and cities located therein shall
11 convey and transfer to the district title to
12 all lands, buildings, improvements and
13 equipment in anywise pertaining to a
14 hospital or hospital system which may be
15 jointly or separately owned by the county or
16 any city or town within said district.
17 Operating funds and reserves for operating
18 expenses which are on hand and funds which
19 have been budgeted for hospital purposes by
20 the county or any city or town therein for
21 the remainder of the fiscal year in which
22 the district is established shall likewise
23 be transferred to said district, as shall
24 taxes theretofore levied for hospital
25 purposes.

26 (2) Section 22, Chapter 431, Acts of the 60th
27 Legislature, Regular Session, 1967, provides that the
28 act is severable. The revised law omits that provision
29 because it duplicates Section 311.032, Government Code
30 (Code Construction Act), which provides that a
31 provision of a statute is severable from each other
32 provision of the statute that can be given effect. The
33 omitted law reads:

34 Sec. 22. If any of the provisions of
35 this Act or the application thereof to any
36 person or circumstance is held invalid,
37 such invalidity shall not affect other
38 provisions or applications of the Act which
39 can be given effect without the invalid
40 provision or application, and to this end
41 the provisions of this Act are declared to
42 be severable.

43 (3) Section 23, Chapter 431, Acts of the 60th
44 Legislature, Regular Session, 1967, states that public
45 notice of enactment of the statute was provided in a
46 manner that satisfies the requirements of the Texas
47 Constitution. The revised law omits this provision as
48 executed. The omitted law reads:

49 Sec. 23. Proof of publication of the
50 notice required in the enactment hereof
51 under the provisions of Section 9 of Article
52 IX of the Texas Constitution has been made

1 in the manner and form provided by law
2 pertaining to the enactment of local and
3 special laws, and such notice is hereby
4 found and declared proper and sufficient to
5 satisfy such requirement.

6 (4) Section 2, Chapter 293, Acts of the 68th
7 Legislature, Regular Session, 1983, validates certain
8 notes that were issued by the Nacogdoches County
9 Hospital District. The revised law omits that
10 provision as unnecessary because the notes referenced
11 in that section have been paid off and are no longer
12 outstanding debts of the district. The omitted law
13 reads:

14 Sec. 2. As of the date of the note,
15 the following promissory notes executed by
16 the Nacogdoches County Hospital District to
17 the Stone Fort National Bank are validated
18 in all respects and are considered notes or
19 other general or special obligations, as
20 applicable, under Chapter 784, Acts of the
21 61st Legislature, Regular Session, 1969
22 (Article 717k-3, Vernon's Texas Civil
23 Statutes):

- 24 (1) the note secured in the
25 principal amount of \$811,000 and dated
26 November 25, 1981; and
27 (2) the note secured in the
28 principal amount of \$520,000 and dated
29 November 30, 1981.

30 CHAPTER 1074. COMANCHE COUNTY CONSOLIDATED HOSPITAL DISTRICT

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40 [Sections 1074.007-1074.050 reserved for expansion]

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32		<u>Revised Law</u>	
33		Sec. 1074.001. DEFINITIONS. In this chapter:	
34		(1) "Board" means the board of directors of the	

1 district.

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

3 (3) "District" means the Comanche County Consolidated
4 Hospital District. (New.)

5 Revisor's Note

6 The definitions of "board," "director," and
7 "district" are added to the revised law for drafting
8 convenience and to eliminate frequent, unnecessary
9 repetition of the substance of the definitions.

10 Revised Law

11 Sec. 1074.002. AUTHORITY FOR OPERATION. The Comanche
12 County Consolidated Hospital District operates and is administered
13 and financed in accordance with Section 9, Article IX, Texas
14 Constitution, and has the rights, powers, and duties provided by
15 this chapter. (Acts 74th Leg., R.S., Ch. 132, Secs. 3.01(a) (part),
16 (b) (part).)

17 Source Law

18 Sec. 3.01. (a) In accordance with the
19 provisions of Section 9, Article IX, Texas
20 Constitution, this Act authorizes the creation,
21 establishment, administration, maintenance,
22 operation, and financing of a hospital district in
23 this state

24 (b) The district is to be known as "Comanche
25 County Consolidated Hospital District," and it has the
26 rights, powers, and duties as provided in this
27 Act. . . .

28 Revisor's Note

29 Section 3.01, Chapter 132, Acts of the 74th
30 Legislature, Regular Session, 1995, authorizes the
31 "creation, establishment, administration,
32 maintenance, operation, and financing" of the
33 district. The revised law omits "creation" and
34 "establishment" as executed. The revised law omits
35 "maintenance" because the meaning of that term is
36 included in the meaning of "operation."

37 Revised Law

38 Sec. 1074.003. ESSENTIAL PUBLIC FUNCTION. The district
39 performs an essential public function administering this chapter.

1 (Acts 74th Leg., R.S., Ch. 132, Sec. 3.25 (part).)

2 Source Law

3 Sec. 3.25. In administering this Act, the
4 district is performing an essential public function,
5 and

6 Revised Law

7 Sec. 1074.004. DISTRICT TERRITORY. The boundaries of the
8 district are coextensive with the boundaries of Comanche County,
9 except that portion of Comanche County within the boundaries of the
10 South Eastland County Hospital District, as those boundaries
11 existed on June 15, 2001, is not included in the district. (Acts
12 74th Leg., R.S., Ch. 132, Sec. 3.01(a) (part).)

13 Source Law

14 (a) . . . [hospital district] . . . with
15 boundaries coextensive with the boundaries of Comanche
16 County, exclusive of that portion of the county that is
17 in the South Eastland County Hospital District.

18 Revisor's Note

19 Section 3.01(a), Chapter 132, Acts of the 74th
20 Legislature, Regular Session, 1995, provides that the
21 boundaries of the district are coextensive with the
22 boundaries of Comanche County, exclusive of the
23 portion of the county in the South Eastland County
24 Hospital District. The general rules of statutory
25 construction provide that the delineation of a
26 political subdivision's boundary by reference to that
27 of another political subdivision refers to the
28 boundary as it existed at the time of the delineation.
29 See Op. Tex. Att'y Gen. No. DM-186 (1992) (Hamilton
30 County Hospital District boundaries do not change when
31 commissioners precinct boundaries change).
32 Accordingly, the revised law defines the district
33 boundaries as of the effective date of the act that
34 made the boundaries coextensive with Comanche County
35 exclusive of the portion of the county in the South
36 Eastland County Hospital District.

1 Revised Law

2 Sec. 1074.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
3 OBLIGATION. The support and maintenance of the district may not
4 become a charge against or obligation of this state. (Acts 74th
5 Leg., R.S., Ch. 132, Sec. 3.24 (part).)

6 Source Law

7 Sec. 3.24. The support and maintenance of the
8 hospital district may not become a charge against or an
9 obligation of the state. . . .

10 Revised Law

11 Sec. 1074.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
12 The legislature may not make a direct appropriation for the
13 construction, maintenance, or improvement of a district facility.
14 (Acts 74th Leg., R.S., Ch. 132, Sec. 3.24 (part).)

15 Source Law

16 Sec. 3.24. . . . A direct appropriation by the
17 legislature may not be made for the construction,
18 maintenance, or improvement of any of the facilities
19 of the district.

20 Revisor's Note
21 (End of Subchapter)

22 (1) Section 3.01(b), Chapter 132, Acts of the
23 74th Legislature, Regular Session, 1995, provides that
24 a reference in law to the Leon Valley Hospital District
25 means the Comanche County Consolidated Hospital
26 District. The revised law omits this provision
27 because all references to the district in the revised
28 law mean the Comanche County Consolidated Hospital
29 District and there are no other references in law to
30 the former Leon Valley Hospital District. The omitted
31 law reads:

32 (b) . . . A reference in this Act or
33 in any other law to the Leon Valley Hospital
34 District means the Comanche County
35 Consolidated Hospital District.

36 (2) Section 3.02, Chapter 132, Acts of the 74th
37 Legislature, Regular Session, 1995, provides
38 procedures for holding an election on the creation of
39 the district, the imposition of an ad valorem tax, and

1 the assumption of debt. Because the election has been
2 held, the revised law omits the relevant law as
3 executed. The omitted law reads:

4 Sec. 3.02. (a) The Comanche County
5 Consolidated Hospital District may not be
6 created unless the creation, the assumption
7 of debt, and the levy of taxes are approved
8 by a majority of the voters at an election
9 held in the DeLeon Hospital District and by
10 a majority of the voters at a separate
11 election held in the Comanche County
12 Hospital District.

13 (b) The election in the DeLeon
14 Hospital District and the election in the
15 Comanche County Hospital District shall be
16 held on the same day and must be held before
17 September 1, 2005.

18 [Sections 1074.007-1074.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Revised Law

21 Sec. 1074.051. BOARD ELECTION; TERM. (a) The board
22 consists of six directors elected from the district in accordance
23 with former Section 3.04(f), Chapter 132, Acts of the 74th
24 Legislature, Regular Session, 1995.

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

26 (c) A directors' election to elect two directors shall be
27 held annually on the May uniform election date. (Acts 74th Leg.,
28 R.S., Ch. 132, Sec. 3.05(a) (part).)

29 Source Law

30 Sec. 3.05. (a) . . . The six directors elected
31 All subsequent elections shall be held each
32 year on the first Saturday in May, with two directors
33 being elected, each to a three-year term.

34 Revisor's Note

35 (1) Section 3.03, Chapter 132, Acts of the 74th
36 Legislature, Regular Session, 1995, provides for
37 temporary directors to serve until initial elected
38 directors take office and provides for filling a
39 vacancy in the office of temporary director. The
40 revised law omits the provisions as executed.
41 Throughout this chapter, the revised law omits
42 references to "initial" and "temporary" directors as

1 executed. The omitted law reads:

2 Sec. 3.03. (a) If the Comanche
3 County Consolidated Hospital District is
4 created in accordance with Section 21A,
5 Chapter 202, and Section 21A, Chapter 203,
6 Acts of the 63rd Legislature, Regular
7 Session, 1973, the following persons shall
8 serve as temporary directors of the
9 Comanche County Consolidated Hospital
10 District:

- 11 1. Charles Mazurek
- 12 2. Jerry Morgan
- 13 3. Gale Easley
- 14 4. Forrest Eisenrich
- 15 5. John Mack Weaver
- 16 6. Terry Stephens

17 (b) A vacancy on the temporary board
18 shall be filled by the Commissioners Court
19 of Comanche County.

20 (c) The temporary board shall serve
21 as the directors of the Comanche County
22 Consolidated Hospital District until the
23 initial elected directors take office.

24 (2) Sections 3.04(a)-(e), Chapter 132, Acts of
25 the 74th Legislature, Regular Session, 1995, prescribe
26 the procedures for electing the initial board, permit
27 the postponement of the election under certain
28 circumstances, and establish three-year terms for the
29 initial elected directors. The revised law omits the
30 provisions as executed. The omitted law reads:

31 Sec. 3.04. (a) If the Comanche
32 County Consolidated Hospital District is
33 created, six initial directors shall be
34 elected at an election to be held on the
35 first Saturday in May following the date the
36 Comanche County Consolidated Hospital
37 District is created.

38 (b) The temporary directors may
39 postpone the election date for one year or
40 until a subsequent uniform election date if
41 the temporary directors determine that
42 there is not sufficient time to comply with
43 the requirements of law or if the temporary
44 directors determine that it is in the best
45 interest of the district to maintain the
46 temporary directors in place for a period of
47 not more than an additional 12 months.

48 (c) At the election held to replace
49 the temporary directors, three directors
50 shall be elected at large from the area
51 within the boundaries of the Comanche
52 County Hospital District as those
53 boundaries existed on January 1, 2001, and
54 three directors shall be elected at large
55 from the area within the boundaries of the
56 DeLeon Hospital District as those
57 boundaries existed on January 1, 2001. The
58 directors elected shall serve three-year
59 terms.

1 (d) At the initial election of
2 directors following creation of the
3 Comanche County Consolidated Hospital
4 District, the three candidates receiving
5 the highest number of votes from the area
6 within the boundaries of the Comanche
7 County Hospital District as those
8 boundaries existed on January 1, 2001, and
9 the three candidates receiving the highest
10 number of votes from the area within the
11 boundaries of the DeLeon Hospital District
12 as those boundaries existed on January 1,
13 2001, shall be the initial elected
14 directors of the district.

15 (e) The directors elected at the
16 initial election of directors following
17 creation of the Comanche County
18 Consolidated Hospital District shall each
19 serve a term of three years.

20 (3) Section 3.04(f), Chapter 132, Acts of the
21 74th Legislature, Regular Session, 1995, requires the
22 initial elected directors to adopt a procedure for the
23 election of six directors at large or by place and to
24 ensure that the procedure provides for appropriate
25 representation of the Comanche County Consolidated
26 Hospital District residents. The revised law omits
27 those provisions as executed but codifies the
28 establishment of a board consisting of six directors
29 elected in accordance with procedures adopted under
30 Section 3.04(f). The omitted law reads:

31 (f) On or before the date the terms of
32 the directors elected at the initial
33 election expire, the board shall determine
34 and adopt a procedure for the election of
35 six new directors either at large or by
36 place. The procedure must provide for
37 appropriate representation of the residents
38 of the Comanche County Consolidated
39 Hospital District.

40 (4) Section 3.05(a), Chapter 132, Acts of the
41 74th Legislature, Regular Session, 1995, requires the
42 election of a new board serving after the end of the
43 terms of the initial board and the staggering of the
44 directors' terms by requiring the directors to draw
45 lots to determine the length of the directors' terms.
46 The revised law codifies the provision providing for
47 staggered terms but omits the provision relating to
48 the date of the election as executed. The omitted law

1 newspaper of general circulation in the district. (Acts 74th Leg.,
2 R.S., Ch. 132, Sec. 3.05(b) (part).)

3 Source Law

4 (b) Notice of each election shall be published
5 in a newspaper of general circulation in the district
6 one time, not earlier than the 30th day or later than
7 the 10th day before the date of the election. . . .

8 Revised Law

9 Sec. 1074.053. QUALIFICATIONS FOR OFFICE. (a) A person may
10 not be elected or 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; or
- 16 (2) a district employee. (Acts 74th Leg., R.S., Ch.
17 132, Sec. 3.06.)

18 Source Law

19 Sec. 3.06. A person may not be appointed or
20 elected as a member of the temporary, initial, or
21 permanent board of directors unless the person is a
22 resident of the district and a qualified voter.
23 Neither the administrator nor any other employee of
24 the district is eligible to serve as a director.

25 Revised Law

26 Sec. 1074.054. BOARD VACANCY. If a vacancy occurs in the
27 office of director, the remaining directors shall fill the vacancy
28 for the unexpired term. (Acts 74th Leg., R.S., Ch. 132, Sec.
29 3.05(c).)

30 Source Law

31 (c) Vacancies in office shall be filled for the
32 unexpired term by the remainder of the board of
33 directors.

34 Revised Law

35 Sec. 1074.055. OFFICERS. (a) The board shall elect:

- 36 (1) a president and a vice president from among its
37 members; and
- 38 (2) a secretary, who need not be a director.

39 (b) Each officer of the board serves a one-year term.

1 (c) The board shall fill a vacancy in a board office for the
2 unexpired term. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.08(a).)

3 Source Law

4 Sec. 3.08. (a) The board of directors,
5 temporary, initial, and permanent, shall organize by
6 electing one of the members as president and one as
7 vice president. A secretary, who need not be a
8 director, shall also be elected. Officers shall be
9 elected for a term of one year and vacancies shall be
10 filled for the unexpired term by the board of
11 directors.

12 Revised Law

13 Sec. 1074.056. COMPENSATION; EXPENSES. A director or
14 officer serves without compensation but may be reimbursed for
15 actual expenses incurred in the performance of official duties.
16 The expenses must be:

- 17 (1) reported in the district's records; and
18 (2) approved by the board. (Acts 74th Leg., R.S., Ch.
19 132, Sec. 3.08(c).)

20 Source Law

21 (c) All members of the board of directors and
22 officers shall serve without compensation but may be
23 reimbursed for actual expenses incurred in the
24 performance of the member's official duties on the
25 approval of those expenses by the board of directors
26 and reported in the minute book of the district or
27 other records of the district.

28 Revisor's Note

29 Section 3.08(c), Chapter 132, Acts of the 74th
30 Legislature, Regular Session, 1995, requires that
31 expenses be reported in the "minute book of the
32 district or other records of the district." The
33 revised law omits "minute book of the district"
34 because the minute book is a district record.

35 Revised Law

36 Sec. 1074.057. VOTING REQUIREMENT. A concurrence of a
37 majority of the directors voting is necessary in any matter
38 relating to district business. (Acts 74th Leg., R.S., Ch. 132, Sec.
39 3.08(b).)

40 Source Law

41 (b) A majority of the members of the board

1 voting must concur in a matter pertaining to the
2 business of the district.

3 Revised Law

4 Sec. 1074.058. DISTRICT ADMINISTRATOR; ASSISTANT
5 ADMINISTRATOR. (a) The board shall appoint a qualified person as
6 district administrator.

7 (b) The board may appoint an assistant administrator.

8 (c) The district administrator and any assistant
9 administrator serve at the will of the board and receive the
10 compensation determined by the board.

11 (d) On assuming the duties of district administrator, the
12 administrator shall execute a bond payable to the district in an
13 amount set by the board of not less than \$5,000 that:

14 (1) is conditioned on the administrator performing the
15 administrator's duties; and

16 (2) contains any other condition the board requires.

17 (e) The board may pay for the bond with district money.
18 (Acts 74th Leg., R.S., Ch. 132, Sec. 3.09(c) (part).)

19 Source Law

20 (c) The board of directors shall appoint a
21 qualified person to be known as the administrator of
22 the hospital district and may appoint an assistant to
23 the administrator. The administrator and assistant
24 administrator, if any, serve at the will of the board
25 and receive compensation as may be fixed by the board.
26 The administrator shall, on assuming the
27 administrator's duties, execute a bond payable to the
28 hospital district in an amount set by the board of
29 directors, but not less than \$5,000, conditioned on
30 the faithful performance of the duties required of the
31 administrator and containing other conditions as the
32 board may require. The board may pay for the bond with
33 district funds. . . .

34 Revised Law

35 Sec. 1074.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
36 Subject to the limitations prescribed by the board, the district
37 administrator shall supervise the work and activities of the
38 district. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.09(c) (part).)

39 Source Law

40 (c) . . . The administrator shall supervise all
41 the work and activities of the district, subject to the
42 limitations prescribed by the board.

1 Revised Law

2 Sec. 1074.060. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
3 board may appoint to the staff any doctors the board considers
4 necessary for the efficient operation of the district if warranted.

5 (b) The board may employ, and may delegate to the district
6 administrator the authority to employ, technicians, nurses, fiscal
7 agents, accountants, architects, and other necessary employees for
8 the district. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.09(d).)

9 Source Law

10 (d) The board of directors shall have the
11 authority to appoint to the staff any doctors the board
12 considers necessary for the efficient operation of the
13 district if warranted by circumstances. The board
14 shall have the authority to employ and may delegate to
15 the administrator the authority to employ persons for
16 the district, including technicians, nurses, fiscal
17 agents, accountants, architects, and other necessary
18 employees.

19 Revisor's Note
20 (End of Subchapter)

21 Section 3.05(b), Chapter 132, Acts of the 74th
22 Legislature, Regular Session, 1995, states that a
23 person must file a ballot application with the board
24 secretary to be a candidate for director and
25 prescribes a deadline for filing the application. The
26 revised law omits the requirement to file the
27 application with the board secretary because it is
28 covered by Sections 144.003 and 144.004, Election
29 Code. The revised law omits the filing deadline
30 because it is superseded by Section 144.005, Election
31 Code. Section 1.002, Election Code, provides that the
32 Election Code applies to all elections held in this
33 state. The omitted law reads:

34 (b) . . . Any person desiring to
35 have the person's name printed on the ballot
36 as a candidate for director shall file an
37 application with the secretary of the board
38 of directors. The application shall be
39 filed with the secretary at least 31 days
40 before the date of the election.

41 [Sections 1074.061-1074.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 1074.101. DISTRICT RESPONSIBILITY. The district has
4 full responsibility for operating all hospital facilities and
5 providing medical and hospital care for the district's needy
6 residents. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.23(b).)

7 Source Law

8 (b) The hospital district shall assume full
9 responsibility for the operation of all hospital
10 facilities and for the furnishing of medical and
11 hospital care for the district's needy residents.

12 Revisor's Note

13 Section 3.23(b), Chapter 132, Acts of the 74th
14 Legislature, Regular Session, 1995, provides that the
15 district "shall assume" full responsibility for the
16 operation of hospital facilities and for providing
17 medical and hospital care for the district's needy
18 residents. The revised law substitutes "has" for the
19 quoted language because the duty to assume the
20 responsibility is executed.

21 Revised Law

22 Sec. 1074.102. RESTRICTION ON POLITICAL SUBDIVISION
23 TAXATION AND DEBT. A political subdivision located wholly or
24 partly in the district 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 74th Leg., R.S., Ch. 132, Sec. 3.23(a).)

27 Source Law

28 Sec. 3.23. (a) After the hospital district is
29 created, a county, municipality, or political
30 subdivision in or partly in the district may not levy
31 taxes or issue bonds or other obligations for hospital
32 purposes or for providing medical care for the
33 residents of the district.

34 Revisor's Note

35 (1) Section 3.23(a), Chapter 132, Acts of the
36 74th Legislature, Regular Session, 1995, provides that
37 "[a]fter the hospital district is created," certain
38 political subdivisions may not levy certain taxes or

1 issue certain bonds or other obligations. The revised
2 law omits the quoted language as executed. In
3 addition, throughout this chapter, the revised law
4 substitutes "impose" for "levy" because, in the
5 context of taxation, the terms are synonymous and
6 "impose" is more commonly used.

7 (2) Section 3.23(a), Chapter 132, Acts of the
8 74th Legislature, Regular Session, 1995, refers to a
9 "county, municipality, or political subdivision." The
10 revised law omits the references to "municipality" and
11 "county" because, when used in conjunction with
12 "political subdivision," "municipality" and "county"
13 are included in the meaning of "political
14 subdivision."

15 Revised Law

16 Sec. 1074.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
17 The board shall manage, control, and administer the hospital system
18 and the district's business, money, and resources. (Acts 74th
19 Leg., R.S., Ch. 132, Sec. 3.09(a) (part).)

20 Source Law

21 Sec. 3.09. (a) The board of directors shall
22 manage, control, and administer the hospital system
23 and the business of and all funds and resources of the
24 district, but

25 Revised Law

26 Sec. 1074.104. HOSPITAL SYSTEM. (a) The district shall
27 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 district for hospital
33 purposes.

34 (b) The hospital system may include:

35 (1) domiciliary care and treatment of the sick,
36 injured, or geriatric;

1 Sec. 3.09(b) (part).)

2 Source Law

3 (b) The district, through its board of
4 directors, may . . . adopt rules governing the
5 operation of the hospital, the hospital system, and
6 the district's staff and employees.

7 Revised Law

8 Sec. 1074.106. PURCHASING AND ACCOUNTING PROCEDURES. The
9 board may prescribe:

10 (1) the method and manner of making purchases and
11 expenditures by and for the district; and

12 (2) all accounting and control procedures. (Acts 74th
13 Leg., R.S., Ch. 132, Sec. 3.15(d).)

14 Source Law

15 (d) The board of directors of the district may
16 prescribe the method and manner of making purchases
17 and expenditures by and for the hospital district and
18 may prescribe all accounting and control procedures.

19 Revised Law

20 Sec. 1074.107. DISTRICT PROPERTY, FACILITIES, AND
21 EQUIPMENT. (a) The board shall determine:

22 (1) the type, number, and location of buildings
23 required to maintain an adequate hospital system; and

24 (2) the type of equipment necessary for hospital care.

25 (b) The board may lease all or part of the district's
26 buildings and other facilities on terms considered to be in the best
27 interest of district residents. The term of the lease may not
28 exceed 25 years.

29 (c) The district may:

30 (1) acquire property, including facilities and
31 equipment, for use in the district's hospital system; and

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

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 district residents. (Acts 74th Leg., R.S., Ch.
37 132, Secs. 3.15(a) (part), (b) (part), (c), (g).)

1 other interest in any type of property located in district
2 territory if the interest is necessary to exercise a right or
3 authority conferred by this chapter.

4 (b) The district must exercise the power of eminent domain
5 in the manner provided by Chapter 21, Property Code, except 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 74th Leg., R.S., Ch. 132,
16 Sec. 3.18.)

17 Source Law

18 Sec. 3.18. (a) The district has 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 in the
22 property, within the boundaries of the district if
23 necessary to the exercise of the rights or authority
24 conferred by this Act in the manner provided by the
25 general law with respect to condemnation by counties.

26 (b) The district is not required to deposit in
27 the trial court money or bond as provided by Section
28 21.021, Property Code.

29 (c) In a condemnation proceeding prosecuted by
30 the district, the district is not required to:

31 (1) pay in advance or give bond or other
32 security for costs in the trial court;

33 (2) give any bond otherwise required for
34 the issuance of a temporary restraining order or a
35 temporary injunction; or

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

38 Revisor's Note

39 (1) Section 3.18(a), Chapter 132, Acts of the
40 74th Legislature, Regular Session, 1995, provides that
41 the district has the "right and power of eminent domain
42 for the purpose of acquiring [property] by
43 condemnation." The revised law substitutes for the
44 quoted language "may exercise the power of eminent

1 domain to acquire [property]" because the phrases have
2 the same meaning, and the latter phrase is consistent
3 with modern usage in laws relating to eminent domain.

4 (2) Section 3.18(a), Chapter 132, Acts of the
5 74th Legislature, Regular Session, 1995, provides that
6 the district must exercise the power of eminent domain
7 in the manner provided by "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 3.18(c), Chapter 132, Acts of the
14 74th Legislature, Regular Session, 1995, refers to a
15 "writ of error." The revised law substitutes
16 "petition for review" for "writ of error" because,
17 effective September 1, 1997, the Texas Supreme Court
18 replaced the writ of error procedure with the petition
19 for review procedure. See Rule 53.1, Texas Rules of
20 Appellate Procedure.

21 Revised Law

22 Sec. 1074.109. GIFTS AND ENDOWMENTS. The board may accept
23 for the district a gift or endowment to be held in trust and
24 administered by the board for the purposes and under the
25 directions, limitations, or other provisions prescribed in writing
26 by the donor that are not inconsistent with the proper management of
27 the district. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.21.)

28 Source Law

29 Sec. 3.21. The board of directors, on behalf of
30 the district, may accept donations, gifts, and
31 endowments to be held in trust and administered by the
32 board of directors for purposes and under directions,
33 limitations, and provisions prescribed in writing by
34 the donor that are not inconsistent with the proper
35 management of the hospital district.

36 Revisor's Note

37 Section 3.21, Chapter 132, Acts of the 74th

1 Legislature, Regular Session, 1995, refers to
2 "donations" and "gifts." The revised law omits
3 "donations" because "donations" is included in the
4 meaning of "gifts."

5 Revised Law

6 Sec. 1074.110. CONSTRUCTION CONTRACTS. A construction
7 contract that involves the expenditure of more than the amount
8 provided by Section 271.024, Local Government Code, may be made
9 only after competitive bidding as provided by Subchapter B, Chapter
10 271, Local Government Code. (Acts 74th Leg., R.S., Ch. 132, Sec.
11 3.15(e).)

12 Source Law

13 (e) A contract for construction involving the
14 expenditure of more than \$10,000 may be made only after
15 competitive bidding as provided by Subchapter B,
16 Chapter 271, Local Government Code.

17 Revisor's Note

18 (1) Section 3.15(e), Chapter 132, Acts of the
19 74th Legislature, Regular Session, 1995, provides that
20 the district may enter into construction contracts
21 that involve spending more than \$10,000 only after
22 competitive bidding as provided by Subchapter B,
23 Chapter 271, Local Government Code. The revised law
24 omits the reference to the \$10,000 amount as
25 superseded by Section 2, Chapter 749, and Section 14,
26 Chapter 757, Acts of the 73rd Legislature, Regular
27 Session, 1993, which amended Section 271.024, Local
28 Government Code, to increase the contract amount for
29 which competitive bidding is required to \$15,000. The
30 contract amount was increased to \$50,000 by Section 6,
31 Chapter 1266, Acts of the 81st Legislature, Regular
32 Session, 2009.

33 (2) Section 3.15(f), Chapter 132, Acts of the
34 74th Legislature, Regular Session, 1995, provides that
35 Chapter 2253, Government Code, applies to the
36 district's construction contracts in relation to

1 performance and payment bonds. The revised law omits
2 the reference because Chapter 2253 applies to hospital
3 districts by its own terms. The omitted law reads:

4 (f) The provisions of Chapter 2253,
5 Government Code, relating to performance
6 and payment bonds apply to construction
7 contracts let by the district.

8 Revised Law

9 Sec. 1074.111. OPERATING AND MANAGEMENT CONTRACTS. The
10 board may enter into an operating or management contract relating
11 to a district facility. (Acts 74th Leg., R.S., Ch. 132, Sec.
12 3.15(b) (part).)

13 Source Law

14 (b) The district, through its board of
15 directors, may enter into an operating or management
16 contract with regard to all or part of the district's
17 facilities or

18 Revised Law

19 Sec. 1074.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
20 CARE AND TREATMENT. (a) The district may contract with a county or
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 district may contract with this state or a federal
25 agency to reimburse the district for treatment of a sick or injured
26 person. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.09(e) (part).)

27 Source Law

28 (e) . . . The district may contract with any
29 county or municipality located outside the district's
30 boundaries for the care and treatment of the sick,
31 diseased, or injured persons of the county or
32 municipality, and may contract with the state or
33 agencies of the federal government for the state or
34 federal government to reimburse the district for the
35 treatment of the sick, diseased, or injured persons.

36 Revisor's Note

37 Section 3.09(e), Chapter 132, Acts of the 74th
38 Legislature, Regular Session, 1995, refers to the
39 treatment of "sick, diseased, or injured persons."
40 The revised law omits "diseased" because "diseased" is
41 included in the meaning of "sick."

1 Revised Law

2 Sec. 1074.113. 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 medical, hospital,
6 or welfare needs of district residents. (Acts 74th Leg., R.S., Ch.
7 132, Sec. 3.09(e) (part).)

8 Source Law

9 (e) The board may contract with any other
10 political subdivision or governmental agency for the
11 district to provide investigatory or other services as
12 to the medical, hospital, or welfare needs of the
13 residents of the district. . . .

14 Revised Law

15 Sec. 1074.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) The
16 district shall provide without charge to a patient residing in the
17 district the care and treatment that the patient or a relative of
18 the patient who is legally responsible for the patient's support
19 cannot pay.

20 (b) When a patient who resides in the district is admitted
21 to a district facility, the district administrator may have an
22 inquiry made into the circumstances of:

23 (1) the patient; and

24 (2) the patient's relatives legally responsible for
25 the patient's support.

26 (c) If the district administrator determines that the
27 patient or relative can pay for all or part of the costs of the
28 patient's care and treatment, the district administrator shall
29 report that finding to the board and the board shall order the
30 patient or relative to pay the district a specified amount each week
31 for the patient's care and support. The amount ordered must be an
32 amount the individual is able to pay.

33 (d) The district administrator may collect amounts under
34 Subsection (c) from the patient's estate, or from a relative
35 legally responsible for the patient's support, in the manner
36 provided by law for the collection of expenses of the last illness

1 of a deceased person.

2 (e) If there is a dispute as to the ability to pay, the board
3 shall:

- 4 (1) call witnesses;
- 5 (2) hear and resolve the dispute; and
- 6 (3) issue a final order.

7 (f) The final order may be appealed to the district court in
8 Comanche County. The substantial evidence rule applies to the
9 appeal. (Acts 74th Leg., R.S., Ch. 132, Secs. 3.20(a), (c), (d).)

10 Source Law

11 Sec. 3.20. (a) The district shall provide
12 without charge to a patient residing in the district
13 the care and treatment that the patient or a relative
14 of the patient who is legally responsible for the
15 patient's support cannot pay.

16 (c) The administrator may cause an inquiry to be
17 made regarding the financial circumstances of a
18 patient under Subsection (a) of this section residing
19 in the district and admitted to a district facility and
20 of the relatives of the patient legally responsible
21 for the patient's support. If the patient or relative
22 is found to be able to pay for all or part of the care
23 and treatment, the administrator shall report that
24 finding to the board and the board shall issue an order
25 directing the patient or the relative to pay to the
26 hospital district for the care and support of the
27 patient a specified sum each week in an amount that the
28 individual is able to pay. The administrator may
29 collect sums under this subsection from the estate of
30 the patient or a relative legally responsible for the
31 patient's support in the manner provided by law for
32 collection of expenses in the last illness of a
33 deceased person.

34 (d) In the case of a dispute regarding the
35 ability to pay, the board of directors shall call
36 witnesses, conduct a hearing, and issue a final order.
37 An appeal from a final order of the board under this
38 subsection shall be made to the district court in
39 Comanche County. The substantial evidence rule
40 applies to an appeal under this subsection.

41 Revisor's Note

42 Section 3.20(b), Chapter 132, Acts of the 74th
43 Legislature, Regular Session, 1995, requires the
44 district to adopt an application procedure for
45 assistance eligibility as provided by Section 61.053,
46 Health and Safety Code. The revised law omits Section
47 3.20(b) because Section 61.053, Health and Safety
48 Code, applies to the district by its own terms and

1 details the application procedure. The omitted law
2 reads:

3 (b) Not later than the first day of
4 each operating year, the district shall
5 adopt an application procedure to determine
6 eligibility for assistance as provided in
7 Section 61.053, Health and Safety Code.

8 Revised Law

9 Sec. 1074.115. AUTHORITY TO SUE AND BE SUED. The district,
10 through the board, may sue and be sued. (Acts 74th Leg., R.S., Ch.
11 132, Sec. 3.09(b) (part).)

12 Source Law

13 (b) The district, through its board of
14 directors, may sue and be sued and

15 [Sections 1074.116-1074.150 reserved for expansion]

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Revised Law

18 Sec. 1074.151. BUDGET. (a) The district administrator
19 shall prepare an annual budget for approval by the board.

20 (b) The proposed budget must contain a complete financial
21 statement of:

22 (1) the outstanding obligations of the district;

23 (2) the cash on hand to the credit of each district
24 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 revenues and balances available to
32 cover the proposed budget; and

33 (7) the estimated tax rate required. (Acts 74th Leg.,
34 R.S., Ch. 132, Sec. 3.10(c).)

35 Source Law

36 (c) The administrator shall prepare an annual
37 budget for approval by the board of directors. The
38 budget shall contain a complete financial statement of

1 the district showing:

2 (1) all outstanding obligations of the
3 district;

4 (2) the cash on hand to the credit of each
5 fund of the district;

6 (3) the funds received from all sources
7 during the previous year;

8 (4) the funds available from all sources
9 during the ensuing year, with balances expected at
10 year end of the year in which the budget is being
11 prepared; and

12 (5) estimated revenues and balances
13 available to cover the proposed budget and the
14 estimated tax rate that will be required.

15 Revised Law

16 Sec. 1074.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)

17 The board shall hold a public hearing on the proposed annual budget.

18 (b) At least 10 days before the date of the hearing, notice
19 of the hearing must be published one time in a newspaper of general
20 circulation in the district.

21 (c) Any district resident is entitled to be present and
22 participate at the hearing.

23 (d) The board shall act on the budget proposed by the
24 district administrator. The board may make any changes in the
25 proposed budget that the board determines the law warrants and are
26 in the interests of the taxpayers. The board must approve the
27 budget. (Acts 74th Leg., R.S., Ch. 132, Secs. 3.10(d), (e), (g)
28 (part).)

29 Source Law

30 (d) A public hearing on the annual budget shall
31 be held by the board of directors after notice of the
32 hearing has been published one time in a newspaper of
33 general circulation in the district at least 10 days
34 before the date set for the hearing. Any person
35 residing in the district shall have the right to be
36 present and participate in the hearing.

37 (e) The budget, as proposed by the
38 administrator, shall be acted on by the board of
39 directors. The board of directors shall have
40 authority to make changes in the budget as the board
41 determines the law warrants and the interests of the
42 taxpayers demand.

43 (g) . . . the annual budget, and . . . must be
44 approved by the board of directors.

45 Revised Law

46 Sec. 1074.153. AMENDMENTS TO BUDGET. The budget may be
47 amended as required by circumstances. The board must approve all
48 amendments. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.10(g) (part).)

1 certificates of deposit. (Acts 74th Leg., R.S., Ch. 132, Sec.
2 3.15(h).)

3 Source Law

4 (h) The board of directors of the district shall
5 name one or more banks to serve as depository for the
6 funds of the district. All funds of the district,
7 except those invested as provided in Subsection (a) of
8 Section 3.09 of this Act and those transmitted to a
9 bank for payment for bonds or obligations issued or
10 assumed by the district, shall be deposited as
11 received with the depository bank and shall remain on
12 deposit. Nothing in this subsection may limit the
13 power of the board to place a portion of the board's
14 funds on time deposit or to purchase certificates of
15 deposit.

16 Revisor's Note

17 Section 3.15(i), Chapter 132, Acts of the 74th
18 Legislature, Regular Session, 1995, requires a bank to
19 provide a specified amount of collateral to ensure the
20 security of district funds deposited at the bank. The
21 revised law omits the provision as superseded by
22 Subchapter B, Chapter 2257, Government Code (enacted
23 in 1989 as Article 2529d, Vernon's Texas Civil
24 Statutes), and specifically by Sections 2257.021 and
25 2257.022 of that subchapter, which establish the
26 amount of collateral required for a deposit of public
27 funds. Subchapter B, Chapter 2257, Government Code,
28 applies to the security for district funds under
29 Sections 2257.002 and 2257.004, Government Code. The
30 omitted law reads:

31 (i) Before the district deposits the
32 district's funds in a bank in an amount that
33 exceeds the maximum amount secured by the
34 Federal Deposit Insurance Corporation, the
35 bank must execute a bond or other security
36 in an amount sufficient to secure from loss
37 the district funds that exceed the amount
38 secured by the Federal Deposit Insurance
39 Corporation.

40 Revised Law

41 Sec. 1074.160. INVESTMENT RESTRICTIONS. The board may
42 invest operating, depreciation, or building reserves only in funds
43 or securities specified by Chapter 2256, Government Code. (Acts
44 74th Leg., R.S., Ch. 132, Sec. 3.09(a) (part).)

1 allowed by law for district obligations at the time of
2 the loan.

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

4 (1) revenues of the district that are not
5 pledged to pay the bonded indebtedness of the
6 district;

7 (2) district taxes to be levied by the
8 district during the 12-month period following the date
9 of the pledge that are not pledged to pay the principal
10 of or interest on district bonds; or

11 (3) district bonds that have been
12 authorized but not sold.

13 (c) A loan for which taxes or bonds are pledged
14 shall mature not later than the first anniversary of
15 the date on which the loan is made. A loan for which
16 district revenues are pledged shall mature not later
17 than the fifth anniversary of the date on which the
18 loan is made.

19 (d) The board may not spend money obtained from
20 a loan under this section for any purpose other than
21 the purpose for which the board declared an emergency.
22 If taxes or bonds are pledged to pay the loan, the
23 board may not spend the revenue other than for the
24 purpose for which the taxes were levied or the bonds
25 were authorized.

26 [Sections 1074.162-1074.200 reserved for expansion]

27 SUBCHAPTER E. BONDS

28 Revised Law

29 Sec. 1074.201. GENERAL OBLIGATION BONDS. The board may
30 issue and sell general obligation bonds in the name and on the faith
31 and credit of the district for:

32 (1) the purchase, construction, acquisition, repair,
33 or renovation of buildings or improvements;

34 (2) equipping buildings or improvements for hospital
35 purposes; or

36 (3) acquiring and operating a mobile emergency
37 service. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.11(a).)

38 Source Law

39 Sec. 3.11. (a) The board of directors shall
40 have the power and authority to issue and sell bonds in
41 the name and on the faith and credit of the hospital
42 district for:

43 (1) the purchase, construction,
44 acquisition, repair, and renovation of buildings or
45 improvements;

46 (2) equipping the buildings and
47 improvements for hospital purposes; or

48 (3) acquiring and operating a mobile
49 emergency service.

50 Revisor's Note

51 Section 3.11(a), Chapter 132, Acts of the 74th
52 Legislature, Regular Session, 1995, provides that the

1 board may issue and sell bonds in the name and on the
2 faith and credit of the district. Because the type of
3 bonds described by Section 3.11(a) are known as
4 "general obligation bonds," the revised law is drafted
5 accordingly.

6 Revised Law

7 Sec. 1074.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
8 the time general obligation bonds are issued by the district, 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 tax imposed for the district may not in any year exceed the limit
14 approved by the voters at the election authorizing the imposition
15 of the tax. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.11(b).)

16 Source Law

17 (b) At the time bonds are issued by the
18 district, a tax shall be levied by the board sufficient
19 to create an interest and sinking fund to pay the
20 interest on and principal of the bonds as the bonds
21 mature, provided that the tax together with any other
22 taxes levied for the district 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 3.11(b), Chapter 132, Acts of the 74th
27 Legislature, Regular Session, 1995, requires the
28 district to impose a tax sufficient to pay the
29 principal of and interest on bonds. The revised law
30 specifies that the tax is an "ad valorem" tax because
31 it is clear from the source law that the tax is a
32 property tax. Section 1(b), Article VIII, Texas
33 Constitution, requires all property that is taxed to
34 be taxed in proportion to its value, and accordingly
35 "ad valorem" tax is the term most commonly used in
36 Texas law to refer to a tax on property.

37 Revised Law

38 Sec. 1074.203. REVENUE BONDS. (a) The board may issue

1 revenue bonds to:

2 (1) purchase, construct, acquire, repair, equip, or
3 renovate a building or improvement for hospital purposes;

4 (2) acquire a site for hospital purposes; or

5 (3) acquire and operate a mobile emergency service to
6 assist the district in carrying out its hospital purposes.

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

10 (c) The bonds may be additionally secured by a mortgage or
11 deed of trust lien on all or any 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 Chapter 264,
14 Health and Safety Code, for the issuance of revenue bonds by a
15 county hospital authority. (Acts 74th Leg., R.S., Ch. 132, Secs.
16 3.14(a) (part), (b), (c).)

17 Source Law

18 Sec. 3.14. (a) In addition to the power to
19 issue bonds payable from taxes levied by the district
20 as provided by Section 3.11 of this Act, the board of
21 directors may issue and . . . any . . . revenue bond
22 to:

23 (1) purchase, construct, acquire, repair,
24 equip, or renovate a building or improvement for
25 hospital purposes;

26 (2) acquire a site for hospital purposes;
27 or

28 (3) acquire and operate a mobile emergency
29 service to assist the district in carrying out the
30 district's hospital purposes.

31 (b) Bonds authorized under this section shall be
32 payable from and secured by a pledge of all or any part
33 of the revenues of the district to be derived from the
34 operation of the district's hospital system, and may be
35 additionally secured by a mortgage or deed of trust
36 lien on any part or all of the district's properties.

37 (c) Bonds shall be issued in the manner and in
38 accordance with the procedures and requirements
39 specified for the issuance of revenue bonds by a county
40 hospital authority under Chapter 264, Health and
41 Safety Code.

42 Revised Law

43 Sec. 1074.204. REFUNDING BONDS. (a) The board may, without
44 an election, issue refunding bonds to refund outstanding
45 indebtedness issued or assumed by the district.

46 (b) A refunding bond may be:

1 (1) sold, with the proceeds of the refunding bond
2 applied to the payment of outstanding indebtedness; or

3 (2) exchanged wholly or partly for not less than a
4 similar principal amount of the outstanding indebtedness. (Acts
5 74th Leg., R.S., Ch. 132, Secs. 3.12(a), (b), 3.14(a) (part).)

6 Source Law

7 Sec. 3.12. (a) Refunding bonds of the district
8 may be issued for the purpose of refunding and paying
9 off any outstanding indebtedness the district has
10 issued or assumed.

11 (b) Refunding bonds may be sold and the proceeds
12 from the bonds may be applied to the payment of
13 outstanding indebtedness or may be exchanged in whole
14 or in part for not less than a similar principal amount
15 of the outstanding indebtedness.

16 Sec. 3.14. (a) . . . [the board of directors
17 may issue and] refund any previously issued revenue
18 bond

19 Revisor's Note

20 Section 3.12(c), Chapter 132, Acts of the 74th
21 Legislature, Regular Session, 1995, requires the
22 district to issue refunding bonds in the manner
23 specified by Chapter 1207, Government Code. In
24 addition, Section 3.12(d), Chapter 132, Acts of the
25 74th Legislature, Regular Session, 1995, provides that
26 refunding bonds must be issued in conformity with
27 Chapter 1207, Government Code. The revised law omits
28 the provisions because Chapter 1207, Government Code,
29 applies to the district by its own terms under Section
30 1207.001, Government Code. The omitted law reads:

31 (c) If the refunding bonds are to be
32 sold and the proceeds from the bonds are to
33 be applied to the payment of any outstanding
34 indebtedness, the refunding bonds shall be
35 issued and payments made in the manner
36 specified by Chapter 1207, Government Code.

37 (d) Refunding bonds shall be issued
38 in conformity with Chapter 1207, Government
39 Code.

40 Revised Law

41 Sec. 1074.205. BOND ELECTION. (a) The district may issue
42 bonds, other than refunding bonds, to be wholly or partly secured by
43 an ad valorem tax only if the bonds are authorized by a majority of

1 the district voters at an election that is held in the district.

2 (b) The bond election order must specify:

- 3 (1) the nature and date of the election;
- 4 (2) the location of the polling places;
- 5 (3) the hours during which the polls will be open;
- 6 (4) the amount of the bonds to be authorized; and
- 7 (5) the maximum maturity of the bonds.

8 (c) Notice of a bond election shall be given as provided by
9 Section 1251.003, Government Code. (Acts 74th Leg., R.S., Ch. 132,
10 Secs. 3.11(c), (d), (e), 3.14A(b).)

11 Source Law

12 [Sec. 3.11]

13 (c) Bonds may not be issued by the hospital
14 district except for refunding bonds until authorized
15 by a majority of the electors of the district.

16 (d) The order for a bond election shall specify:

- 17 (1) the nature and date of the election;
- 18 (2) the location of the polling places;
- 19 (3) the hours during which the polls will
20 be open; and
- 21 (4) the amount of bonds to be authorized
22 and the maximum maturity of the bonds.

23 (e) Notice of a bond election shall be given as
24 provided in Section 1251.003, Government Code, and
25 shall be conducted in accordance with the Election
26 Code, except as modified by the provisions of this Act.

27 [Sec. 3.14A]

28 (b) Bonds, other than refunding bonds, that the
29 board proposes to secure wholly or partly by an ad
30 valorem tax must be approved at an election held in the
31 district in accordance with Section 3.11 of this Act.

32 Revisor's Note

33 (1) Section 3.11(c), Chapter 132, Acts of the
34 74th Legislature, Regular Session, 1995, refers to a
35 majority of the electors of the district. The revised
36 law substitutes "voter" for "elector" because "voter"
37 is the term used in the Election Code.

38 (2) Section 3.11(e), Chapter 132, Acts of the
39 74th Legislature, Regular Session, 1995, provides that
40 an election must be "conducted in accordance with the
41 Election Code, except as modified by the provisions of
42 this Act." The revised law omits the quoted language
43 because Section 1.002, Election Code, provides that

1 the Election Code applies to all elections held in this
2 state. An exception to the application of the Election
3 Code would apply by its own terms.

4 Revised Law

5 Sec. 1074.206. MATURITY OF BONDS. District bonds must
6 mature not later than the 40th anniversary of the date of issuance.
7 (Acts 74th Leg., R.S., Ch. 132, Sec. 3.13(a) (part).)

8 Source Law

9 Sec. 3.13. (a) Bonds issued by the district
10 must:

11 (1) mature not later than the 40th
12 anniversary of the date of issuance;
13 . . .

14 Revised Law

15 Sec. 1074.207. EXECUTION OF BONDS. The board president
16 shall execute the district's bonds in the district's name, and the
17 board secretary shall countersign the bonds in the manner provided
18 by Chapter 618, Government Code. (Acts 74th Leg., R.S., Ch. 132,
19 Sec. 3.13(a) (part).)

20 Source Law

21 (a) Bonds issued by the district must:

22 . . .
23 (2) be executed in the name of the hospital
24 district and on the district's behalf by the president
25 of the board and countersigned by the secretary as
26 provided by Chapter 618, Government Code, as added by
27 Chapter 227, Acts of 76th Legislature, Regular
28 Session, 1999;
29 . . .

30 Revisor's Note

31 (1) Section 3.13(a)(3), Chapter 132, Acts of the
32 74th Legislature, Regular Session, 1995, provides that
33 district bonds must bear interest at a rate not to
34 exceed that provided by Chapter 1204, Government Code.
35 The revised law omits the reference because Section
36 1204.006, Government Code, provides the applicable
37 interest rate and applies to the district under
38 Section 1204.001, Government Code. The omitted law
39 reads:

40 (a) [Bonds issued by the district
41 must:]

1
2 . . .
3 (3) bear a rate of interest that
4 does not exceed the amount prescribed by
5 Chapter 1204, Government Code; and
6 . . .

7 (2) Section 3.13(a)(4), Chapter 132, Acts of the
8 74th Legislature, Regular Session, 1995, provides that
9 district bonds are subject to the law governing
10 counties that relates to bond approval by the attorney
11 general and registration of the bonds by the
12 comptroller. Section 3.13(b), Chapter 132, Acts of the
13 74th Legislature, Regular Session, 1995, also provides
14 that after approval and registration the bonds are
15 "incontestable for any cause." The revised law omits
16 these provisions as superseded by Chapter 1202,
17 Government Code (enacted as Article 3, Chapter 53,
18 Acts of the 70th Legislature, 2nd Called Session,
19 1987). Section 1202.003(a), Government Code, requires
20 bonds to be 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 (a) [Bonds issued by the district
33 must:]

34 . . .
35 (4) be subject to the same
36 requirements in the manner of approval by
37 the attorney general and registration by
38 the comptroller as provided for approval
39 and registration of bonds issued by a
40 county.

41 (b) On the approval of the bonds by
42 the attorney general and registration by
43 the comptroller, the bonds shall be
 incontestable for any cause.

1 Revised Law

2 Sec. 1074.208. ADDITIONAL MEANS OF SECURING PAYMENT OF
3 BONDS. In addition to the authority to issue general obligation
4 bonds and revenue bonds under this subchapter, the board may
5 provide for the security and payment of district bonds from a pledge
6 of a combination of ad valorem taxes as authorized by Section
7 1074.202 and revenue and other sources as authorized by Section
8 1074.203. (Acts 74th Leg., R.S., Ch. 132, Sec. 3.14A(a).)

9 Source Law

10 Sec. 3.14A. (a) In addition to the power to
11 issue bonds payable solely from and secured by taxes
12 imposed by the district as authorized by Section 3.11
13 of this Act and the power to issue bonds payable from
14 and secured by revenues and other sources as
15 authorized by Section 3.14 of this Act, the board of
16 directors may provide for the security and payment of
17 district bonds from a pledge of a combination of:

18 (1) ad valorem taxes as authorized by
19 Section 3.11 of this Act; and

20 (2) the revenues and other sources
21 authorized by Section 3.14 of this Act.

22 Revised Law

23 Sec. 1074.209. USE OF BOND PROCEEDS. The district may use
24 the proceeds of bonds issued under this subchapter to pay:

25 (1) any expense the board determines is reasonable and
26 necessary to issue, sell, and deliver the bonds;

27 (2) interest payments on the bonds during a period of
28 acquisition or construction of a project or facility to be provided
29 through the bonds, not to exceed five years;

30 (3) costs related to the operation and maintenance of
31 a project or facility to be provided through the bonds:

32 (A) during an estimated period of acquisition or
33 construction, not to exceed five years; and

34 (B) for one year after the project or facility is
35 acquired or constructed;

36 (4) costs related to the financing of the bond funds,
37 including debt service reserve and contingency funds;

38 (5) costs related to the issuance of the bonds;

39 (6) costs related to the acquisition of land or
40 interest in land for a project or facility to be provided through

1 the bonds; and

2 (7) construction costs of a project or facility to be
3 provided through the bonds, including the payment of related
4 professional services and expenses. (Acts 74th Leg., R.S., Ch.
5 132, Sec. 3.14B.)

6 Source Law

7 Sec. 3.14B. (a) The district may use the
8 proceeds of bonds described by Section 3.11, 3.14, or
9 3.14A of this Act to pay:

10 (1) any expense the board of directors
11 determines is reasonable and necessary to effect the
12 issuance, sale, and delivery of the bonds;

13 (2) interest on the bonds during a period
14 of acquisition or construction of a project or
15 facility to be provided through the bonds;

16 (3) operation and maintenance costs of a
17 project or facility to be provided through the bonds
18 during an estimated period of acquisition or
19 construction and for one year after the project or
20 facility is acquired or constructed;

21 (4) costs related to the financing of the
22 bond funds, including debt service reserve and
23 contingency funds;

24 (5) costs related to the issuance of the
25 bonds;

26 (6) costs related to the acquisition of
27 land or an interest in land for a project or facility
28 to be provided through the bonds; and

29 (7) construction costs of a project or
30 facility to be provided through the bonds, including
31 the payment of related professional services and
32 expenses.

33 (b) A "period of acquisition or construction,"
34 as that term is used in Subsection (a) of this section,
35 may not exceed five years.

36 Revised Law

37 Sec. 1074.210. BONDS EXEMPT FROM TAXATION. The following
38 are exempt from taxation by this state or a political subdivision of
39 this state:

40 (1) bonds issued by the district;

41 (2) the transfer and issuance from the bonds; or

42 (3) any profits made in the sale of the bonds. (Acts
43 74th Leg., R.S., Ch. 132, Sec. 3.25 (part).)

44 Source Law

45 Sec. 3.25. . . . any bonds issued by the board
46 and the transfer and the issuance from the bonds,
47 including any profits made in the sale of the bonds,
48 are exempt from taxation by the state or any
49 municipality or political subdivision of the state.

1 Revisor's Note

2 Section 3.25, Chapter 132, Acts of the 74th
3 Legislature, Regular Session, 1995, refers to "any
4 municipality or political subdivision" of this state.
5 The revised law omits "municipality" because when used
6 in conjunction with "political subdivision" that term
7 is included in the meaning of "political subdivision."

8 Revised Law

9 Sec. 1074.211. SECURITY OF CERTAIN BONDS. Bonds authorized
10 at an election held in the district before May 20, 2003, may be
11 payable from and secured by:

12 (1) taxes as authorized by the election; or

13 (2) a pledge of a combination of ad valorem taxes,
14 revenues, and other sources as authorized by Section 1074.208.
15 (Acts 74th Leg., R.S., Ch. 132, Sec. 3.14A(c).)

16 Source Law

17 (c) Bonds authorized at an election held in the
18 district before the effective date of the Act of the
19 78th Legislature, Regular Session, 2003, that enacted
20 this section may be payable from and secured by:

21 (1) taxes as authorized by the election;

22 or

23 (2) a pledge of a combination of ad valorem
24 taxes, revenues, and other sources as authorized by
25 Subsection (a) of this section.

26 Revisor's Note

27 (End of Subchapter)

28 (1) Section 3.17(a), Chapter 132, Acts of the
29 74th Legislature, Regular Session, 1995, provides that
30 district bonds and indebtedness assumed are legal and
31 authorized investments for certain entities. The
32 revised law omits the provision as unnecessary. As to
33 several of the entities listed, Section 3.17(a) has
34 been superseded and impliedly repealed. Investments
35 in securities by banks are regulated by Section
36 34.101, Finance Code (enacted in 1995 as Section
37 5.101, Texas Banking Act (Article 342-5.101, Vernon's
38 Texas Civil Statutes)). Investments in securities by
39 savings banks are regulated by Section 93.001(c)(10),

1 Finance Code (enacted in 1993 as Section 7.15(10),
2 Texas Savings Bank Act (Article 489e, Vernon's Texas
3 Civil 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 3.17(a) is superseded by Section
11 1201.041, Government Code, enacted as Section 9, Bond
12 Procedures Act of 1981 (Article 717k-6, Vernon's Texas
13 Civil Statutes). While Section 3.17(a) refers to
14 guardians and Section 1201.041 does not, Section
15 1201.041 includes a fiduciary, and a guardian is a
16 fiduciary. Section 1201.041, Government Code, applies
17 to district bonds by application of Section 1201.002,
18 Government Code. The revised law omits the reference
19 to public funds of this state because it has been
20 superseded by Section 404.024, Government Code
21 (enacted in 1985 as Section 2.014, Treasury Act
22 (Article 4393-1, Vernon's Texas Civil Statutes)),
23 which governs the investment of state funds. Section
24 404.024(b)(10), Government Code, authorizes the
25 investment of state funds in obligations of political
26 subdivisions, including hospital districts. The
27 revised law omits the reference to public funds of
28 political subdivisions or public agencies of the state
29 because it has been superseded by Chapter 2256,
30 Government Code (enacted in 1987 as the Public Funds
31 Investment Act of 1987 (Article 842a-2, Vernon's Texas
32 Civil Statutes)), which governs the investment of
33 local funds. The omitted law reads:

34 Sec. 3.17. (a) Bonds issued and
35 indebtedness assumed by the district are a

1 legal and authorized investment of a bank,
2 savings bank, trust company, savings and
3 loan association, insurance company,
4 fiduciary, trustee, guardian, or sinking
5 fund of a municipality, school district, or
6 other political subdivision of the state,
7 and for all public funds of the state or an
8 agency of the state, including the state
9 permanent school fund.

10 (2) Section 3.17(b), Chapter 132, Acts of the
11 74th Legislature, Regular Session, 1995, effectively
12 provides that district bonds or indebtedness assumed
13 may secure deposits of public funds of this state or
14 political subdivisions of this state. The revised law
15 omits the provisions relating to deposits of state
16 funds by the comptroller as impliedly repealed by
17 Section 404.0221, Government Code (enacted in 1995),
18 which lists eligible collateral for deposits of state
19 funds by the comptroller. As to deposits of other
20 funds, the provision duplicates Chapter 2257,
21 Government Code, which governs eligible collateral for
22 deposits of funds of political subdivisions and
23 permits those deposits to be secured by obligations
24 issued by hospital districts. The omitted law reads:

25 (b) Bonds issued or indebtedness
26 assumed by the district is eligible to
27 secure the deposit of public funds of the
28 state and the public funds of a
29 municipality, school district, or other
30 political subdivision of the state, and is
31 lawful and sufficient security for those
32 deposits to the extent of the value of the
33 bonds or indebtedness when accompanied by
34 all unmatured coupons.

35 [Sections 1074.212-1074.250 reserved for expansion]

36 SUBCHAPTER F. TAXES

37 Revised Law

38 Sec. 1074.251. IMPOSITION OF AD VALOREM TAX. (a) The board
39 shall annually impose a tax to pay:

40 (1) indebtedness issued or assumed by the district;
41 and

42 (2) district maintenance and operating expenses.

43 (b) The district may not impose a tax to pay the principal of

1 or interest on revenue bonds issued under Section 1074.203. (Acts
2 74th Leg., R.S., Ch. 132, Secs. 3.16(a) (part), (b).)

3 Source Law

4 Sec. 3.16. (a) The board of directors shall
5 annually levy a tax . . . for the purpose of paying:

6 (1) the indebtedness assumed or issued by
7 the district; or

8 (2) the maintenance and operating expenses
9 of the district.

10 (b) A tax levied under this section may not be
11 levied to pay the principal of or interest on revenue
12 bonds issued under Section 3.14 of this Act.

13 Revisor's Note

14 Section 3.01(a), Chapter 132, Acts of the 74th
15 Legislature, Regular Session, 1995, revised as Section
16 1074.002, authorizes the operation and financing of
17 the district as provided by Section 9, Article IX,
18 Texas Constitution. Section 9 provides for "the levy
19 of annual taxes . . . on . . . all taxable property" in
20 the district. Because it is clear that the tax
21 referenced in Section 3.16, Chapter 132, Acts of the
22 74th Legislature, Regular Session, 1995, is a property
23 tax, the revised law specifies that the tax is an "ad
24 valorem" tax for the reason stated in the revisor's
25 note to Section 1074.202.

26 Revised Law

27 Sec. 1074.252. TAX RATE. (a) The board may impose the tax
28 at a rate not to exceed the limit approved by the voters.

29 (b) In setting the tax rate, the board shall consider the
30 income of the district from sources other than taxation. (Acts 74th
31 Leg., R.S., Ch. 132, Secs. 3.16(a) (part), (c) (part).)

32 Source Law

33 Sec. 3.16. (a) [The board of directors shall
34 annually levy a tax] in an amount not to exceed the
35 limit approved by the voters

36 (c) In setting a tax rate under this section,
37 the board shall consider the income of the district
38 from sources other than taxation. . . .

39 Revisor's Note

40 Section 3.16(c), Chapter 132, Acts of the 74th

1 Legislature, Regular Session, 1995, requires the board
2 to levy the tax and to certify the tax rate to the tax
3 assessor-collector. The revised law omits that
4 provision because Section 26.05(a), Tax Code, requires
5 the governing body of a taxing unit to adopt a tax rate
6 for the current tax year and to notify the tax assessor
7 for the taxing unit of that rate. The omitted law
8 reads:

9 (c) . . . On determining the amount
10 of tax required to be levied, the board
11 shall make the levy and certify the levy to
12 the tax assessor-collector.

13 Revised Law

14 Sec. 1074.253. TAX ASSESSOR-COLLECTOR. The board may
15 provide for the appointment of a tax assessor-collector for the
16 district or may contract for the assessment and collection of taxes
17 as provided by the Tax Code. (Acts 74th Leg., R.S., Ch. 132, Sec.
18 3.19(c).)

19 Source Law

20 (c) The board may provide for the appointment of
21 a tax assessor-collector for the district or may
22 contract for the assessment and collection of taxes as
23 provided by the Tax Code.

24 Revisor's Note
25 (End of Subchapter)

26 (1) Section 3.19(a), Chapter 132, Acts of the
27 74th Legislature, Regular Session, 1995, provides that
28 the directors may levy taxes for the entire year in
29 which the district is established. The revised law
30 omits that provision as executed. The omitted law
31 reads:

32 Sec. 3.19. (a) The directors may
33 levy taxes for the entire year in which the
34 district is established as a result of the
35 initial election provided under this Act.

36 (2) Section 3.19(b), Chapter 132, Acts of the
37 74th Legislature, Regular Session, 1995, provides that
38 the Tax Code governs the appraisal, assessment, and
39 collection of district taxes. The revised law omits

1 that provision because Section 1.02, Tax Code,
2 requires all taxing units, including hospital
3 districts, to administer the taxation of property in
4 conformity with Title 1, Tax Code. The omitted law
5 reads:

6 (b) The Tax Code governs the
7 appraisal, assessment, and collection of
8 district taxes.

9 Revisor's Note
10 (End of Chapter)

11 (1) Sections 3.07 and 3.23(c) and (d), Chapter
12 132, Acts of the 74th Legislature, Regular Session,
13 1995, provide for the transfer of certain land,
14 buildings, improvements, equipment, funds, and taxes
15 to the district after the district is created and
16 provide for the assumption of debt by the district on
17 creation. The revised law omits the provisions as
18 executed. The omitted law reads:

19 Sec. 3.07. (a) The district
20 authorized by this article to be created
21 shall take over and there shall be
22 transferred to the district title to all
23 land, buildings, improvements, and
24 equipment pertaining to the hospitals or
25 hospital system that may be located wholly
26 within the district and owned by Comanche
27 County or a municipality in the district,
28 and after that date

29 (b) The district shall assume the
30 outstanding indebtedness incurred by
31 Comanche County or any city or town in the
32 district to provide medical care for
33 residents of the district before the
34 creation of the district.

35 [Sec. 3.23]

36 (c) When the district is created and
37 established, the county and all
38 municipalities located in or partly in the
39 district shall convey and transfer to the
40 district title to all land, buildings,
41 improvements, and equipment that pertain to
42 a hospital or hospital system located in the
43 district owned by the county, municipality,
44 or other governmental entity.

45 (d) Operating funds and reserves for
46 operating expenses that have been budgeted
47 by the county, municipality, or other
48 governmental entity in which the district
49 is located to provide medical care for
50 residents of the district for the remainder
51 of the fiscal year in which the district is
52 established, taxes levied for hospital

1 purposes for the current year, and all funds
2 established for payment of indebtedness
3 assumed by the district shall be
4 transferred to the district.

5 (2) Section 3.26, Chapter 132, Acts of the 74th
6 Legislature, Regular Session, 1995, states that public
7 notice of the enactment of the statute was provided in
8 a manner that satisfies the requirements of the Texas
9 Constitution. The revised law omits that section as
10 executed. The omitted law reads:

11 Sec. 3.26. Proof of publication of
12 the notice required in the enactment of this
13 Act under the provisions of Section 9,
14 Article IX, Texas Constitution, has been
15 made in the manner and form provided by law
16 pertaining to the enactment of local and
17 special laws, and the notice is found and
18 declared proper and sufficient to satisfy
19 the requirement.

20 CHAPTER 1086. CROSBY COUNTY HOSPITAL DISTRICT

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25		<u>Revised Law</u>	
26	Sec. 1086.001.	DEFINITIONS. In this chapter:	
27		(1) "Board" means the board of directors of the	
28		district.	
29		(2) "Director" means a member of the board.	
30		(3) "District" means the Crosby County Hospital	
31		District. (Acts 71st Leg., R.S., Ch. 548, Sec. 1.01.)	
32		<u>Source Law</u>	
33		Sec. 1.01. In this Act:	
34		(1) "District" means the Crosby County	
35		Hospital District.	
36		(2) "Board" means the board of directors	

1 of the district.

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

4 Revised Law

5 Sec. 1086.002. AUTHORITY FOR OPERATION. The Crosby County
6 Hospital District operates and is financed as provided by Section
7 9, Article IX, Texas Constitution, and by this chapter. (Acts 71st
8 Leg., R.S., Ch. 548, Sec. 1.02.)

9 Source Law

10 Sec. 1.02. The Crosby County Hospital District
11 may be created and established and, if created, must be
12 maintained, operated, and financed in the manner
13 provided by Article IX, Section 9, of the Texas
14 Constitution and by this Act.

15 Revisor's Note

16 Section 1.02, Chapter 548, Acts of the 71st
17 Legislature, Regular Session, 1989, provides that the
18 district "may be created and established and, if
19 created, must be maintained, operated, and financed"
20 in the manner provided by the Texas Constitution and
21 the act. The revised law omits references to the
22 establishment and creation of the district as
23 executed. The revised law omits "maintained" because,
24 in this context, the meaning of that term is included
25 in the meaning of "operated."

26 Revised Law

27 Sec. 1086.003. ESSENTIAL PUBLIC FUNCTION. The district is
28 a public entity performing an essential public function. (Acts
29 71st Leg., R.S., Ch. 548, Sec. 7.11 (part).)

30 Source Law

31 Sec. 7.11. Since the district created under
32 this Act is a public entity performing an essential
33 public function,

34 Revised Law

35 Sec. 1086.004. DISTRICT TERRITORY. The boundaries of the
36 district are coextensive with the boundaries of Crosby County,
37 Texas. (Acts 71st Leg., R.S., Ch. 548, Sec. 1.03.)

38 Source Law

39 Sec. 1.03. The boundaries of the district are

1 coterminous with the boundaries of Crosby County,
2 Texas.

3 Revised Law

4 Sec. 1086.005. DISTRICT SUPPORT OR MAINTENANCE NOT STATE
5 OBLIGATION. This state may not become obligated for the support or
6 maintenance of the district. (Acts 71st Leg., R.S., Ch. 548, Sec.
7 9.01 (part).)

8 Source Law

9 Sec. 9.01. The state may not become obligated
10 for the support or maintenance of a hospital district
11 created under this Act,

12 Revised Law

13 Sec. 1086.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
14 The legislature may not make a direct appropriation for the
15 construction, maintenance, or improvement of a district facility.
16 (Acts 71st Leg., R.S., Ch. 548, Sec. 9.01 (part).)

17 Source Law

18 Sec. 9.01. . . . nor may the legislature make a
19 direct appropriation for the construction,
20 maintenance, or improvement of a facility of the
21 district.

22 Revisor's Note
23 (End of Subchapter)

24 Article 3, Chapter 548, Acts of the 71st
25 Legislature, Regular Session, 1989, provides
26 procedures for holding an election on the creation of
27 the district, the imposition of an ad valorem tax, and
28 the transfer to the district of certain property and
29 obligations of a prior hospital board. Because the
30 election has been held, the revised law omits those
31 provisions as executed. The omitted law reads:

32 Sec. 3.01. The district may be
33 created and a tax may be authorized only if
34 the creation and the tax are approved by a
35 majority of the qualified voters of the
36 territory of the proposed district voting
37 at an election called and held for that
38 purpose.

39 Sec. 3.02. (a) A majority of the
40 temporary directors of the district may
41 order a creation election to be held.

42 (b) On presentation of a petition for
43 a creation election signed by at least 20 of
44 the registered voters of the territory of
45 the proposed district, according to the

1 most recent official lists of registered
2 voters, the temporary directors shall order
3 an election to be held. The election shall
4 be called not later than the 60th day after
5 the date the petition is presented to the
6 board of temporary directors of the
7 district.

8 Sec. 3.03. The order calling the
9 election must state:

10 (1) the nature of the election,
11 including the proposition that is to appear
12 on the ballot;

13 (2) the date of the election;

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

16 (4) the location of the polling
17 places.

18 Sec. 3.04. The temporary directors
19 shall give notice of the election by
20 publishing a substantial copy of the
21 election order in a newspaper with general
22 circulation in the proposed district once a
23 week for two consecutive weeks. The first
24 publication must appear not later than the
25 14th day before the date set for the
26 election.

27 Sec. 3.05. (a) The election shall be
28 held not less than 30 days nor more than 60
29 days after the date on which the election is
30 ordered.

31 (b) Section 41.001(a), Election
32 Code, does not apply to an election ordered
33 under this article.

34 Sec. 3.06. The ballot for the
35 creation election shall be printed to
36 permit voting for or against the
37 proposition: "The creation of the Crosby
38 County Hospital District and the levy of
39 annual taxes for hospital purposes at a rate
40 not to exceed 75 cents on each \$100
41 valuation of all taxable property in the
42 district, and the transfer to the Crosby
43 County Hospital District of the existing
44 hospital, land, buildings, improvements,
45 and equipment of the Crosbyton Clinic
46 Hospital, city of Crosbyton, Texas Hospital
47 Board, and the assumption of the
48 outstanding indebtedness of the Crosbyton
49 Clinic Hospital, city of Crosbyton, Texas
50 Hospital Board."

51 Sec. 3.07. (a) The temporary
52 directors of the district shall meet and
53 canvass the returns of the election.

54 (b) If the temporary directors find
55 that the election results are favorable to
56 the proposition to create the district,
57 they shall issue an order declaring the
58 district created.

59 (c) If the temporary directors find
60 that the election results are not favorable
61 to the proposition to create the district,
62 another creation election may not be held
63 before the first anniversary of the date of
64 the election at which voters disapproved
65 the proposition.

66 Sec. 3.08. If the creation of the
67 district is not approved at an election held
68 within 60 months after the effective date of
69 this Act, this Act expires.

1 [Sections 1086.007-1086.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Revised Law

4 Sec. 1086.051. BOARD ELECTION AND APPOINTMENT; TERM. (a)

5 The district is governed by a board of 12 directors as follows:

6 (1) two directors elected from each commissioners
7 precinct; and

8 (2) four directors appointed by the Crosby County
9 Commissioners Court.

10 (b) Directors serve staggered two-year terms.

11 (c) A directors' election shall be held annually on the May
12 uniform election date to elect the appropriate number of directors.

13 (d) The commissioners court shall annually within 10 days of
14 the date that elected directors are elected appoint the appropriate
15 number of directors. (Acts 71st Leg., R.S., Ch. 548, Secs. 4.01(a),
16 4.03(a), (d).)

17 Source Law

18 Sec. 4.01. (a) The district is governed by a
19 board of 12 directors.

20 Sec. 4.03. (a) Two directors shall be elected
21 from each commissioner precinct and four directors
22 shall be appointed by the Commissioners Court of
23 Crosby County.

24 (d) After the initial election of directors, an
25 election shall be held on the first Saturday in May
26 each year and the appropriate number of successor
27 directors shall be elected for two-year terms. The
28 commissioners court shall annually within 10 days of
29 the date that elected directors are elected appoint
30 the appropriate number of directors.

31 Revisor's Note

32 (1) Article 2 and Section 4.01(b), Chapter 548,
33 Acts of the 71st Legislature, Regular Session, 1989,
34 provide for temporary directors to serve until elected
35 directors take office and provide for filling a
36 vacancy in the office of temporary director. The
37 revised law omits the provisions as executed. The
38 omitted law reads:

39 Sec. 2.01. On the effective date of
40 this Act, the following persons become

1 temporary directors of the district:

- 2 (1) Billie Cornelius
- 3 (2) Margaret McGlaun
- 4 (3) T. J. Taylor
- 5 (4) Jimmy Dunn
- 6 (5) Brooks Ellison
- 7 (6) Jane Perkins
- 8 (7) George Witt
- 9 (8) Van Horn
- 10 (9) Norton Barrett
- 11 (10) Steve Verett
- 12 (11) Charles Freeman
- 13 (12) Joan Murray

14 Sec. 2.02. The directors remaining
15 after a vacancy in the office of temporary
16 director shall fill the vacancy by
17 appointment by a majority vote.

18 [Sec. 4.01]

19 (b) From the time the creation of the
20 district is approved until the elected
21 directors take office, the temporary
22 directors serve as directors of the
23 district.

24 (2) Sections 4.02 and 4.03(b), Chapter 548, Acts
25 of the 71st Legislature, Regular Session, 1989,
26 prescribe the procedure for electing the initial
27 board. The revised law omits the provisions as
28 executed. The omitted law reads:

29 Sec. 4.02. [Initial] Directors shall
30 be elected at an election to be held on the
31 first Saturday in May following the
32 creation of the district.

33 [Sec. 4.03]

34 (b) At the initial election of
35 directors, the two candidates receiving the
36 highest number of votes from a commissioner
37 precinct are the directors for that
38 precinct.

39 (3) Section 4.03(c), Chapter 548, Acts of the
40 71st Legislature, Regular Session, 1989, provides for
41 staggering the directors' terms by requiring certain
42 initial elected candidates to serve two-year terms and
43 the remaining initial elected directors to serve
44 one-year terms and by requiring the initial appointed
45 directors to draw lots to determine which two
46 directors serve a two-year term and which two
47 directors serve a one-year term. Section 4.03(c) also
48 establishes the date the initial appointed directors
49 take office. The revised law omits the provision as

1 executed but codifies the establishment of staggered
2 terms. The omitted law reads:

3 (c) The candidates elected from
4 even-numbered precincts at the initial
5 election serve for a term of two years, and
6 the candidates elected from the
7 odd-numbered precincts at that election
8 serve for a term of one year. The
9 commissioners court shall appoint the four
10 initial appointed directors within 10 days
11 after the date on which the initial elected
12 directors are elected. The initial
13 directors appointed by the commissioners
14 court shall draw lots to determine which two
15 directors shall serve for a term of two
16 years and which two directors shall serve
17 for a term of one year. The appointed
18 officers take office on the date the elected
19 directors take office.

20 (4) Section 4.03(d), Chapter 548, Acts of the
21 71st Legislature, Regular Session, 1989, provides that
22 "[a]fter the initial election of directors," directors
23 serve two-year terms. The revised law omits the quoted
24 language as executed.

25 (5) Section 4.03(d), Chapter 548, Acts of the
26 71st Legislature, Regular Session, 1989, requires
27 board elections to be held on the "first Saturday in
28 May." From 1987 to 2003, Section 41.001, Election
29 Code, provided for a uniform election date for all
30 political subdivisions on the first Saturday in May.
31 In Chapter 1315, Acts of the 78th Legislature, Regular
32 Session, 2003, the legislature amended Section 41.001
33 by moving the uniform election date in May to the third
34 Saturday. In Chapter 1, Acts of the 78th Legislature,
35 3rd Called Session, 2003, the legislature amended
36 Section 41.001 by moving the uniform election date in
37 May back to the first Saturday. In Chapter 471, Acts
38 of the 79th Legislature, Regular Session, 2005, the
39 legislature amended Section 41.001 by moving the
40 uniform election date in May to the second Saturday.
41 The revised law substitutes "May uniform election
42 date" for "first Saturday in May" to reflect these

1 changes while preserving as closely as possible the
2 legislative intent expressed in Section 4.03(d) that
3 the election be held on the first Saturday in May,
4 which was the uniform election date in May.

5 Revised Law

6 Sec. 1086.052. NOTICE OF ELECTION. Not later than the 35th
7 day before the date of a directors' election, notice of the election
8 must be published one time in a newspaper with general circulation
9 in the district. (Acts 71st Leg., R.S., Ch. 548, Sec. 4.04.)

10 Source Law

11 Sec. 4.04. Not later than the 35th day before
12 the date of an election of directors, notice of the
13 election shall be published one time in a newspaper
14 with general circulation in the district.

15 Revised Law

16 Sec. 1086.053. BALLOT PETITION. A person who wants to have
17 the person's name printed on the ballot as a candidate for a
18 position as an elected director must file with the board secretary a
19 petition requesting that action. The petition must:

20 (1) be signed by at least 10 registered voters of the
21 district, as determined by the most recent official list of
22 registered voters;

23 (2) be filed by the deadline imposed by Section
24 144.005, Election Code; and

25 (3) specify the commissioners precinct the candidate
26 wants to represent. (Acts 71st Leg., R.S., Ch. 548, Sec. 4.05.)

27 Source Law

28 Sec. 4.05. (a) A person who wishes to have his
29 name printed on the ballot as a candidate for a
30 position as an elected director must file with the
31 secretary of the board of directors a petition signed
32 by at least 10 registered voters of the district asking
33 that his name be placed on the ballot. The
34 determination of whether a person is a registered
35 voter of the district shall be based on the most recent
36 official lists of registered voters.

37 (b) The petition must be filed with the
38 secretary not later than the 31st day before the date
39 of the election.

40 (c) The petition must specify the commissioner
41 precinct the candidate wishes to represent or specify
42 that the candidate wishes to represent the district at
43 large and the specific place for which the applicant is
44 to be a candidate.

1 Revisor's Note

2 (1) Section 4.05(b), Chapter 548, Acts of the
3 71st Legislature, Regular Session, 1989, requires a
4 candidate for director to file a petition not later
5 than the 31st day before the date of the election to
6 have the candidate's name appear on the ballot. Under
7 Section 144.003, Election Code (applicable to the
8 district under Section 144.001, Election Code), a
9 candidate for office must submit an application for a
10 place on the ballot. The application must be filed by
11 the deadline imposed by Section 144.005, Election
12 Code, which is either 71 or 78 days before the date of
13 the election, depending on when the election is held.
14 Because the petition serves as an additional
15 requirement for a candidate to appear on the ballot,
16 the revised law conforms the date the petition must be
17 filed to the date the application must be filed.

18 (2) Section 4.05(c), Chapter 548, Acts of the
19 71st Legislature, Regular Session, 1989, requires a
20 petition for placement of a name on the ballot for a
21 directors' election to specify the commissioners
22 precinct sought to be represented "or specify that the
23 candidate wishes to represent the district at large
24 and the specific place for which the applicant is to be
25 a candidate." The revised law omits the quoted
26 language as inapplicable because the board does not
27 include directors elected at large. See Sections
28 4.01(a) and 4.03(a), Chapter 548, Acts of the 71st
29 Legislature, Regular Session, 1989, revised in this
30 chapter as Section 1086.051(a).

31 Revised Law

32 Sec. 1086.054. QUALIFICATIONS FOR OFFICE. (a) To be
33 eligible to be a candidate for an elected position or to serve as an
34 elected director, a person must be:

1 (1) a resident of the district; and

2 (2) a registered voter.

3 (b) To be eligible to serve as an appointed director, a
4 person must be a registered voter.

5 (c) In addition to the qualifications required by
6 Subsection (a), a person who is elected from a commissioners
7 precinct or who is appointed to fill a vacancy for a commissioners
8 precinct must be a resident of that commissioners precinct.

9 (d) A district employee may not serve as a director. (Acts
10 71st Leg., R.S., Ch. 548, Sec. 4.06.)

11 Source Law

12 Sec. 4.06. (a) To be eligible to be a candidate
13 for an elected position or to serve as an elected
14 director, a person must be:

15 (1) a resident of the district; and

16 (2) a registered voter.

17 (b) To be eligible to serve as an appointed
18 director, a person must be a registered voter.

19 (c) In addition to the qualifications required
20 by Subsection (a) of this section, a person who is
21 elected from a commissioners precinct or who is
22 appointed to fill a vacancy for a commissioners
23 precinct must be a resident of that commissioners
24 precinct.

25 (d) An employee of the district may not serve as
26 a director.

27 Revised Law

28 Sec. 1086.055. BOND; RECORD OF BOND. (a) Before assuming
29 the duties of office, each director must execute a bond for \$5,000
30 that is:

31 (1) payable to the district; and

32 (2) conditioned on the faithful performance of the
33 director's duties.

34 (b) The board may pay for directors' bonds with district
35 money.

36 (c) Each director's bond shall be kept in the district's
37 permanent records. (Acts 71st Leg., R.S., Ch. 548, Sec. 4.07.)

38 Source Law

39 Sec. 4.07. (a) Before assuming the duties of
40 the office, each director must execute a bond for
41 \$5,000 payable to the district, conditioned on the
42 faithful performance of the person's duties as
43 director.

44 (b) The bond shall be kept in the permanent

1 records of the district.

2 (c) The board may pay for directors' bonds with
3 district funds.

4 Revised Law

5 Sec. 1086.056. BOARD VACANCY. If a vacancy occurs in the
6 office of director, the remaining directors shall appoint a
7 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 548,
8 Sec. 4.08.)

9 Source Law

10 Sec. 4.08. A vacancy in the office of director
11 shall be filled for the unexpired term by appointment
12 by the remaining directors.

13 Revised Law

14 Sec. 1086.057. OFFICERS. (a) The board shall elect from
15 among its members a president and a vice president.

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

18 (c) The president may vote only to break a tie vote.

19 (d) Each officer of the board serves a one-year term.

20 (e) The board shall fill a vacancy in a board office for the
21 unexpired term. (Acts 71st Leg., R.S., Ch. 548, Secs. 4.09, 4.10.)

22 Source Law

23 Sec. 4.09. (a) The board shall elect from among
24 its members a president and a vice-president. The
25 board shall also appoint a secretary. The secretary
26 need not be a director.

27 (b) The president may vote only to break a tie
28 vote.

29 Sec. 4.10. (a) Each officer of the board serves
30 for a term of one year.

31 (b) The board shall fill a vacancy in a board
32 office for the unexpired term.

33 Revised Law

34 Sec. 1086.058. COMPENSATION; EXPENSES. A director or
35 officer serves without compensation but may be reimbursed for
36 actual expenses incurred in the performance of official duties.
37 The expenses must be:

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

39 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
40 548, Sec. 4.11.)

1 Source Law

2 Sec. 4.13. (a) The board may appoint qualified
3 persons as administrator, . . . for the district.

4 (b) The administrator, . . . serve at the will
5 of the board.

6 (c) The administrator, . . . are entitled to
7 compensation as determined by the board.

8 (d) Before assuming his duties, the
9 administrator shall execute a bond payable to the
10 district in the amount of not less than \$5,000 as
11 determined by the board, conditioned on the faithful
12 performance of his duties under this Act. The board
13 may pay for the bond with district funds.

14 Revised Law

15 Sec. 1086.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

16 Subject to the limitations prescribed by the board, the district
17 administrator shall:

18 (1) supervise the work and activities of the district;

19 and

20 (2) direct the general affairs of the district. (Acts

21 71st Leg., R.S., Ch. 548, Sec. 4.16.)

22 Source Law

23 Sec. 4.16. The administrator shall supervise
24 the work and activities of the district and shall
25 direct the general affairs of the district, subject to
26 the limitations prescribed by the board.

27 Revised Law

28 Sec. 1086.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

29 (a) The board may appoint qualified persons as:

30 (1) the assistant district administrator; and

31 (2) the attorney for the district.

32 (b) The assistant district administrator and the attorney
33 for the district serve at the will of the board and are entitled to
34 compensation as determined by the board. (Acts 71st Leg., R.S., Ch.
35 548, Secs. 4.13(a) (part), (b) (part), (c) (part).)

36 Source Law

37 Sec. 4.13. (a) The board may appoint qualified
38 persons as . . . assistant administrator, and attorney
39 for the district.

40 (b) The . . . assistant administrator, and
41 attorney serve at the will of the board.

42 (c) The . . . assistant administrator, and
43 attorney are entitled to compensation as determined by
44 the board.

1 Revised Law

2 Sec. 1086.063. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
3 board may appoint to the staff any doctors the board considers
4 necessary for the efficient operation of the district and may make
5 temporary appointments as considered necessary.

6 (b) The district may employ technicians, nurses, fiscal
7 agents, accountants, architects, additional attorneys, and other
8 necessary employees.

9 (c) The board may delegate to the district administrator the
10 authority to employ persons for the district. (Acts 71st Leg.,
11 R.S., Ch. 548, Secs. 4.14, 4.15.)

12 Source Law

13 Sec. 4.14. The board may appoint to the staff
14 any doctors it considers necessary for the efficient
15 operation of the district and may make temporary
16 appointments as considered necessary.

17 Sec. 4.15. (a) The district may employ
18 technicians, nurses, fiscal agents, accountants,
19 architects, additional attorneys, and other necessary
20 employees.

21 (b) The board may delegate to the administrator
22 the authority to employ persons for the district.

23 Revised Law

24 Sec. 1086.064. 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 71st Leg., R.S., Ch.
33 548, Sec. 4.17.)

34 Source Law

35 Sec. 4.17. The board may provide retirement
36 benefits for employees of the district by establishing
37 or administering a retirement program or by electing
38 to participate in the Texas County and District
39 Retirement System or in any other statewide retirement
40 system in which the district is eligible to
41 participate.

42 [Sections 1086.065-1086.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 1086.101. DISTRICT RESPONSIBILITY. The district has
4 full responsibility for operating hospital facilities and for
5 providing medical and hospital care for the district's needy
6 inhabitants. (Acts 71st Leg., R.S., Ch. 548, Sec. 5.02 (part).)

7 Source Law

8 Sec. 5.02. On creation of the district, the
9 district:

10 (1) assumes full responsibility for
11 operating hospital facilities and for furnishing
12 medical and hospital care for the district's needy
13 inhabitants;
14 . . .

15 Revisor's Note

16 Section 5.02, Chapter 548, Acts of the 71st
17 Legislature, Regular Session, 1989, provides that
18 "[o]n creation of the district," the district
19 "assumes" certain responsibilities. The revised law
20 omits "[o]n creation of the district," as executed.
21 The revised law substitutes "has" for "assumes"
22 because the obligation to assume the responsibility is
23 executed.

24 Revised Law

25 Sec. 1086.102. RESTRICTION ON GOVERNMENTAL ENTITY TAXATION
26 AND DEBT. Crosby County, the City of Ralls, Crosbyton, or Lorenzo,
27 or any other governmental entity in which the district is located
28 may not impose a tax or issue bonds or other obligations for
29 hospital purposes or to provide medical care for district
30 residents. (Acts 71st Leg., R.S., Ch. 548, Sec. 5.01(b).)

31 Source Law

32 (b) On and after creation of the district,
33 Crosby County, the cities of Ralls, Crosbyton, and
34 Lorenzo, and other governmental entities in which the
35 district is located may not levy taxes or issue bonds
36 or other obligations for hospital purposes or for
37 providing medical care for the residents of the
38 district.

39 Revisor's Note

40 Section 5.01(b), Chapter 548, Acts of the 71st

1 Legislature, Regular Session, 1989, provides that
2 "[o]n and after creation of the district," Crosby
3 County, the City of Ralls, Crosbyton, or Lorenzo, or
4 any other governmental entity in which the district is
5 located may not levy certain taxes or issue certain
6 bonds. The revised law omits the quoted language as
7 executed. In addition, throughout this chapter, the
8 revised law substitutes "impose" for "levy" because,
9 in the context of taxation, the terms are synonymous
10 and "impose" is more commonly used.

11 Revised Law

12 Sec. 1086.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
13 The board shall manage, control, and administer the hospital system
14 and the district's money and resources. (Acts 71st Leg., R.S., Ch.
15 548, Sec. 5.03.)

16 Source Law

17 Sec. 5.03. The board shall manage, control, and
18 administer the hospital system and the funds and
19 resources of the district.

20 Revised Law

21 Sec. 1086.104. RULES. The board may adopt rules governing:
22 (1) the operation of the hospital and hospital system;
23 and
24 (2) the duties, functions, and responsibilities of
25 district staff and employees. (Acts 71st Leg., R.S., Ch. 548, Sec.
26 5.04.)

27 Source Law

28 Sec. 5.04. The board may adopt rules governing
29 the operation of the hospital and hospital system and
30 the duties, functions, and responsibilities of
31 district staff and employees.

32 Revised Law

33 Sec. 1086.105. PURCHASING AND ACCOUNTING PROCEDURES. The
34 board may prescribe:

- 35 (1) the method of making purchases and expenditures by
36 and for the district; and
37 (2) accounting and control procedures for the

1 district. (Acts 71st Leg., R.S., Ch. 548, Sec. 5.05.)

2 Source Law

3 Sec. 5.05. (a) The board may prescribe the
4 method of making purchases and expenditures by and for
5 the district.

6 (b) The board may prescribe accounting and
7 control procedures for the district.

8 Revised Law

9 Sec. 1086.106. MOBILE EMERGENCY MEDICAL SERVICE. The
10 district may operate or provide for the operation of a mobile
11 emergency medical service. (Acts 71st Leg., R.S., Ch. 548, Sec.
12 5.02 (part).)

13 Source Law

14 Sec. 5.02. . . . the district:

15 . . .
16 (3) may operate or provide for the
17 operation of a mobile emergency medical service.

18 Revised Law

19 Sec. 1086.107. DISTRICT PROPERTY, FACILITIES, AND
20 EQUIPMENT. (a) The board shall determine:

21 (1) the type, number, and location of buildings
22 required to maintain an adequate hospital system; and

23 (2) the type of equipment necessary for hospital care.

24 (b) The board may:

25 (1) acquire property, including facilities and
26 equipment, for the district for use in the hospital system; and

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

29 (c) The board may lease hospital facilities for the
30 district.

31 (d) The board may sell or otherwise dispose of property,
32 including facilities or equipment, for the district. (Acts 71st
33 Leg., R.S., Ch. 548, Sec. 5.06.)

34 Source Law

35 Sec. 5.06. (a) The board shall determine the
36 type, number, and location of buildings required to
37 establish and maintain an adequate hospital system and
38 the type of equipment necessary for hospital care.

39 (b) The board may acquire property, facilities,
40 and equipment for the district for use in the hospital
41 system and may mortgage or pledge the property,

1 facilities, or equipment acquired as security for the
2 payment of the purchase price.

3 (c) The board may lease hospital facilities on
4 behalf of the district.

5 (d) The board may sell or otherwise dispose of
6 property, facilities, or equipment on behalf of the
7 district.

8 Revisor's Note

9 Section 5.06(a), Chapter 548, Acts of the 71st
10 Legislature, Regular Session, 1989, 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. 1086.108. EMINENT DOMAIN. (a) The district may
17 exercise the power of eminent domain to acquire a fee simple or
18 other interest in property located in district territory if the
19 interest is necessary to exercise a right or authority conferred by
20 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 71st Leg., R.S., Ch. 548,
33 Sec. 5.09.)

34 Source Law

35 Sec. 5.09. (a) The district may exercise the
36 power of eminent domain to acquire by condemnation a
37 fee simple or other interest in property located in the
38 territory of the district if the property interest is
39 necessary to the exercise of the rights or authority
40 conferred by this Act.

41 (b) The district must exercise the power of

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

5 (c) In a condemnation proceeding brought by the
6 district, the district is not required to pay in
7 advance or give bond or other security for costs in the
8 trial court, to give bond for the issuance of a
9 temporary restraining order or a temporary injunction,
10 or to give bond for costs or supersedeas on an appeal
11 or writ of error.

12 Revisor's Note

13 Section 5.09(c), Chapter 548, Acts of the 71st
14 Legislature, Regular Session, 1989, refers to a "writ
15 of error." The revised law substitutes "petition for
16 review" for "writ of error" because, effective
17 September 1, 1997, the Texas Supreme Court replaced
18 the writ of error procedure with the petition for
19 review procedure. See Rule 53.1, Texas Rules of
20 Appellate Procedure.

21 Revised Law

22 Sec. 1086.109. COST OF RELOCATING OR ALTERING PROPERTY. In
23 exercising the power of eminent domain, if the board requires
24 relocating, raising, lowering, rerouting, changing the grade, or
25 altering the construction of any railroad, highway, pipeline, or
26 electric transmission and electric distribution, telegraph, or
27 telephone line, conduit, pole, or facility, the district must bear
28 the actual cost of relocating, raising, lowering, rerouting,
29 changing the grade, or altering the construction to provide
30 comparable replacement without enhancement of facilities, after
31 deducting the net salvage value derived from the old facility.
32 (Acts 71st Leg., R.S., Ch. 548, Sec. 5.10.)

33 Source Law

34 Sec. 5.10. In exercising the power of eminent
35 domain, if the board requires relocating, raising,
36 lowering, rerouting, changing the grade, or altering
37 the construction of any railroad, highway, pipeline,
38 or electric transmission and electric distribution,
39 telegraph, or telephone lines, conduits, poles, or
40 facilities, the district must bear the actual cost of
41 relocating, raising, lowering, rerouting, changing
42 the grade, or altering the construction to provide
43 comparable replacement without enhancement of
44 facilities, after deducting the net salvage value
45 derived from the old facility.

1 Revised Law

2 Sec. 1086.110. GIFTS AND ENDOWMENTS. The board may accept
3 for the district a gift or endowment to be held in trust for any
4 purpose and under any direction, limitation, or other provision
5 prescribed in writing by the donor that is consistent with the
6 proper management of the district. (Acts 71st Leg., R.S., Ch. 548,
7 Sec. 5.14.)

8 Source Law

9 Sec. 5.14. On behalf of the district, the board
10 may accept gifts and endowments to be held in trust for
11 any purpose and under any direction, limitation, or
12 provision prescribed in writing by the donor that is
13 consistent with the proper management of the district.

14 Revised Law

15 Sec. 1086.111. CONSTRUCTION CONTRACTS. (a) The board may
16 enter into construction contracts for the district.

17 (b) The board may enter into a construction contract that
18 involves the expenditure of more than the amount provided by
19 Section 271.024, Local Government Code, only after competitive
20 bidding as provided by Subchapter B, Chapter 271, Local Government
21 Code. (Acts 71st Leg., R.S., Ch. 548, Sec. 5.07(a).)

22 Source Law

23 Sec. 5.07. (a) The board may enter into
24 construction contracts on behalf of the district, but
25 the board may enter into construction contracts that
26 involve spending more than \$10,000 only after
27 competitive bidding as provided by Subchapter B,
28 Chapter 271, Local Government Code.

29 Revisor's Note

30 (1) Section 5.07(a), Chapter 548, Acts of the
31 71st Legislature, Regular Session, 1989, provides that
32 the district may enter into construction contracts
33 that involve spending more than \$10,000 only after
34 competitive bidding as provided by Subchapter B,
35 Chapter 271, Local Government Code. The revised law
36 omits the reference to the \$10,000 amount as
37 superseded by Section 2, Chapter 749, and Section 14,
38 Chapter 757, Acts of the 73rd Legislature, Regular
39 Session, 1993, which amended Section 271.024, Local

1 Government Code, to increase the contract amount for
2 which competitive bidding is required to \$15,000. The
3 contract amount was increased to \$50,000 by Section 6,
4 Chapter 1266, Acts of the 81st Legislature, Regular
5 Session, 2009.

6 (2) Section 5.07(b), Chapter 548, Acts of the
7 71st Legislature, Regular Session, 1989, 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 the provision because Article 5160 was codified as
12 Chapter 2253, Government Code, and that chapter
13 applies to hospital districts on its own terms. The
14 omitted law reads:

15 (b) Article 5160, Revised Statutes,
16 as it relates to performance and payment
17 bonds, applies to the district's
18 construction contracts.

19 Revised Law

20 Sec. 1086.112. 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 71st Leg., R.S., Ch.
23 548, 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. 1086.113. 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 71st Leg., R.S., Ch. 548, 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 548, Acts of the 71st
6 Legislature, Regular Session, 1989, refers to "a city,
7 county, special district, or other political
8 subdivision of the state." Throughout this chapter,
9 the revised law omits "city," "county," and "special
10 district" in this context because each of those terms
11 is included in the meaning of "political subdivision
12 of the state."

13 Revised Law

14 Sec. 1086.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
15 When a patient who resides in the district is admitted to a district
16 facility, the district administrator may have an inquiry made into
17 the financial circumstances of:

18 (1) the patient; or

19 (2) a relative of the patient legally responsible for
20 the patient's support.

21 (b) The district without charge shall provide to a patient
22 who resides in the district the care and treatment that the patient
23 or a relative of the patient legally responsible for the patient's
24 support cannot pay.

25 (c) On determining that the patient or a relative legally
26 responsible for the patient's support can pay for all or part of the
27 care and treatment provided by the district, the district
28 administrator shall report that determination to the board, and the
29 board shall issue an order directing the patient or the relative to
30 pay the district a specified amount each week. The amount must be
31 based on the individual's ability to pay.

32 (d) The district administrator may collect money owed to the
33 district from the patient's estate or from that of a relative
34 legally responsible for the patient's support in the manner
35 provided by law for collection of expenses of the last illness of a
36 deceased person.

1 (e) If there is a dispute relating to an individual's
2 ability to pay or if the district administrator has any doubt
3 concerning an individual's ability to pay, the board 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 Crosby County. The substantial evidence rule
9 applies to the appeal. (Acts 71st Leg., R.S., Ch. 548, Secs.
10 5.11(a), (c), (d), (e), (f).)

11 Source Law

12 Sec. 5.11. (a) The district shall without
13 charge supply to a patient residing in the district the
14 care and treatment that the patient or a relative of
15 the patient who is legally responsible for the
16 patient's support cannot pay.

17 (c) The administrator of the district may have
18 an inquiry made into the financial circumstances of
19 any patient residing in the district and admitted to a
20 district facility and into the financial circumstances
21 of a relative of the patient who is legally responsible
22 for the patient's support.

23 (d) 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 each week a specified
30 amount that the individual is able to pay.

31 (e) 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 (f) If there is a dispute relating to an
38 individual's ability to pay or if the administrator has
39 any doubt concerning an individual's ability to pay,
40 the board shall call witnesses, hear and resolve the
41 question, and issue a final order. An appeal from a
42 final order of the board must be made to a district
43 court in the county in which the district is located
44 and the substantial evidence rule applies.

45 Revisor's Note

46 (1) Section 5.11(b), Chapter 548, Acts of the
47 71st Legislature, Regular Session, 1989, requires the
48 district to adopt an application procedure for
49 assistance eligibility. The revised law omits the
50 provision because it duplicates provisions in Sections

1 61.053(a) and (b), Health and Safety Code, which apply
2 to the district and detail the application procedure.

3 The omitted law reads:

4 (b) Not later than the beginning of
5 each operating year, the district shall
6 adopt an application procedure to determine
7 eligibility for assistance, as provided by
8 Section 10.03, Indigent Health Care and
9 Treatment Act (Article 4438f, Vernon's
10 Texas Civil Statutes).

11 (2) Section 5.11(f), Chapter 548, Acts of the
12 71st Legislature, Regular Session, 1989, authorizes
13 the appeal of a final order to be made to the district
14 court "in the county in which the district is located."
15 The revised law substitutes "Crosby County" for the
16 quoted language because Crosby County is the county in
17 which the district is located.

18 Revised Law

19 Sec. 1086.115. REIMBURSEMENT FOR SERVICES. (a) The board
20 shall require a county, municipality, or public hospital located
21 outside the district to reimburse the district for the district's
22 care and treatment of a sick or injured person of that county,
23 municipality, or public hospital as provided by Chapter 61, Health
24 and Safety Code.

25 (b) The board shall require the sheriff of Crosby County or
26 the police chief of the City of Crosbyton, Ralls, or Lorenzo, as
27 appropriate, to reimburse the district for the district's care and
28 treatment of a person confined in a jail facility of Crosby County
29 or the City of Crosbyton, Ralls, or Lorenzo, as appropriate, who is
30 not a district resident.

31 (c) The board may contract with the state or federal
32 government for that government to reimburse the district for
33 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
34 548, Sec. 5.12.)

35 Source Law

36 Sec. 5.12. (a) The board shall require
37 reimbursement from a county, city, or public hospital
38 located outside the boundaries of the district for the
39 district's care and treatment of a sick, diseased, or

1 injured person of that county, city, or public
2 hospital as provided by the Indigent Health Care and
3 Treatment Act (Article 4438f, Vernon's Texas Civil
4 Statutes).

5 (b) The board shall require reimbursement from
6 the sheriff or police chief of Crosby County and the
7 cities of Crosbyton, Ralls, and Lorenzo for the
8 district's care and treatment of a person confined in a
9 jail facility of Crosby County and the cities of
10 Crosbyton, Ralls, and Lorenzo, who is not a resident of
11 the district.

12 (c) The board may contract with the state or
13 federal government for the state or federal government
14 to reimburse the district for treatment of a sick,
15 diseased, or injured person.

16 Revisor's Note

17 (1) Section 5.12(a), Chapter 548, Acts of the
18 71st Legislature, Regular Session, 1989, refers to a
19 "city." The revised law substitutes "municipality"
20 for "city" because in context the terms are
21 synonymous, and "municipality" is the term used by the
22 Local Government Code.

23 (2) Sections 5.12(a) and (c), Chapter 548, Acts
24 of the 71st Legislature, Regular Session, 1989, refer
25 to a "sick, diseased, or injured person." The revised
26 law omits "diseased" because it is included in the
27 meaning of "sick."

28 (3) Section 5.12(a), Chapter 548, Acts of the
29 71st Legislature, Regular Session, 1989, 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. 1086.116. AUTHORITY TO SUE AND BE SUED. The board may
36 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
37 Ch. 548, 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 1086.117-1086.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1086.151. 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 to the credit of each
9 district fund;

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

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

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

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

18 (7) the estimated tax rate to be required. (Acts 71st
19 Leg., R.S., Ch. 548, Sec. 6.04.)

20 Source Law

21 Sec. 6.04. (a) The administrator of the
22 district shall prepare a proposed annual budget for
23 the district.

24 (b) The proposed budget must contain a complete
25 financial statement, including a statement of:

26 (1) the outstanding obligations of the
27 district;

28 (2) the amount of cash on hand to the
29 credit of each fund of the district;

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

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

34 (5) the amount of the balances expected at
35 the end of the year in which the budget is being
36 prepared;

37 (6) the estimated amount of revenues and
38 balances available to cover the proposed budget; and

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

41 Revised Law

42 Sec. 1086.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
43 The board shall hold a public hearing on the proposed annual budget.

44 (b) The board shall publish notice of the hearing in a

1 newspaper of general circulation in the district not later than the
2 10th day before the date of the hearing.

3 (c) Any district resident is entitled to be present and
4 participate at the hearing.

5 (d) At the conclusion of the hearing, the board shall adopt
6 a budget by acting on the budget proposed by the district
7 administrator. The board may make any changes in the proposed
8 budget that the board judges to be in the interests of the
9 taxpayers.

10 (e) The budget is effective only after adoption by the
11 board. (Acts 71st Leg., R.S., Ch. 548, Sec. 6.05.)

12 Source Law

13 Sec. 6.05. (a) The board shall hold a public
14 hearing on the proposed annual budget.

15 (b) The board shall publish notice of the
16 hearing in a newspaper of general circulation in the
17 district not later than the 10th day before the date of
18 the hearing.

19 (c) Any resident of the district is entitled to
20 be present and participate at the hearing.

21 (d) At the conclusion of the hearing, the board
22 shall adopt a budget by acting on the budget proposed
23 by the administrator. The board may make any changes
24 in the proposed budget that in its judgment the
25 interests of the taxpayers demand.

26 (e) The budget is effective only after adoption
27 by the board.

28 Revised Law

29 Sec. 1086.153. AMENDMENTS TO BUDGET. After the annual
30 budget is adopted, the budget may be amended on the board's
31 approval. (Acts 71st Leg., R.S., Ch. 548, Sec. 6.06.)

32 Source Law

33 Sec. 6.06. After adoption, the annual budget
34 may be amended on the board's approval.

35 Revised Law

36 Sec. 1086.154. RESTRICTION ON EXPENDITURES. Money may be
37 spent only for an expense included in the annual budget or an
38 amendment to the budget. (Acts 71st Leg., R.S., Ch. 548, Sec.
39 6.07.)

40 Source Law

41 Sec. 6.07. Money may not be spent for an expense
42 not included in the annual budget or an amendment to
43 it.

1 Revised Law

2 Sec. 1086.155. 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 71st
8 Leg., R.S., Ch. 548, Sec. 6.01.)

9 Source Law

10 Sec. 6.01. (a) The district operates on the
11 fiscal year established by the board.

12 (b) The fiscal year may not be changed when
13 revenue bonds of the district are outstanding or more
14 than once in a 24-month period.

15 Revised Law

16 Sec. 1086.156. ANNUAL AUDIT. The board annually shall have
17 an audit made of the district's financial condition. (Acts 71st
18 Leg., R.S., Ch. 548, Sec. 6.02.)

19 Source Law

20 Sec. 6.02. Annually, the board shall have an
21 audit made of the financial condition of the district.

22 Revised Law

23 Sec. 1086.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
24 RECORDS. The annual audit and other district records are open to
25 inspection during regular business hours at the district's
26 principal office. (Acts 71st Leg., R.S., Ch. 548, Sec. 6.03.)

27 Source Law

28 Sec. 6.03. The annual audit and other district
29 records are open to inspection during regular business
30 hours at the principal office of the district.

31 Revised Law

32 Sec. 1086.158. FINANCIAL REPORT. As soon as practicable
33 after the close of the fiscal year, the district administrator
34 shall prepare for the board:

35 (1) a sworn statement of the amount of district money;
36 and

37 (2) an account of the disbursements of that money.
38 (Acts 71st Leg., R.S., Ch. 548, Sec. 6.08.)

1 Revised Law

2 Sec. 1086.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
3 Except as provided by Sections 1086.111, 1086.201, 1086.204, and
4 1086.205, the district may not incur a debt payable from district
5 revenue other than the revenue on hand or to be on hand in the
6 current and immediately following district fiscal years.

7 (b) The board may invest operating, depreciation, or
8 building reserves only in funds or securities specified by Chapter
9 2256, Government Code. (Acts 71st Leg., R.S., Ch. 548, Sec. 6.09.)

10 Source Law

11 Sec. 6.09. (a) Except as provided by Sections
12 5.07(a), 7.01, 7.04, and 7.05 of this Act, the district
13 may not incur a debt payable from revenues of the
14 district other than the revenues on hand or to be on
15 hand in the current and immediately following fiscal
16 year of the district.

17 (b) The board may invest operating,
18 depreciation, or building reserves only in funds or
19 securities specified by Article 836 or 837, Revised
20 Statutes.

21 Revisor's Note

22 Section 6.09(b), Chapter 548, Acts of the 71st
23 Legislature, Regular Session, 1989, refers to Articles
24 836 and 837, Revised Statutes. Those articles were
25 impliedly repealed by the enactment of the Public
26 Funds Investment Act of 1987 (Article 842a-2, Vernon's
27 Texas Civil Statutes), which was revised in 1993 as
28 Chapter 2256, Government Code. Chapter 2256 defines
29 "local government" to include hospital districts and
30 applies to the district by its own terms. The revised
31 law therefore substitutes a reference to Chapter 2256,
32 Government Code, for the reference to Articles 836 and
33 837.

34 [Sections 1086.161-1086.200 reserved for expansion]

35 SUBCHAPTER E. BONDS

36 Revised Law

37 Sec. 1086.201. GENERAL OBLIGATION BONDS. If authorized by
38 an election, the board may issue and sell general obligation bonds
39 in the name and on the faith and credit of the district to:

1 tax the district levies may not exceed the limit
2 approved by the voters at the election authorizing the
3 levy of taxes.

4 Revisor's Note

5 Section 7.02, Chapter 548, Acts of the 71st
6 Legislature, Regular Session, 1989, requires the
7 district to levy a tax to pay the principal of and
8 interest on bonds. The revised law specifies that the
9 tax is an "ad valorem" tax because it is clear from the
10 source law that the tax is a property tax. Section
11 1(b), Article VIII, Texas Constitution, requires all
12 property that is taxed to be taxed in proportion to its
13 value, and accordingly "ad valorem" tax is the term
14 most commonly used in Texas law to refer to a tax on
15 property.

16 Revised Law

17 Sec. 1086.203. GENERAL OBLIGATION BOND ELECTION. (a) The
18 district may issue general obligation bonds only if the bonds are
19 authorized by a majority of the district voters voting at an
20 election held for that purpose.

21 (b) The board may order a bond election.

22 (c) The order calling the election must specify:

23 (1) the nature and date of the election;

24 (2) the hours during which the polls will be open;

25 (3) the location of the polling places;

26 (4) the amount of the bonds to be authorized; and

27 (5) the maximum maturity of the bonds.

28 (d) Notice of a bond election shall be given as provided by
29 Section 1251.003, Government Code.

30 (e) The board shall declare the results of the election.
31 (Acts 71st Leg., R.S., Ch. 548, Sec. 7.03.)

32 Source Law

33 Sec. 7.03. (a) The district may issue general
34 obligation bonds only if the bonds are authorized by a
35 majority of the qualified voters of the district
36 voting at an election called and held for that purpose.

37 (b) The board may order a bond election. The
38 order calling the election must state the nature and
39 date of the election, the hours during which the polls

1 will be open, the location of the polling places, the
2 amount of bonds to be authorized, and the maximum
3 maturity of the bonds.

4 (c) Notice of a bond election shall be given as
5 provided by Article 704, Revised Statutes.

6 (d) The board shall canvass the returns and
7 declare the results of the election.

8 Revisor's Note

9 (1) Section 7.03(a), Chapter 548, Acts of the
10 71st Legislature, Regular Session, 1989, refers to a
11 majority vote of the "qualified" voters of the
12 district. The revised law omits "qualified" as
13 unnecessary in this context because Chapter 11,
14 Election Code, governs eligibility to vote in an
15 election in this state and allows only "qualified"
16 voters who are residents of the territory covered by
17 the election to vote in an election.

18 (2) Section 7.03(a), Chapter 548, Acts of the
19 71st Legislature, Regular Session, 1989, refers to an
20 election "called and held." The revised law omits the
21 reference to "calling" an election because, in this
22 context, "calling" an election is included in the
23 meaning of "holding" an election. Under Chapter 3,
24 Election Code, all elections must be ordered (called)
25 before they may be held.

26 (3) Section 7.03(c), Chapter 548, Acts of the
27 71st Legislature, Regular Session, 1989, refers to
28 Article 704, Revised Statutes, which specifies certain
29 notice requirements for a bond election. That
30 provision was codified in 1999 as Section 1251.003,
31 Government Code. The revised law is drafted
32 accordingly.

33 (4) Section 7.03(d), Chapter 548, Acts of the
34 71st Legislature, Regular Session, 1989, provides that
35 "[t]he board shall canvass the returns" of a bond
36 election. The revised law omits this requirement
37 because it duplicates Section 67.002, Election Code,
38 which requires the governing body of a political

1 subdivision that orders an election to canvass the
2 election returns.

3 Revised Law

4 Sec. 1086.204. REVENUE BONDS. (a) The board may issue
5 revenue bonds to:

6 (1) purchase, construct, acquire, repair, equip, or
7 renovate buildings or improvements for hospital purposes;

8 (2) acquire sites to be used for hospital purposes; or

9 (3) acquire and operate a mobile emergency medical
10 service to assist the district in carrying out its hospital
11 purposes.

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

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

17 (d) The bonds must be issued in the manner provided by
18 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
19 Health and Safety Code, for issuance of revenue bonds by a county
20 hospital authority. (Acts 71st Leg., R.S., Ch. 548, Sec. 7.04.)

21 Source Law

22 Sec. 7.04. (a) The board may issue revenue
23 bonds to:

24 (1) purchase, construct, acquire, repair,
25 equip, or renovate buildings or improvements for
26 hospital purposes;

27 (2) acquire sites to be used for hospital
28 purposes; or

29 (3) acquire and operate a mobile emergency
30 medical service to assist the district in carrying out
31 its hospital purposes.

32 (b) The bonds must be payable from and secured
33 by a pledge of all or part of the revenues derived from
34 the operation of the district's hospital system. The
35 bonds may be additionally secured by a mortgage or deed
36 of trust lien on all or part of district property.

37 (c) The bonds must be issued in the manner
38 provided by Sections 8, 10, 11, 12, and 13, County
39 Hospital Authority Act (Article 4494r, Vernon's Texas
40 Civil Statutes), for issuance of revenue bonds by
41 county hospital authorities.

42 Revisor's Note

43 Section 7.04(c), Chapter 548, Acts of the 71st
44 Legislature, Regular Session, 1989, refers to Sections

1 8, 10, 11, 12, and 13, County Hospital Authority Act
2 (Article 4494r, Vernon's Texas Civil Statutes). Those
3 provisions were codified in 1989 as Sections 264.042,
4 264.043, 264.046, 264.047, 264.048, and 264.049,
5 Health and Safety Code. The revised law is drafted
6 accordingly.

7 Revised Law

8 Sec. 1086.205. REFUNDING BONDS. (a) District refunding
9 bonds may be issued to refund outstanding indebtedness issued or
10 assumed by the district.

11 (b) A refunding bond may be:

12 (1) sold, with the proceeds of the refunding bond
13 applied to the payment of outstanding indebtedness; or

14 (2) exchanged wholly or partly for not less than a
15 similar principal amount of outstanding indebtedness. (Acts 71st
16 Leg., R.S., Ch. 548, Secs. 7.05(a), (c) (part).)

17 Source Law

18 Sec. 7.05. (a) Refunding bonds of the district
19 may be issued to refund and pay off an outstanding
20 indebtedness the district has issued or assumed.

21 (c) The refunding bonds may be sold and the
22 proceeds applied to the payment of outstanding
23 indebtedness or may be exchanged in whole or in part
24 for not less than a similar principal amount of
25 outstanding indebtedness. . . .

26 Revisor's Note

27 Sections 7.05(b) and (c), Chapter 548, Acts of
28 the 71st Legislature, Regular Session, 1989, require
29 the district to issue refunding bonds in the manner
30 prescribed by Chapter 784, Acts of the 61st
31 Legislature, Regular Session, 1969 (Article 717k-3,
32 Vernon's Texas Civil Statutes), and, for refunding
33 bonds that will be sold, to issue the bonds and to make
34 payments on the bonds in the manner prescribed by
35 Chapter 503, Acts of the 54th Legislature, Regular
36 Session, 1955 (Article 717k, Vernon's Texas Civil
37 Statutes). Articles 717k and 717k-3 were codified in

1 1999 as Chapter 1207, Government Code. The revised law
2 omits the provisions 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 (b) The bonds must be issued in the
7 manner provided by Chapter 784, Acts of the
8 61st Legislature, Regular Session, 1969
9 (Article 717k-3, Vernon's Texas Civil
10 Statutes).

11 (c) . . . If the refunding bonds are
12 to be sold and the proceeds applied to the
13 payment of outstanding indebtedness, the
14 refunding bonds must be issued and payments
15 made in the manner provided by Chapter 503,
16 Acts of the 54th Legislature, Regular
17 Session, 1955 (Article 717k, Vernon's Texas
18 Civil Statutes).

19 Revised Law

20 Sec. 1086.206. MATURITY OF BONDS. District bonds must
21 mature not later than 50 years after the date of issuance. (Acts
22 71st Leg., R.S., Ch. 548, Sec. 7.06 (part).)

23 Source Law

24 Sec. 7.06. District bonds must mature not more
25 than 50 years after the date of their issuance and
26

27 Revisor's Note

28 Section 7.06, Chapter 548, Acts of the 71st
29 Legislature, Regular Session, 1989, provides that
30 district bonds must bear interest at a rate that does
31 not exceed the rate provided by Chapter 3, Acts of the
32 61st Legislature, Regular Session, 1969 (Article
33 717k-2, Vernon's Texas Civil Statutes). The revised
34 law omits that provision because the maximum interest
35 rate noted in Chapter 3 was revised in 1999 as Section
36 1204.006, Government Code, and Section 1204.006
37 applies to the district by its terms under Section
38 1204.001, Government Code. The omitted law reads:

39 Sec. 7.06. [District bonds] . . .
40 must bear interest at a rate not to exceed
41 that provided by Chapter 3, Acts of the 61st
42 Legislature, Regular Session, 1969 (Article
43 717k-2, Vernon's Texas Civil Statutes).

1 Revised Law

2 Sec. 1086.207. EXECUTION OF BONDS. The board president
3 shall execute the district's bonds in the district's name, and the
4 board secretary shall countersign the bonds in the manner provided
5 by Chapter 618, Government Code. (Acts 71st Leg., R.S., Ch. 548,
6 Sec. 7.07.)

7 Source Law

8 Sec. 7.07. The president of the board shall
9 execute the bonds in the name of the district, and the
10 secretary of the board shall countersign the bonds in
11 the manner provided by the Texas Uniform Facsimile
12 Signature of Public Officials Act (Article 717j-1,
13 Vernon's Texas Civil Statutes).

14 Revisor's Note

15 Section 7.07, Chapter 548, Acts of the 71st
16 Legislature, Regular Session, 1989, refers to the
17 Texas Uniform Facsimile Signature of Public Officials
18 Act (Article 717j-1, Vernon's Texas Civil Statutes).
19 That statute was codified in 1999 as Chapter 618,
20 Government Code, and the revised law is drafted
21 accordingly.

22 Revised Law

23 Sec. 1086.208. 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) any transaction relating to the bonds; and
28 (3) profits made in the sale of the bonds. (Acts 71st
29 Leg., R.S., Ch. 548, Sec. 7.11 (part).)

30 Source Law

31 Sec. 7.11. . . . bonds issued by the district,
32 any transaction relating to the bonds, and profits
33 made in the sale of the bonds are not subject to
34 taxation by the state or by any city, county, special
35 district, or other political subdivision of the state.

36 Revisor's Note
37 (End of Subchapter)

38 (1) Section 7.08, Chapter 548, Acts of the 71st
39 Legislature, Regular Session, 1989, provides that

1 district bonds are subject to the laws governing
2 counties that relate to bond approval by the attorney
3 general and registration of the bonds by the
4 comptroller. Section 7.08 also states that after
5 approval and registration the bonds are "incontestable
6 for any cause." The revised law omits these provisions
7 because they duplicate, in substance, Chapter 1202,
8 Government Code. Section 1202.003(a), Government
9 Code, requires that bonds be submitted to the attorney
10 general. Section 1202.003(b), Government Code,
11 provides for approval of the bonds by the attorney
12 general and requires the attorney general to submit
13 the approved bonds to the comptroller for
14 registration. Section 1202.005, Government Code,
15 requires registration of the bonds by the comptroller.
16 Section 1202.006, Government Code, provides that after
17 approval and registration the bonds are incontestable
18 and binding obligations. Chapter 1202, Government
19 Code, applies to district bonds by application of
20 Section 1202.001, Government Code. The omitted law
21 reads:

22 Sec. 7.08. (a) District bonds are
23 subject to the same requirements with
24 regard to approval by the attorney general
25 and registration by the comptroller of
26 public accounts as the law provides for
27 approval and registration of bonds issued
28 by counties.

29 (b) On approval by the attorney
30 general and registration by the comptroller
31 of public accounts, the bonds are
32 incontestable for any cause.

33 (2) Section 7.09, Chapter 548, Acts of the 71st
34 Legislature, Regular Session, 1989, provides that
35 district bonds are legal and authorized investments
36 for certain entities. The revised law omits the
37 provision as unnecessary. As to several of the
38 entities listed, Section 7.09 has been superseded and
39 impliedly repealed or it duplicates existing law.

1 Investments in securities by banks are regulated by
2 Section 34.101, Finance Code (enacted in 1995 as
3 Section 5.101, Texas Banking Act (Article 342-5.101,
4 Vernon's Texas Civil Statutes)). Investments in
5 securities by savings banks are regulated by Section
6 93.001(c)(10), Finance Code (enacted in 1993 as
7 Section 7.15(10), Texas Savings Bank Act (Article
8 489e, Vernon's Texas Civil Statutes)). Investments in
9 securities by trust companies are regulated by Section
10 184.101, Finance Code (enacted in 1997 as Section
11 5.101, Texas Trust Company Act (Article 342a-5.101,
12 Vernon's Texas Civil Statutes)). Investments in
13 securities by savings and loan associations are
14 regulated by Sections 63.002 and 64.001, Finance Code.
15 As to the remaining entities listed, Section 7.09
16 duplicates Section 1201.041, Government Code, enacted
17 as Section 9, Bond Procedures Act of 1981 (Article
18 717k-6, Vernon's Texas Civil Statutes). While Section
19 7.09 lists "guardians" and Section 1201.041 does not,
20 the latter statute includes "a fiduciary," and a
21 guardian is a fiduciary. Section 1201.041, Government
22 Code, applies to district bonds 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), and last amended in 2007), which governs
29 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 revised law omits the reference to public funds of
34 political subdivisions or public agencies of the state

1 because it has been superseded by Chapter 2256,
2 Government Code (enacted in 1987 as the Public Funds
3 Investment Act of 1987 (Article 842a-2, Vernon's Texas
4 Civil Statutes)), which governs the investment of
5 local funds. The omitted law reads:

6 Sec. 7.09. District bonds and
7 indebtedness assumed by the district are
8 legal and authorized investments for:

- 9 (1) banks;
10 (2) savings banks;
11 (3) trust companies;
12 (4) savings and loan
13 associations;
14 (5) insurance companies;
15 (6) fiduciaries;
16 (7) trustees;
17 (8) guardians; and
18 (9) sinking funds of cities,
19 counties, school districts, and other
20 political subdivisions of the state and
21 other public funds of the state and its
22 agencies, including the permanent school
23 fund.

24 (3) Section 7.10, Chapter 548, Acts of the 71st
25 Legislature, Regular Session, 1989, provides that
26 district bonds may secure deposits of public funds of
27 this state or political subdivisions of this state.
28 The revised law omits the provisions relating to
29 deposits of state funds as impliedly repealed by
30 Section 404.0221, Government Code (enacted in 1995),
31 which lists eligible collateral for deposits of state
32 funds by the comptroller. As to deposits of other
33 funds, this provision duplicates Chapter 2257,
34 Government Code, which governs eligible collateral for
35 deposits of funds of other public agencies, including
36 political subdivisions, and permits those deposits to
37 be secured by obligations issued by hospital
38 districts. The omitted law reads:

39 Sec. 7.10. District bonds are
40 eligible to secure deposits of public funds
41 of the state and of cities, counties, school
42 districts, and other political subdivisions
43 of the state. The bonds are lawful and
44 sufficient security for deposits to the
45 extent of their value.

46 [Sections 1086.209-1086.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Revised Law

3 Sec. 1086.251. 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) district maintenance and operating expenses.

10 (c) The district may not impose a tax to pay the principal of
11 or interest on revenue bonds issued under this chapter. (Acts 71st
12 Leg., R.S., Ch. 548, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

13 Source Law

14 Sec. 8.01. (a) The board may annually levy
15 taxes

16 (c) The taxes may be used to pay:

17 (1) the indebtedness issued or assumed by
18 the district; and

19 (2) the maintenance and operating expenses
20 of the district.

21 (d) The district may not levy taxes to pay the
22 principal of or interest on revenue bonds issued under
23 this Act.

24 [Sec. 8.02]

25 (b) The board shall levy taxes on all property
26 in the district subject to hospital district taxation.

27 Revised Law

28 Sec. 1086.252. TAX RATE. (a) The board may impose the tax
29 at a rate not to exceed the limit approved by the voters at the
30 election authorizing the imposition of the tax.

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

33 (c) In setting the tax rate, the board shall consider the
34 income of the district from sources other than taxation.

35 (d) An appointed director may not vote on the adoption of
36 the tax rate to be set by the board. (Acts 71st Leg., R.S., Ch. 548,
37 Secs. 8.01(a) (part), (b), 8.03 (part).)

38 Source Law

39 Sec. 8.01. (a) [The board may annually levy
40 taxes] in an amount not to exceed the limit approved by
41 the voters at the election authorizing the levy of

1 taxes.

2 (b) The tax rate for all purposes may not exceed
3 75 cents on each \$100 valuation of all taxable property
4 in the district.

5 Sec. 8.03. In setting the tax rate, the board
6 shall take into consideration the income of the
7 district from sources other than taxation. The
8 appointed members of the board may not vote on the
9 adoption of the ad valorem tax rate to be set by the
10 board. . . .

11 Revisor's Note

12 Section 8.03, Chapter 548, Acts of the 71st
13 Legislature, Regular Session, 1989, requires the board
14 to levy the tax and to certify the tax levy to the tax
15 assessor-collector. The revised law omits that
16 provision because Section 26.05(a), Tax Code, requires
17 the governing body of a taxing unit to adopt a tax rate
18 for the current tax year and to notify the tax assessor
19 for the unit of that rate. The omitted law reads:

20 Sec. 8.03. . . . On determination of
21 the amount of tax required to be levied, the
22 board shall levy the tax and certify the tax
23 levy to the tax assessor-collector.

24 Revised Law

25 Sec. 1086.253. TAX ASSESSOR-COLLECTOR. The board may
26 provide for the appointment of a tax assessor-collector for the
27 district or may contract for the assessment and collection of taxes
28 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 548, Sec.
29 8.04(b).)

30 Source Law

31 (b) The board may provide for the appointment of
32 a tax assessor-collector for the district or may
33 contract for the assessment and collection of taxes as
34 provided by the Tax Code.

35 Revisor's Note
36 (End of Subchapter)

37 (1) Section 8.02(a), Chapter 548, Acts of the
38 71st Legislature, Regular Session, 1989, provides that
39 the board may levy taxes for the entire year in which
40 the district is created. The revised law omits that
41 provision as executed. The omitted law reads:

42 Sec. 8.02. (a) The board may levy
43 taxes for the entire year in which the

1 district is created.

2 (2) Section 8.04(a), Chapter 548, Acts of the
3 71st Legislature, Regular Session, 1989, provides that
4 the Tax Code governs the appraisal, assessment, and
5 collection of district taxes. The revised law omits
6 this provision as unnecessary because Title 1, Tax
7 Code, governs the appraisal of property for and the
8 assessment and collection of ad valorem taxes by all
9 taxing units in this state, including hospital
10 districts. See Section 1.02, Tax Code. The omitted
11 law reads:

12 Sec. 8.04. (a) The Tax Code governs
13 the appraisal, assessment, and collection
14 of district taxes.

15 Revisor's Note
16 (End of Chapter)

17 Sections 5.01(a) and 5.02(2), Chapter 548, Acts
18 of the 71st Legislature, Regular Session, 1989,
19 require the Crosbyton Clinic Hospital Board and other
20 governmental entities in which the district is located
21 to transfer certain land, buildings, improvements,
22 equipment, funds, and taxes to the district after the
23 district is created and to provide for the assumption
24 of debt by the district on creation. The revised law
25 omits the provisions as executed. The omitted law
26 reads:

27 Sec. 5.01. (a) On creation of the
28 district, the Crosbyton Clinic Hospital
29 Board and other governmental entities in
30 which the district is located shall convey
31 or transfer to the district:

32 (1) title to land, buildings,
33 improvements, and equipment related to the
34 hospital system owned by the Crosbyton
35 Clinic Hospital and other governmental
36 entities in which the district is located;

37 (2) operating funds and
38 reserves for operating expenses and funds
39 that have been budgeted by the Crosbyton
40 Clinic Hospital to provide medical care for
41 residents of the district for the remainder
42 of the fiscal year in which the district is
43 established;

44 (3) taxes levied by Crosby
45 County and other governmental entities in
46 which the district is located for hospital

1 purposes for the year in which the district
 2 is created; and
 3 (4) funds established for
 4 payment of indebtedness assumed by the
 5 district.

6 Sec. 5.02. . . . [the district:]
 7 . . .
 8 (2) assumes any outstanding
 9 obligations incurred by Crosbyton Clinic
 10 Hospital in providing hospital care for
 11 residents of the territory of the district
 12 before the district's creation; and
 13 . . .

14 CHAPTER 1098. STONEWALL COUNTY HOSPITAL DISTRICT

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33		<u>Revised Law</u>	
34	Sec. 1098.001.	DEFINITIONS. In this chapter:	

1 omitted law reads:

2 Sec. 17. Nothing in this Act shall be
3 construed to violate any provision of the
4 Federal or State Constitutions, and all
5 acts done under this Act shall be in such
6 manner as will conform thereto, whether
7 expressly provided or not. . . .

8 Revised Law

9 Sec. 1098.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
10 OBLIGATION. This state may not become obligated for the support or
11 maintenance of the district. (Acts 58th Leg., R.S., Ch. 54, Sec. 16
12 (part).)

13 Source Law

14 Sec. 16. The state may not become obligated for
15 the support or maintenance of the Stonewall County
16 Hospital District created under this Act, and

17 Revised Law

18 Sec. 1098.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
19 The legislature may not make a direct appropriation for the
20 construction, maintenance, or improvement of a district facility.
21 (Acts 58th Leg., R.S., Ch. 54, Sec. 16 (part).)

22 Source Law

23 Sec. 16. . . . the legislature may not make a
24 direct appropriation for the construction,
25 maintenance, or improvement of a facility of the
26 District.

27 Revisor's Note
28 (End of Subchapter)

29 Section 2, Chapter 54, Acts of the 58th
30 Legislature, Regular Session, 1963, provides
31 procedures for holding an election on the creation of
32 the district and the imposition of an ad valorem tax.
33 Because the election has been held, the revised law
34 omits those provisions as executed. The omitted law
35 reads:

36 Sec. 2. . . . Such Hospital District
37 shall not be created nor shall such tax
38 therein be authorized unless and until such
39 creation and such taxes are approved by a
40 majority of the qualified property
41 taxpaying electors of the District voting
42 in an election called for such purpose. Such
43 election may be initiated by the
44 Commissioners Court of Stonewall County

1 upon its own motion or upon a petition of
2 one hundred (100) resident qualified
3 property taxpaying electors, residing
4 within the boundaries of the proposed
5 Hospital District, to be held not less than
6 thirty (30) nor more than sixty (60) days
7 from the time said election is ordered by
8 the Commissioners Court.

9 The order calling the election shall
10 specify the time and place or places of
11 holding same, the form of ballot and the
12 presiding Judge for each voting place. At
13 such election there shall be submitted to
14 the qualified property taxpaying electors
15 the proposition of whether or not Stonewall
16 County Hospital District shall be created
17 with authority to levy annual taxes at a
18 rate not to exceed Seventy-five Cents (75¢)
19 on the One Hundred Dollars valuation of all
20 taxable property within such District for
21 the purpose of meeting the requirements of
22 the District's bonds and its maintenance and
23 operating expenses, and a majority of the
24 qualified property taxpaying electors of
25 the District voting in said election in
26 favor of the proposition shall be
27 sufficient for its adoption. The ballots
28 shall have printed thereon the following:

29 "FOR the creation of a hospital
30 district; providing for the levy of a tax
31 not to exceed Seventy-five Cents (75¢) on
32 the One Hundred Dollars valuation, and
33 using Stonewall County, Texas, values and
34 the Stonewall County, Texas, tax roll; and

35 "AGAINST the creation of a hospital
36 district; providing for the levy of a tax
37 not to exceed Seventy-five Cents (75¢) on
38 the One Hundred Dollars valuation, and
39 using Stonewall County, Texas, values and
40 the Stonewall County, Texas, tax roll."

41 Notice of election shall be given by
42 publishing a substantial copy of the
43 election order in a newspaper of general
44 circulation in Stonewall County Hospital
45 District once a week for two (2) consecutive
46 weeks, the first publication to appear at
47 least fourteen (14) days prior to the date
48 established for the election.

49 The failure of any such election shall
50 not operate to prohibit the calling and
51 holding of subsequent elections for the
52 same purpose.

53 [Sections 1098.008-1098.050 reserved for expansion]

54 SUBCHAPTER B. DISTRICT ADMINISTRATION

55 Revised Law

56 Sec. 1098.051. BOARD ELECTION; TERM. (a) The district is
57 governed by a board of five directors elected from the district at
58 large by place.

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

60 (c) A directors' election shall be held annually on the May

1 uniform election date prescribed by Section 41.001, Election Code.
2 (Acts 58th Leg., R.S., Ch. 54, Secs. 3(a) (part), (c) (part).)

3 Source Law

4 Sec. 3. (a) The district is governed by a board
5 of five directors elected at large by place for
6 staggered three-year terms. . . .

7 (c) The board of directors shall order a regular
8 election of directors to be held each year on the May
9 uniform election date under Section 41.001, Election
10 Code. . . .

11 Revisor's Note

12 (1) Section 3(c), Chapter 54, Acts of the 58th
13 Legislature, Regular Session, 1963, provides that the
14 board shall order the election of directors in
15 accordance with Chapter 3, Election Code. The revised
16 law omits the provision requiring the board to order
17 the election because it duplicates Section 3.004,
18 Election Code, applicable to the district under
19 Section 1.002, Election Code. Section 3.004 requires
20 the governing body of a political subdivision that has
21 elective officers to order the general election for
22 those officers. The revised law omits the reference to
23 Chapter 3, Election Code, because that chapter applies
24 to the district by its own terms under Section 1.002,
25 Election Code. The omitted law reads:

26 (c) . . . [The board of directors
27 shall order a regular election of
28 directors] . . . The board of directors
29 shall issue the order in accordance with
30 Chapter 3, Election Code. . . .

31 (2) Section 3(c), Chapter 54, Acts of the 58th
32 Legislature, Regular Session, 1963, provides that the
33 board shall appoint the presiding judge, who appoints
34 an assistant judge and clerks as required. The revised
35 law omits the provision because it duplicates Sections
36 32.005 and 32.031, Election Code, applicable to the
37 district under Section 1.002, Election Code. The
38 omitted law reads:

39 (c) . . . The board of directors

1 shall appoint the presiding judge, who
2 shall appoint the assistant judge and the
3 clerks as may be required. . . .

4 (3) Section 2, Chapter 666, Acts of the 80th
5 Legislature, Regular Session, 2007, provides for the
6 staggering of terms for directors elected in 2008 and
7 2009 to accomplish the change of the members' terms
8 from two to three years and provides that directors
9 elected in 2010, 2011, and 2012 serve three-year
10 terms. Because the revised law will take effect in
11 2013, the revised law omits those provisions as
12 executed. The omitted law reads:

13 Sec. 2. (a) The members of the board
14 of directors of the Stonewall County
15 Hospital District serving on the effective
16 date of this Act shall draw lots to
17 determine in which place each director
18 serves. The two directors whose terms
19 expire in 2008 shall draw lots for Places 1
20 and 2. The three directors whose terms
21 expire in 2009 shall draw lots for Places 3,
22 4, and 5.

23 (b) The election of the board of
24 directors of the district scheduled before
25 the effective date of this Act to be held in
26 May 2008 must be held, and the director
27 elected for Place 1 at that election shall
28 serve a three-year term. The director
29 elected for Place 2 at that election shall
30 serve a two-year term.

31 (c) The election of the board of
32 directors scheduled before the effective
33 date of this Act to be held in May 2009 must
34 be held, and the directors elected for
35 Places 3 and 4 at that election shall serve
36 three-year terms. The director elected for
37 Place 5 at that election shall serve a
38 two-year term.

39 (d) The directors elected at the
40 elections to be held in May 2010, May 2011,
41 and May 2012 shall serve three-year terms.

42 Revised Law

43 Sec. 1098.052. NOTICE OF ELECTION. Notice of a directors'
44 election shall be published in a newspaper of general circulation
45 in the district in accordance with Section 4.003, Election Code.
46 (Acts 58th Leg., R.S., Ch. 54, Sec. 3(c) (part).)

47 Source Law

48 (c) . . . Notice of the election shall be
49 published in a newspaper of general circulation in the
50 District in accordance with Section 4.003, Election
51 Code. . . .

1 Revised Law

2 Sec. 1098.053. QUALIFICATIONS FOR OFFICE. (a) To be
3 eligible to be a candidate for or to serve as a director, a person
4 must be:

5 (1) a resident of the district; and

6 (2) a qualified voter.

7 (b) A district employee may not serve as a director. (Acts
8 58th Leg., R.S., Ch. 54, Sec. 3(d).)

9 Source Law

10 (d) To be eligible to be a candidate for or to
11 serve as a director, a person must be a resident of the
12 District and a qualified voter. An employee of the
13 District may not serve as a director.

14 Revised Law

15 Sec. 1098.054. BOARD VACANCY. (a) If a vacancy occurs in
16 the office of director, the remaining directors by majority vote
17 shall fill the vacancy for the unexpired term.

18 (b) If the number of directors is reduced to fewer than
19 three for any reason, the remaining directors shall immediately
20 call a special election to fill the vacancies. If the remaining
21 directors do not call the election, a district court, on
22 application of a qualified voter or taxpayer of the district, may
23 order the directors to hold the election. (Acts 58th Leg., R.S.,
24 Ch. 54, Sec. 3(b) (part).)

25 Source Law

26 (b) . . . All vacancies in the office of
27 director shall be filled for the unexpired term by a
28 majority vote of the remainder of the board of
29 directors. In the event the number of directors shall
30 be reduced to less than three (3) for any reason, the
31 remaining directors shall immediately call a special
32 election to fill said vacancies, and upon failure to do
33 so a district court may, upon application of any
34 qualified voter or taxpayer of the District, issue a
35 mandate requiring that such election be ordered by the
36 remaining directors.

37 Revisor's Note

38 Section 3(b), Chapter 54, Acts of the 58th
39 Legislature, Regular Session, 1963, provides that if
40 there are fewer than three directors, a district court
41 may, under certain circumstances, "issue a mandate

1 requiring that such election [to fill vacancies in
2 directors' offices] be ordered by the remaining
3 directors." The revised law substitutes "order the
4 directors to hold the election" for the quoted
5 language because a mandate requiring directors to
6 order an election is necessarily an order for
7 directors to hold the election. See generally Titles 1
8 and 4 through 7, Election Code, providing that the
9 authority ordering an election is the authority
10 responsible for holding the election.

11 Revised Law

12 Sec. 1098.055. OFFICERS. (a) The board shall elect:

13 (1) a president and vice president from among its
14 members; and

15 (2) a secretary and treasurer who is not required to be
16 a director.

17 (b) Each officer of the board serves a one-year term. (Acts
18 58th Leg., R.S., Ch. 54, Sec. 3(b) (part).)

19 Source Law

20 (b) The board of directors shall organize by
21 electing one (1) of their number as president and one
22 (1) of their number as vice president. The directors
23 shall also elect one person who is not required to be a
24 director to serve as secretary and treasurer. Each
25 officer serves a one-year term. . . .

26 Revised Law

27 Sec. 1098.056. COMPENSATION; EXPENSES. A director serves
28 without compensation but may be reimbursed for actual expenses
29 incurred in the performance of the director's official duties. The
30 expenses must be:

31 (1) reported in the district's minutes; and

32 (2) approved by the board. (Acts 58th Leg., R.S., Ch.
33 54, Sec. 4(a) (part).)

34 Source Law

35 Sec. 4. (a) . . . [directors of the District,]
36 who shall serve without compensation but may be
37 reimbursed for actual expenses incurred in the
38 performance of their official duties, provided the
39 expenses are reported in the District's minutes and

1 approved by the board of directors.

2 Revised Law

3 Sec. 1098.057. VOTING REQUIREMENT. A concurrence of three
4 directors is sufficient in any matter relating to district
5 business. (Acts 58th Leg., R.S., Ch. 54, Sec. 3(b) (part).)

6 Source Law

7 (b) . . . [board of directors] . . . a
8 concurrence of three (3) shall be sufficient in all
9 matters pertaining to the business of the
10 District. . . .

11 Revisor's Note

12 Section 3(b), Chapter 54, Acts of the 58th
13 Legislature, Regular Session, 1963, provides that
14 three directors constitute a quorum. The revised law
15 omits that provision because it duplicates Section
16 311.013, Government Code (Code Construction Act),
17 which provides that a quorum of a public body is a
18 majority of the number of members fixed by statute.
19 The omitted law reads:

20 (b) . . . Any three (3) members of
21 the board of directors shall constitute a
22 quorum and

23 Revised Law

24 Sec. 1098.058. DISTRICT ADMINISTRATOR; ASSISTANT
25 ADMINISTRATOR. (a) The board shall appoint a qualified person as
26 district administrator.

27 (b) The board may appoint an assistant administrator.

28 (c) The district administrator and any assistant
29 administrator serve at the will of the board and are entitled to
30 compensation as determined by the board.

31 (d) Before assuming the duties of district administrator,
32 the administrator shall execute a bond payable to the district in an
33 amount set by the board of not less than \$5,000 that:

34 (1) is conditioned on the faithful performance of the
35 administrator's duties under this chapter; and

36 (2) contains any other condition the board requires.

37 (e) The board may pay for the bond with district money.

1 (Acts 58th Leg., R.S., Ch. 54, Sec. 4(b).)

2 Source Law

3 (b) The board of directors shall appoint a
4 qualified person as administrator of the District and
5 may appoint an assistant administrator. The
6 administrator and assistant administrator serve at the
7 will of the board of directors. The administrator and
8 assistant administrator are entitled to compensation
9 as determined by the board of directors. Before
10 assuming the administrator's duties, the administrator
11 shall execute a bond payable to the Hospital District
12 in an amount of not less than \$5,000 as determined by
13 the board of directors, conditioned on the faithful
14 performance of the administrator's duties under this
15 Act and any other condition the board of directors may
16 prescribe. The board of directors may pay for the bond
17 with District funds.

18 Revised Law

19 Sec. 1098.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
20 Subject to the limitations prescribed by the board, the district
21 administrator shall:

- 22 (1) supervise the work and activities of the district;
- 23 and
- 24 (2) direct the general affairs of the district. (Acts
25 58th Leg., R.S., Ch. 54, Sec. 4(c).)

26 Source Law

27 (c) The administrator shall supervise the work
28 and activities of the District and direct the general
29 affairs of the District, subject to the limitations
30 prescribed by the board of directors.

31 Revised Law

32 Sec. 1098.060. STAFF AND EMPLOYEES; RECRUITMENT OF
33 PERSONNEL. (a) The district may:

- 34 (1) appoint physicians to the district's staff; and
- 35 (2) employ technicians, nurses, fiscal agents,
36 accountants, architects, attorneys, and other necessary employees.

37 (b) The board may delegate to the district administrator the
38 authority to employ persons for the district.

39 (c) The board may spend district money to recruit
40 physicians, nurses, and other trained medical personnel. (Acts
41 58th Leg., R.S., Ch. 54, Secs. 4(d), (j).)

42 Source Law

43 (d) The District may appoint physicians to the

1 staff and employ technicians, nurses, fiscal agents,
2 accountants, architects, attorneys, and other
3 necessary employees. The board of directors may
4 delegate to the administrator the authority to employ
5 persons for the District.

6 (j) The board of directors may spend District
7 funds to recruit physicians, nurses, and other trained
8 medical personnel.

9 Revised Law

10 Sec. 1098.061. EDUCATIONAL PROGRAMS; COURSES. The board
11 may provide or contract for the provision of educational programs
12 or courses for district employees and medical staff. (Acts 58th
13 Leg., R.S., Ch. 54, Sec. 4(1).)

14 Source Law

15 (1) The board of directors may provide or
16 contract for the provision of educational programs or
17 courses for employees and medical staff of the
18 District.

19 Revised Law

20 Sec. 1098.062. RETIREMENT BENEFITS. The board may provide
21 retirement benefits for district employees by:

22 (1) establishing or administering a retirement
23 program; or

24 (2) participating in:

25 (A) the Texas County and District Retirement
26 System; or

27 (B) another statewide retirement system in which
28 the district is eligible to participate. (Acts 58th Leg., R.S., Ch.
29 54, Sec. 4(i).)

30 Source Law

31 (i) The board of directors may provide
32 retirement benefits for employees of the District by
33 establishing or administering a retirement program or
34 electing to participate in the Texas County and
35 District Retirement System or in any other statewide
36 retirement system in which the District is eligible to
37 participate.

38 Revised Law

39 Sec. 1098.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
40 All district records, including books, accounts, notices, and
41 minutes, and all other matters of the district and the operation of
42 its facilities, shall be:

- 1 (1) maintained at the district's office; and
2 (2) open to public inspection at the district's office
3 at all reasonable hours. (Acts 58th Leg., R.S., Ch. 54, Sec. 7(b).)

4 Source Law

5 (b) All books, records, accounts, notices and
6 minutes and all other matters of the District and the
7 operation of its facilities shall, except as herein
8 provided, be maintained at the office of the District
9 and there be open to public inspection at all
10 reasonable hours.

11 Revisor's Note

12 Section 7(b), Chapter 54, Acts of the 58th
13 Legislature, Regular Session, 1963, states that
14 records shall be maintained at the district office
15 "except as herein provided." The revised law omits the
16 quoted language because the act does not provide an
17 exception.

18 Revised Law

19 Sec. 1098.064. SEAL. The board may adopt a seal for the
20 district. (Acts 58th Leg., R.S., Ch. 54, Sec. 7(a) (part).)

21 Source Law

22 Sec. 7. (a) The board of directors of such
23 District . . . shall have the power to adopt a seal for
24 such District. . . .

25 Revisor's Note
26 (End of Subchapter)

27 (1) Section 3(a), Chapter 54, Acts of the 58th
28 Legislature, Regular Session, 1963, requires each
29 director to take the constitutional oath of office.
30 The revised law omits that provision because Section
31 1, Article XVI, Texas Constitution, requires an
32 officer of this state to take the constitutional oath
33 (or affirmation) before assuming office. The omitted
34 law reads:

35 Sec. 3. (a) . . . Each member of the
36 board of directors shall qualify by
37 executing the constitutional oath of
38 office.

39 (2) Section 3(c), Chapter 54, Acts of the 58th
40 Legislature, Regular Session, 1963, 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 Section 144.005, Election Code. The revised law
4 omits the requirement to file the application with the
5 board secretary because it duplicates Sections 144.003
6 and 144.004, Election Code, applicable to the district
7 under Section 1.002, Election Code. The revised law
8 omits the reference to Section 144.005, Election Code,
9 because that section applies to the district by its own
10 terms under Section 1.002, Election Code. The omitted
11 law reads:

12 (c) . . . Any person desiring that
13 person's name to be printed on the ballot as
14 a candidate for director shall file an
15 application with the secretary of the board
16 of directors of the District in accordance
17 with Section 144.005, Election Code.

18 [Sections 1098.065-1098.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Revised Law

21 Sec. 1098.101. DISTRICT RESPONSIBILITY. The district has
22 full responsibility for providing medical and hospital care for the
23 district's needy inhabitants. (Acts 58th Leg., R.S., Ch. 54, Sec. 2
24 (part).)

25 Source Law

26 Sec. 2. . . . Such District shall assume full
27 responsibility for providing medical and hospital care
28 for its needy inhabitants. . . .

29 Revisor's Note

30 Section 2, Chapter 54, Acts of the 58th
31 Legislature, Regular Session, 1963, provides that the
32 district "shall assume" full responsibility for
33 providing medical and hospital care for the district's
34 needy inhabitants. The revised law substitutes "has"
35 for the quoted language because the duty to assume the
36 responsibility is executed.

37 Revised Law

38 Sec. 1098.102. RESTRICTION ON TAXATION AND DEBT. Stonewall

1 County or another governmental entity in which the district is
2 located may not impose a tax or issue bonds or other obligations for
3 hospital purposes or to provide medical care for district
4 residents. (Acts 58th Leg., R.S., Ch. 54, Sec. 2A.)

5 Source Law

6 Sec. 2A. A county, municipality, or other
7 governmental entity in which the District is located
8 may not levy taxes or issue bonds or other obligations
9 for hospital purposes or for providing medical care
10 for the residents of the District.

11 Revisor's Note

12 (1) Section 2A, Chapter 54, Acts of the 58th
13 Legislature, Regular Session, 1963, refers to a
14 "county, municipality, or other governmental entity in
15 which the District is located." Throughout the
16 chapter, the revised law substitutes "Stonewall
17 County" for the reference to a "county" because
18 Stonewall County is the only county in which the
19 district is located. The revised law omits
20 "municipality" when used in conjunction with
21 "governmental entity" because that term is included in
22 the meaning of "governmental entity."

23 (2) Section 2A, Chapter 54, Acts of the 58th
24 Legislature, Regular Session, 1963, refers to the
25 "levy" of taxes. Throughout this chapter, the revised
26 law substitutes "impose" for "levy" because, in the
27 context of taxation, the terms are synonymous and
28 "impose" is more commonly used.

29 Revised Law

30 Sec. 1098.103. MANAGEMENT AND CONTROL OF DISTRICT. The
31 management and control of the district is vested in the board.
32 (Acts 58th Leg., R.S., Ch. 54, Sec. 4(a) (part).)

33 Source Law

34 (a) The management and control of each Hospital
35 District created pursuant to the provisions of this
36 Act is hereby vested in the board of directors of the
37 District,

1 Revisor's Note

2 Section 4(a), Chapter 54, Acts of the 58th
3 Legislature, Regular Session, 1963, refers to the
4 board's management and control of "each Hospital
5 District created pursuant to the provisions of this
6 Act." Only one hospital district was created under
7 that act, and the revised law is drafted accordingly.

8 Revised Law

9 Sec. 1098.104. HOSPITAL SYSTEM. The district shall provide
10 for:

11 (1) the establishment of a hospital system to provide
12 medical and hospital care for district residents by:

13 (A) purchasing, constructing, acquiring,
14 repairing, or renovating buildings and improvements; and

15 (B) equipping the buildings and improvements;
16 and

17 (2) the administration of the hospital system for
18 hospital purposes. (Acts 58th Leg., R.S., Ch. 54, Sec. 2 (part).)

19 Source Law

20 Sec. 2. The Hospital District herein authorized
21 to be created, shall provide for the establishment of a
22 hospital system to furnish medical and hospital care
23 to persons residing in said Hospital District by the
24 purchase, construction, acquisition, repair or
25 renovation of buildings and improvements; and the
26 equipping of same and the administration thereof for
27 hospital purposes. . . .

28 Revised Law

29 Sec. 1098.105. RULES. (a) The board may adopt rules
30 governing the operation of the district and district facilities.

31 (b) The rules may, on approval by the board, be published in
32 booklet form at district expense and made available to any taxpayer
33 on request. (Acts 58th Leg., R.S., Ch. 54, Sec. 7(c).)

34 Source Law

35 (c) The board of directors is specifically
36 empowered to adopt rules and regulations governing the
37 operation of such District and its facilities which
38 rules and regulations shall supplement but shall not
39 contravene any of the provisions of this Act. Such
40 rules and regulations may, upon approval of the board
41 of directors, be published in booklet or pamphlet form

1 at the expense of the District and may be made
2 available to any taxpayer upon request.

3 Revisor's Note

4 (1) Section 7(c), Chapter 54, Acts of the 58th
5 Legislature, Regular Session, 1963, provides that the
6 board may adopt "rules and regulations" to govern the
7 district. The revised law omits "regulations" because
8 under Section 311.005(5), Government Code (Code
9 Construction Act), a rule is defined to include a
10 regulation.

11 (2) Section 7(c), Chapter 54, Acts of the 58th
12 Legislature, Regular Session, 1963, provides that the
13 board may adopt rules that "shall supplement but shall
14 not contravene any of the provisions of this Act." The
15 revised law omits the quoted language because, under
16 established principles of law, the board is not
17 authorized to take any action contrary to the laws of
18 this state.

19 (3) Section 7(c), Chapter 54, Acts of the 58th
20 Legislature, Regular Session, 1963, refers to
21 publishing rules in "booklet or pamphlet form." The
22 revised law omits "pamphlet" because, in context, the
23 meaning of "pamphlet" is included in the meaning of
24 "booklet."

25 Revised Law

26 Sec. 1098.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
27 The board may prescribe the method and manner of making purchases
28 and expenditures by and for the district.

29 (b) The board shall prescribe:

- 30 (1) all accounting and control procedures; and
31 (2) the method of purchasing necessary supplies,
32 materials, and equipment. (Acts 58th Leg., R.S., Ch. 54, Sec. 7(a)
33 (part).)

34 Source Law

35 (a) The board of directors of such District
36 shall have the power to prescribe the method and manner

1 of making purchases and expenditures by and for such
2 Hospital District, and also shall prescribe all
3 accounting and control procedures; the method of
4 purchasing necessary supplies, materials and
5 equipment; and

6 Revised Law

7 Sec. 1098.107. DISTRICT PROPERTY, FACILITIES, AND
8 EQUIPMENT. (a) The board shall determine:

9 (1) the type, number, and location of buildings
10 required to maintain an adequate hospital system; and

11 (2) the type of equipment necessary for hospital care.

12 (b) The board may:

13 (1) establish and equip a clinic as part of the
14 hospital system;

15 (2) acquire property, including facilities and
16 equipment, for the district for use in the hospital system; and

17 (3) mortgage or pledge the property as security for
18 payment of the purchase price.

19 (c) The board may lease district hospital facilities to or
20 from individuals, companies, corporations, or other legal
21 entities.

22 (d) The board may sell or otherwise dispose of property,
23 including facilities or equipment. (Acts 58th Leg., R.S., Ch. 54,
24 Secs. 4(f), (g).)

25 Source Law

26 (f) The board of directors 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. The
30 board of directors may establish and equip a clinic as
31 part of the hospital system.

32 (g) The board of directors may acquire property,
33 facilities, and equipment for the District for use in
34 the hospital system or mortgage or pledge the
35 property, facilities, or equipment acquired as
36 security for the payment of the purchase price. The
37 board of directors may transfer by lease to
38 individuals, companies, corporations, or other legal
39 entities or acquire by lease District hospital
40 facilities and sell or otherwise dispose of District
41 property, facilities, or equipment.

42 Revised Law

43 Sec. 1098.108. 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, real, personal, or mixed,
2 located in district territory, if the interest is necessary or
3 convenient to exercise a right, power, privilege, or function
4 conferred on the district by this chapter.

5 (b) The district must exercise the power of eminent domain
6 in the manner provided by Chapter 21, Property Code, except the
7 district is not required to deposit in the trial court money or a
8 bond as provided by Section 21.021, 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 58th Leg., R.S., Ch. 54,
17 Sec. 9.)

18 Source Law

19 Sec. 9. A Hospital District organized in
20 pursuance of this Act shall have the right and power of
21 eminent domain for the purpose of acquiring by
22 condemnation any and all property of any kind or
23 character, real, personal or mixed, or any interest
24 therein, including outright ownership of such property
25 in fee simple absolute, within the boundaries of the
26 said District, necessary or convenient to the exercise
27 of the rights, power, privileges and functions
28 conferred upon it by this Act, in the manner provided
29 by General Law with respect to condemnation; provided
30 that the said District shall not be required to make
31 deposits in the registry of the trial court of the sum
32 required by Section 21.021, Property Code, or to make
33 the bond required therein. In condemnation proceedings
34 being prosecuted by the said District, the District
35 shall not be required to pay in advance or to give bond
36 or other security for costs in the trial court, nor to
37 give any bond otherwise required for the issuance of a
38 temporary restraining order or a temporary injunction
39 relating to a condemnation proceeding, nor to give
40 bond for costs or for supersedeas on any appeal or writ
41 of error proceeding to any Court of Civil Appeals, or
42 to the Supreme Court.

43 Revisor's Note

44 (1) Section 9, Chapter 54, Acts of the 58th
45 Legislature, Regular Session, 1963, provides that the
46 district has the "right and power of eminent domain for

1 the purpose of acquiring [property] by condemnation."
2 The revised law substitutes for the quoted language
3 "may exercise the power of eminent domain to acquire
4 [property]" because the phrases have the same meaning
5 and the latter phrase is consistent with modern usage
6 in laws relating to eminent domain.

7 (2) Section 9, Chapter 54, Acts of the 58th
8 Legislature, Regular Session, 1963, provides that the
9 district must exercise the power of eminent domain in
10 the manner provided by "General Law with respect to
11 condemnation." The revised law substitutes for
12 "General Law" a reference to Chapter 21, Property
13 Code, because that is the general law governing
14 eminent domain for governmental entities.

15 (3) Section 9, Chapter 54, Acts of the 58th
16 Legislature, Regular Session, 1963, provides that the
17 district is not required to provide bond on any appeal
18 or "writ of error proceeding" to "any Court of Civil
19 Appeals, or to the Supreme Court." The revised law
20 substitutes "petition for review" for "writ of error"
21 because, effective September 1, 1997, the Texas
22 Supreme Court replaced the writ of error procedure
23 with the petition for review procedure. See Rule 53.1,
24 Texas Rules of Appellate Procedure. The revised law
25 omits the references to the court of civil appeals (now
26 the court of appeals) and the supreme court because
27 those courts are the only courts to which the district
28 may appeal or with which the district may file a
29 petition for review.

30 Revised Law

31 Sec. 1098.109. 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

1 by the donor that are not inconsistent with the proper management
2 and objectives of the district. (Acts 58th Leg., R.S., Ch. 54, Sec.
3 12.)

4 Source Law

5 Sec. 12. Said 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 directions, limitations, and
11 provisions as may be prescribed in writing by donor,
12 not inconsistent with proper management and objects of
13 Hospital District.

14 Revisor's Note

15 Section 12, Chapter 54, Acts of the 58th
16 Legislature, Regular Session, 1963, refers to
17 "donations" and "gifts." The revised law omits the
18 reference to "donations" because "donations" is
19 included in the meaning of "gifts."

20 Revised Law

21 Sec. 1098.110. BIDDING REQUIREMENTS. The district shall
22 comply with the bidding requirements prescribed by Chapter 271,
23 Local Government Code. (Acts 58th Leg., R.S., Ch. 54, Sec. 7(a)
24 (part).)

25 Source Law

26 (a) . . . The District shall comply with the
27 bidding requirements of Chapter 271, Local Government
28 Code. . . .

29 Revised Law

30 Sec. 1098.111. OPERATING AND MANAGEMENT CONTRACTS. The
31 board may enter into an operating or management contract relating
32 to a hospital facility. The term of the contract may not exceed 25
33 years. (Acts 58th Leg., R.S., Ch. 54, Sec. 4(h).)

34 Source Law

35 (h) The board of directors may enter into
36 operating or management contracts relating to hospital
37 facilities. The term of a contract may not exceed 25
38 years from the date the contract is entered into.

39 Revised Law

40 Sec. 1098.112. CONTRACTS FOR HEALTH CARE. The board may
41 contract with any public or private entity, including the federal

1 government, this state, a political subdivision, or a charitable
2 organization, to provide health care or related services inside or
3 outside the district. (Acts 58th Leg., R.S., Ch. 54, Sec. 4(e).)

4 Source Law

5 (e) The board of directors may contract with any
6 other public or private entity, including the federal
7 government, this state, a county, a municipality, a
8 hospital district, or any other political subdivision,
9 or a charitable organization, to provide health care
10 or related services inside or outside the District.

11 Revisor's Note

12 Section 4(e), Chapter 54, Acts of the 58th
13 Legislature, Regular Session, 1963, refers to "a
14 county, a municipality, a hospital district, or any
15 other political subdivision." The revised law omits
16 "county," "municipality," and "hospital district" in
17 this context because the meaning of those terms is
18 included in the meaning of "political subdivision."

19 Revised Law

20 Sec. 1098.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)
21 When a patient who resides in the district is admitted to a district
22 facility, the district administrator shall have an inquiry made
23 into the circumstances of:

24 (1) the patient; and

25 (2) the patient's relatives legally liable for the
26 patient's support.

27 (b) If the district administrator determines that the
28 patient or those relatives cannot pay for all or part of the
29 patient's care and treatment in the hospital, the amount that
30 cannot be paid becomes a charge against the district.

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

37 (d) The district administrator may collect the amount from

1 the patient's estate, or from those relatives legally liable for
2 the patient's support, in the manner provided by law for the
3 collection of expenses of the last illness of a deceased person.

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

7 (f) If there is a dispute as to the ability to pay, or doubt
8 in the mind of the district administrator, the board shall hold a
9 hearing and, after calling witnesses, shall:

10 (1) resolve the dispute or doubt; and

11 (2) issue an appropriate order.

12 (g) Either party to the dispute may appeal the order to the
13 district court. (Acts 58th Leg., R.S., Ch. 54, Secs. 4(m), 11.)

14 Source Law

15 [Sec. 4]

16 (m) The board of directors may institute a suit
17 to collect amounts owed the District by patients who
18 have not been determined to be unable to pay under
19 Section 11 of this Act.

20 Sec. 11. Whenever a patient residing in the
21 Hospital District has been admitted to the facilities
22 of the Hospital District, the administrator shall
23 cause inquiry to be made as to the patient's
24 circumstances, and of the relatives of such patient
25 legally liable for the patient's support. If the
26 administrator finds that such patient or said
27 relatives are liable to pay for the patient's care and
28 treatment in whole or in part, an order shall be made
29 directing such patient, or said relatives, to pay to
30 the treasurer of the Hospital District for the support
31 of such patient a specified sum per week, in proportion
32 to their financial ability. The administrator shall
33 have power and authority to collect such sum from the
34 estate of the patient, or the patient's relatives
35 legally liable for the patient's support, in the manner
36 provided by law for the collection of expenses of the
37 last illness of a deceased person. If the
38 administrator finds that such patient or said
39 relatives are not able to pay, either in whole or in
40 part, for the patient's care and treatment in such
41 hospital, the amount the patient or relatives cannot
42 pay shall become a charge upon the Hospital District.
43 Should there be a dispute as to the ability to pay, or
44 doubt in the mind of the administrator, the District's
45 directors shall hear and determine same, after calling
46 witnesses, and shall make such order as may be proper,
47 from which appeal shall lie to the District Court by
48 either party to the dispute.

49 Revised Law

50 Sec. 1098.114. AUTHORITY TO SUE AND BE SUED. As a

1 governmental agency, the district may sue and be sued in the
2 district's own name in any court of this state. (Acts 58th Leg.,
3 R.S., Ch. 54, Sec. 14 (part).)

4 Source Law

5 Sec. 14. . . . as a governmental agency may sue
6 and be sued in any and all courts of this State in the
7 name of such District.

8 [Sections 1098.115-1098.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Revised Law

11 Sec. 1098.151. BUDGET. The board annually shall require a
12 budget to be prepared for the next fiscal year that includes:

13 (1) proposed expenditures and disbursements;

14 (2) estimated receipts and collections; and

15 (3) the amount of taxes required to be imposed for the
16 year. (Acts 58th Leg., R.S., Ch. 54, Secs. 8(b) (part), (c)
17 (part).)

18 Source Law

19 (b) The board of directors shall each year cause
20 a budget to be prepared showing the proposed
21 expenditures and disbursements and the estimated
22 receipts and collections for the following fiscal year
23 and

24 (c) The proposed budget shall also show
25 the amount of taxes required to be levied and collected
26 during such fiscal year and

27 Revisor's Note

28 Section 8(c), Chapter 54, Acts of the 58th
29 Legislature, Regular Session, 1963, refers to the levy
30 and collection of taxes. The revised law substitutes
31 "imposed" for "levied and collected" because "imposed"
32 is the term generally used in Title 1, Tax Code, and
33 includes the levying and collecting of an ad valorem
34 tax.

35 Revised Law

36 Sec. 1098.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)
37 The board shall hold a public hearing on the proposed budget.

38 (b) Notice of the hearing must be published at least once in
39 a newspaper of general circulation in Stonewall County not later

1 than the 10th day before the date of the hearing.

2 (c) Any district taxpayer is entitled to:

3 (1) appear at the time and place designated in the
4 notice; and

5 (2) be heard regarding any item included in the
6 proposed budget.

7 (d) The annual budget must be approved by the board of
8 directors. (Acts 58th Leg., R.S., Ch. 54, Secs. 8(b) (part), (c)
9 (part).)

10 Source Law

11 (b) [The board of directors . . .] shall hold a
12 public hearing on the proposed budget after
13 publication of a notice of hearing in a newspaper of
14 general circulation in the County at least once not
15 less than ten (10) days prior to the date set for the
16 hearing. . . . the annual budget and . . . must be
17 approved by the board of directors. . . .

18 (c) Any person who is a taxpayer of the District
19 shall have the right to appear at the time and place
20 designated in the notice and be heard with reference to
21 any item shown in the proposed budget. . . .

22 Revised Law

23 Sec. 1098.153. AMENDMENTS TO BUDGET. The annual budget may
24 be amended on the board's approval. (Acts 58th Leg., R.S., Ch. 54,
25 Sec. 8(b) (part).)

26 Source Law

27 (b) . . . The annual budget may be amended as
28 necessary, but [the annual budget and] all amendments
29 to it [must be approved by the board of directors.]
30 . . .

31 Revised Law

32 Sec. 1098.154. SPENDING RESTRICTIONS. (a) Except as
33 otherwise provided by this chapter, the district may not incur an
34 obligation payable from district revenue other than revenue held by
35 the district or to be held by the district in the current district
36 fiscal year.

37 (b) Money may be spent only for an expense included in the
38 budget or an amendment to the budget. (Acts 58th Leg., R.S., Ch.
39 54, Secs. 7(a) (part), 8(b) (part).)

40 Source Law

41 Sec. 7. (a) . . . Except as permitted by this

1 Act, the District may not incur an obligation payable
2 from any revenue of the District except revenue
3 currently held by the District or revenue that will be
4 held by the District in the then current fiscal year of
5 the District.

6 [Sec. 8]

7 (b) . . . Money may not be spent for any expense
8 not included in the annual budget or an amendment to
9 the budget. . . .

10 Revised Law

11 Sec. 1098.155. 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) if revenue bonds of the district are outstanding;
15 or
16 (2) more than once in a 24-month period. (Acts 58th
17 Leg., R.S., Ch. 54, Sec. 8(a) (part).)

18 Source Law

19 Sec. 8. (a) The District operates on the fiscal
20 year established by the board of directors. The fiscal
21 year may not be changed if revenue bonds of the
22 District are outstanding or more than once in a
23 24-month period. . . .

24 Revised Law

25 Sec. 1098.156. ANNUAL AUDIT. The board annually shall have
26 an audit made of the district's books and records for the fiscal
27 year. (Acts 58th Leg., R.S., Ch. 54, Sec. 8(a) (part).)

28 Source Law

29 (a) . . . The district directors shall cause an
30 annual audit to be made of the books and records of the
31 District, such audit to be made covering such fiscal
32 year. . . .

33 Revised Law

34 Sec. 1098.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
35 RECORDS. The annual audit and other district records are open to
36 inspection during regular business hours at the district's
37 principal office. (Acts 58th Leg., R.S., Ch. 54, Sec. 8(a) (part).)

38 Source Law

39 (a) . . . The annual audit and other District
40 records are open to inspection during regular business
41 hours at the principal office of the District.

42 Revised Law

43 Sec. 1098.158. 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. 54, Sec. 8(b) (part).)

7 Source Law

8 (b) . . . As soon as practicable after the close
9 of each fiscal year, the administrator shall prepare
10 for the board of directors a full sworn statement of
11 all money belonging to the District and a full account
12 of the disbursements of that money.

13 Revised Law

14 Sec. 1098.159. DEPOSITORY OR TREASURER. (a) The board by
15 resolution shall designate one or more banks to serve as the
16 district's depository or treasurer.

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

23 (c) Money in the depository bank or banks that is not
24 insured by the Federal Deposit Insurance Corporation must be
25 secured in the manner provided by law for security of county money.

26 (d) Membership on the district's board of an officer or
27 director of a bank does not disqualify that bank from being
28 designated as depository. (Acts 58th Leg., R.S., Ch. 54, Sec. 10.)

29 Source Law

30 Sec. 10. (a) Within thirty (30) days after
31 appointment and qualification of the board of
32 directors of a Hospital District, the said directors
33 shall by resolution designate a bank or banks as the
34 District's depository or treasurer.

35 (b) District money shall be deposited as
36 received with the depository bank or banks, except
37 that sufficient money shall be remitted to the bank or
38 banks for the payment of principal of and interest on
39 the outstanding bonds of the District or other
40 obligations assumed by it. The District shall remit
41 money for payment of obligations so that the money is
42 received on or before the date of maturity of the
43 principal and interest to be paid. Money in the

1 depository bank or banks that is not insured by the
2 Federal Deposit Insurance Corporation shall be secured
3 in the manner provided by law for security of county
4 money. Membership on the board of directors by an
5 officer or director of a bank does not disqualify that
6 bank from being designated as depository.

7 Revisor's Note

8 Section 10(a), Chapter 54, Acts of the 58th
9 Legislature, Regular Session, 1963, requires the board
10 to select a bank as depository or treasurer "[w]ithin
11 thirty (30) days after appointment and qualification
12 of the board of directors of a Hospital District." The
13 revised law omits the quoted language as executed.

14 Revised Law

15 Sec. 1098.160. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

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

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

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

22 (2) tax revenue to be collected by the district during
23 the 12-month period following the date of the pledge that is not
24 pledged to pay the principal of or interest on district bonds; or

25 (3) district bonds that have been authorized but not
26 sold.

27 (c) A loan for which taxes or bonds are pledged must mature
28 not later than the third anniversary of the date the loan is made. A
29 loan for which district revenue is pledged must mature not later
30 than the fifth anniversary of the date the loan is made. (Acts 58th
31 Leg., R.S., Ch. 54, Sec. 15A.)

32 Source Law

33 Sec. 15A. (a) The board of directors may borrow
34 money at a rate of interest not to exceed the maximum
35 annual percentage rate allowed by law for District
36 obligations at the time of the loan.

37 (b) To secure a loan, the board of directors may
38 pledge:

39 (1) the revenues of the District that are
40 not pledged to pay the bond indebtedness of the
41 District;

42 (2) tax revenue to be collected by the

1 District during the 12-month period following the date
2 of the pledge that has not been pledged to pay the
3 principal of or interest on District bonds; or

4 (3) District bonds that have been
5 authorized but have not been sold.

6 (c) A loan for which tax revenue or bonds are
7 pledged shall mature not later than the third
8 anniversary of the date on which the loan was made. A
9 loan for which other District revenues are pledged
10 shall mature not later than the fifth anniversary of
11 the date on which the loan was made.

12 Revised Law

13 Sec. 1098.161. AUTHORITY TO BORROW MONEY IN EMERGENCY;
14 SECURITY. (a) The board may borrow money at a rate not to exceed
15 the maximum annual percentage rate allowed by law for district
16 obligations at the time the loan is made if the board determines
17 that:

18 (1) money is not available to meet a lawful obligation
19 of the district; and

20 (2) an emergency exists.

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

22 (1) district revenue that is not pledged to pay the
23 district's bond indebtedness;

24 (2) tax revenue to be collected by the district during
25 the 12-month period following the date of the pledge that has not
26 been pledged to pay the principal of or interest on district bonds;
27 or

28 (3) district bonds that have been authorized but not
29 sold.

30 (c) A loan for which tax revenue or bonds are pledged must
31 mature not later than the third anniversary of the date the loan is
32 made. A loan for which other district revenue is pledged must
33 mature not later than the fifth anniversary of the date the loan is
34 made.

35 (d) The board may not spend loan proceeds obtained under
36 this section for a purpose other than:

37 (1) the purpose for which the board determined the
38 emergency existed; and

39 (2) if tax revenue or bonds are pledged to pay the
40 loan, the purpose for which the taxes were imposed or the bonds were

1 authorized. (Acts 58th Leg., R.S., Ch. 54, Sec. 15.)

2 Source Law

3 Sec. 15. (a) If the board of directors
4 determines that money is not available to meet the
5 lawful obligations of the District and that an
6 emergency exists, the board of directors may borrow
7 money at a rate of interest not to exceed the maximum
8 annual percentage rate allowed by law for District
9 obligations at the time of the loan.

10 (b) To secure a loan, the board of directors may
11 pledge:

12 (1) the revenues of the District that are
13 not pledged to pay the bond indebtedness of the
14 District;

15 (2) tax revenue to be collected by the
16 District during the 12-month period following the date
17 of the pledge that has not been pledged to pay the
18 principal of or interest on district bonds; or

19 (3) District bonds that have been
20 authorized but have not been sold.

21 (c) A loan for which tax revenue or bonds are
22 pledged shall mature not later than the third
23 anniversary of the date on which the loan was made. A
24 loan for which other District revenues are pledged
25 shall mature not later than the fifth anniversary of
26 the date on which the loan was made.

27 (d) The board of directors may not use loan
28 proceeds obtained under this section for any purpose
29 other than the purpose for which the board of directors
30 determined an emergency existed. If tax revenue or
31 bonds are pledged to pay the loan, the board of
32 directors may not use the loan proceeds for a purpose
33 other than the purpose for which the taxes were levied
34 or the bonds were authorized.

35 [Sections 1098.162-1098.200 reserved for expansion]

36 SUBCHAPTER E. BONDS

37 Revised Law

38 Sec. 1098.201. GENERAL OBLIGATION BONDS. The board may
39 issue and sell general obligation bonds authorized by an election
40 in the name and on the faith and credit of the district to:

41 (1) purchase, construct, acquire, repair, or renovate
42 buildings or improvements;

43 (2) equip buildings or improvements for hospital
44 purposes; or

45 (3) acquire and operate a mobile emergency medical or
46 air ambulance service. (Acts 58th Leg., R.S., Ch. 54, Sec. 6(a).)

47 Source Law

48 Sec. 6. (a) The board of directors may issue
49 and sell bonds authorized by an election in the name
50 and on the faith and credit of the Hospital District to
51 purchase, construct, acquire, repair, or renovate
52 buildings or improvements, equip buildings or

1 improvements for hospital purposes, or acquire and
2 operate a mobile emergency medical or air ambulance
3 service.

4 Revisor's Note

5 Section 6(a), Chapter 54, Acts of the 58th
6 Legislature, Regular Session, 1963, provides that the
7 board may issue and sell bonds in the name and on the
8 faith and credit of the district. Because the type of
9 bonds described by Section 6(a) are known as "general
10 obligation bonds," the revised law is drafted
11 accordingly.

12 Revised Law

13 Sec. 1098.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
14 the time general obligation bonds are issued by the district, the
15 board shall impose an ad valorem tax at a rate sufficient to create
16 an interest and sinking fund to pay the principal of and interest on
17 the bonds as the bonds mature.

18 (b) The tax required by this section together with any other
19 ad valorem tax the district imposes may not in any year exceed the
20 limit approved by the voters at the election authorizing the
21 imposition of taxes. (Acts 58th Leg., R.S., Ch. 54, Sec. 6(b).)

22 Source Law

23 (b) At the time the bonds are issued by the
24 District, the board of directors shall levy a tax. The
25 tax must be sufficient to create an interest and
26 sinking fund to pay the principal of and interest on
27 the bonds as they mature. In any year, the tax
28 together with any other tax the District levies may not
29 exceed the limit approved by the voters at the election
30 authorizing the levy of taxes.

31 Revisor's Note

32 Section 6(b), Chapter 54, Acts of the 58th
33 Legislature, Regular Session, 1963, requires the
34 district to levy a tax to pay the principal of and
35 interest on bonds. The revised law specifies that the
36 tax is an "ad valorem" tax because it is clear from the
37 source law that the tax is a property tax. Section
38 1(b), Article VIII, Texas Constitution, requires all
39 property that is taxed to be taxed in proportion to its

1 value, and accordingly "ad valorem" tax is the term
2 most commonly used in Texas law to refer to a tax on
3 property.

4 Revised Law

5 Sec. 1098.203. GENERAL OBLIGATION BOND ELECTION. (a) The
6 district may issue general obligation bonds only if the bonds are
7 authorized by a majority of the district voters voting at an
8 election held for that purpose.

9 (b) The board may order a bond election.

10 (c) The election must be conducted in accordance with
11 Chapter 1251, Government Code. (Acts 58th Leg., R.S., Ch. 54, Secs.
12 6(c), (d).)

13 Source Law

14 (c) The District may issue general obligation
15 bonds only if the bonds are authorized by a majority of
16 the qualified voters of the District voting at an
17 election called and held for that purpose. The board
18 of directors may order a bond election.

19 (d) The bond election shall be conducted as
20 provided by Chapter 1251, Government Code.

21 Revisor's Note

22 (1) Section 6(c), Chapter 54, Acts of the 58th
23 Legislature, Regular Session, 1963, refers to
24 "qualified voters" who voted in a specified election.
25 Throughout this chapter, the revised law substitutes
26 "district voter" for "qualified voter" in this context
27 because Chapter 11, Election Code, governs eligibility
28 to vote in an election in this state and allows only
29 "qualified" voters who are residents of the territory
30 covered by the election to vote in an election.

31 (2) Section 6(c), Chapter 54, Acts of the 58th
32 Legislature, Regular Session, 1963, refers to an
33 election "called and held." The revised law omits the
34 reference to "calling" an election because, in this
35 context, "calling" an election is included in the
36 meaning of holding an election. Under Chapter 3,
37 Election Code, all elections must be ordered (called)

1 before they may be held.

2 Revised Law

3 Sec. 1098.204. MATURITY OF GENERAL OBLIGATION BONDS.
4 District general obligation bonds must mature not later than 40
5 years after the date of issuance. (Acts 58th Leg., R.S., Ch. 54,
6 Sec. 6(e) (part).)

7 Source Law

8 (e) [Bonds of the district shall . . .] mature
9 within 40 years of their date,

10 Revised Law

11 Sec. 1098.205. EXECUTION OF GENERAL OBLIGATION BONDS. The
12 board president shall execute the general obligation bonds in the
13 district's name and the board secretary shall countersign the bonds
14 in the manner provided by Chapter 618, Government Code. (Acts 58th
15 Leg., R.S., Ch. 54, Sec. 6(e) (part).)

16 Source Law

17 (e) [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 of directors
20 and countersigned by the secretary in the manner
21 provided by Chapter 618, Government Code (Uniform
22 Facsimile Signature of Public Officials Act), and
23

24 Revised Law

25 Sec. 1098.206. REVENUE BONDS. (a) The board may issue
26 revenue bonds to:

27 (1) purchase, construct, acquire, repair, equip, or
28 renovate buildings or improvements for hospital purposes;

29 (2) acquire sites to be used for hospital purposes; or

30 (3) acquire and operate a mobile emergency medical or
31 air ambulance service to assist the district in carrying out its
32 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 lien on all or part of district property.

38 (d) The bonds must be issued in the manner provided by

1 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
2 Health and Safety Code, for the issuance of revenue bonds by a
3 county hospital authority. (Acts 58th Leg., R.S., Ch. 54, Sec. 6A.)

4 Source Law

5 Sec. 6A. (a) The board of directors may issue
6 revenue bonds to purchase, construct, acquire, repair,
7 equip, or renovate buildings or improvements for
8 hospital purposes, acquire sites to be used for
9 hospital purposes, or acquire and operate a mobile
10 emergency medical or air ambulance service to assist
11 the District in carrying out its hospital purposes.

12 (b) The bonds must be payable from and secured
13 by a pledge of all or part of the revenues derived from
14 the operation of the District's hospital system. The
15 bonds may be additionally secured by a mortgage or deed
16 of trust lien on all or part of District property.

17 (c) The bonds must be issued in the manner
18 provided by Sections 264.042, 264.043, 264.046,
19 264.047, 264.048, and 264.049, Health and Safety Code,
20 for issuance of revenue bonds by county hospital
21 authorities.

22 Revisor's Note
23 (End of Subchapter)

24 (1) Section 6(e), Chapter 54, Acts of the 58th
25 Legislature, Regular Session, 1963, provides in part
26 that district bonds must bear interest at a rate not to
27 exceed six percent per year. The revised law omits
28 that provision as impliedly repealed by the enactment
29 of the maximum interest rate provision found in
30 Section 1204.006, Government Code. That section
31 reflects the 1981 amendment of Chapter 3, Acts of the
32 62nd Legislature, Regular Session, 1971 (Article
33 717k-2, Vernon's Texas Civil Statutes, now Chapter
34 1204, Government Code), by Section 1, Chapter 61, Acts
35 of the 67th Legislature, Regular Session, 1981, and
36 permits a public agency, including a hospital
37 district, to issue public securities at any net
38 effective interest rate of 15 percent or less. Section
39 1204.006, Government Code, applies to district bonds
40 by application of Section 1204.001, Government Code.
41 The omitted law reads:

42 (e) Bonds of the district shall bear
43 interest not to exceed six percent per year,
44

1 (2) Section 6(e), Chapter 54, Acts of the 58th
2 Legislature, Regular Session, 1963, provides that
3 district bonds are subject to the requirements
4 governing counties that relate to bond approval by the
5 attorney general and registration of the bonds by the
6 comptroller. Section 6(e) 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 (e) [Bonds of the district] . . .
26 shall be subject to the same requirements in
27 the matter of approval by the attorney
28 general and registration by the comptroller
29 as are by law provided for approval and
30 registration of bonds issued by counties.
31 Upon the approval of such bonds by the
32 attorney general and registration by the
33 comptroller, the bonds shall be
34 incontestable for any cause.

35 (3) Section 13, Chapter 54, Acts of the 58th
36 Legislature, Regular Session, 1963, provides that
37 district bonds are legal and authorized investments
38 for certain entities. The revised law omits the
39 provision as unnecessary. As to several of the

1 entities listed, Section 13 has been superseded and
2 impliedly repealed or it duplicates existing law.
3 Investments in securities by banks are regulated by
4 Section 34.101, Finance Code (enacted in 1995 as
5 Section 5.101, Texas Banking Act (Article 342-5.101,
6 Vernon's Texas Civil Statutes)). Investments in
7 securities by savings banks are regulated by Section
8 93.001(c)(10), Finance Code (enacted in 1993 as
9 Section 7.15(10), Texas Savings Bank Act (Article
10 489e, Vernon's Texas Civil Statutes)). Investments in
11 securities by trust companies are regulated by Section
12 184.101, Finance Code (enacted in 1997 as Section
13 5.101, Texas Trust Company Act (Article 342a-5.101,
14 Vernon's Texas Civil Statutes)). Investments in
15 securities by savings and loan associations are
16 regulated by Sections 63.002 and 64.001, Finance Code.
17 As to the remaining entities listed, Section 13
18 duplicates Section 1201.041, Government Code (enacted
19 as Section 9, Bond Procedures Act of 1981 (Article
20 717k-6, Vernon's Texas Civil Statutes)). While
21 Section 13 lists "guardians" and Section 1201.041 does
22 not, the latter statute includes "fiduciaries" and a
23 guardian is a fiduciary. Section 1201.041, Government
24 Code, applies to district bonds by application of
25 Section 1201.002, Government Code. The revised law
26 omits the reference to public funds of this state
27 because it has been superseded by Section 404.024,
28 Government Code (enacted in 1985 as Section 2.014,
29 Treasury Act (Article 4393-1, Vernon's Texas Civil
30 Statutes), and last amended in 2007), which governs
31 the investment of state funds. Section
32 404.024(b)(10), Government Code, authorizes the
33 investment of state funds in obligations of political
34 subdivisions, including hospital districts. The

1 revised law omits the reference to public funds of
2 political subdivisions or public agencies of the state
3 because it has been superseded by Chapter 2256,
4 Government Code (enacted in 1987 as the Public Funds
5 Investment Act of 1987 (Article 842a-2, Vernon's Texas
6 Civil Statutes)), which governs the investment of
7 local funds. The omitted law reads:

8 Sec. 13. All bonds issued by or
9 indebtedness assumed by the District
10 authorized to be established and created
11 under the provisions of this Act shall be
12 and are declared to be legal and authorized
13 investments for banks, savings banks, trust
14 companies, building and loan associations,
15 savings and loan associations, insurance
16 companies, fiduciaries, trustees,
17 guardians, and for the sinking funds of
18 cities, towns, villages, counties, school
19 districts, or other political corporations
20 or subdivisions of the State of Texas and
21 for all public funds of the state or its
22 agencies, including the state permanent
23 school fund. . . .

24 (4) Section 13, Chapter 54, Acts of the 58th
25 Legislature, Regular Session, 1963, provides that
26 district bonds may secure deposits of public funds of
27 this state or political subdivisions of this state.
28 The revised law omits the provisions as impliedly
29 repealed by Section 404.0221, Government Code (enacted
30 in 1995), which lists eligible collateral for deposits
31 of state funds by the comptroller, and by Chapter 2257,
32 Government Code (enacted in 1989 as Article 2529d,
33 Vernon's Texas Civil Statutes), which governs eligible
34 collateral for deposits of funds of other public
35 agencies, including political subdivisions, and
36 permits those deposits to be secured by obligations
37 issued by hospital districts. The omitted law reads:

38 Sec. 13. . . . The bonds and
39 indebtedness are eligible to secure
40 deposits of public funds of the state and of
41 municipalities, counties, school
42 districts, and other subdivisions or
43 corporations of the state and are lawful and
44 sufficient security for deposits to the
45 extent of their face value when accompanied
46 by all unmatured coupons appurtenant

1 thereto.

2 [Sections 1098.207-1098.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Revised Law

5 Sec. 1098.251. IMPOSITION OF AD VALOREM TAX. (a) On final
6 approval of the budget, the board shall impose a tax on all property
7 in the district subject to district taxation.

8 (b) The tax may be used to:

9 (1) pay the indebtedness assumed or issued by the
10 district;

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

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

15 (4) acquire necessary sites for the hospital system by
16 purchase, lease, or condemnation.

17 (c) The district may not impose a tax to pay the principal of
18 or interest on revenue bonds issued by the district. (Acts 58th
19 Leg., R.S., Ch. 54, Secs. 5(a) (part), (b), 8(c) (part).)

20 Source Law

21 Sec. 5. (a) The board of directors may annually
22 levy on all property subject to hospital district
23 taxation for the benefit of the District a tax . . .
24 for the purpose of: (1) paying the indebtedness
25 assumed or issued by the Hospital District; (2)
26 providing for the operation and maintenance of the
27 Hospital District and hospital system; and (3) for the
28 purpose of making further improvements and additions
29 to the hospital system, and for the acquisition of
30 necessary sites therefor, by purchase, lease or
31 condemnation.

32 (b) The district may not impose taxes to pay the
33 principal of or interest on revenue bonds issued by the
34 district.

35 [Sec. 8]

36 (c) . . . upon final approval of the budget, the
37 board of directors shall levy such tax as may be
38 required and

39 Revised Law

40 Sec. 1098.252. TAX RATE. (a) The board may impose the tax
41 at a rate not to exceed the limit approved by the voters.

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

1 58th Leg., R.S., Ch. 54, Sec. 5(a) (part).)

2 Source Law

3 (a) [The board of directors may annually levy on
4 all property subject to hospital district taxation
5 . . . a tax . . .] in an amount not to exceed the limit
6 approved by the voters. The tax rate for all purposes
7 may not exceed Seventy-five Cents (75¢) on the One
8 Hundred Dollars valuation of all taxable property
9 within the Hospital District,

10 Revised Law

11 Sec. 1098.253. TAX ASSESSOR-COLLECTOR. (a) Except as
12 provided by Subsection (b), the tax assessor-collector of Stonewall
13 County shall assess and collect taxes imposed by the district.

14 (b) The board may provide for the appointment of a tax
15 assessor-collector for the district or may contract for the
16 assessment and collection of taxes as provided by the Tax Code.
17 (Acts 58th Leg., R.S., Ch. 54, Secs. 5(c) (part), 8(c) (part).)

18 Source Law

19 [Sec. 5]
20 (c) . . . The board of directors may provide for
21 the appointment of a tax assessor-collector for the
22 District or may contract for the assessment and
23 collection of taxes as provided by the Tax Code.

24 [Sec. 8]
25 (c) . . . [to the county tax assessor and
26 collector] . . . it shall be the duty of the said tax
27 assessor and collector to assess and collect such tax.

28 Revisor's Note

29 Section 8(c), Chapter 54, Acts of the 58th
30 Legislature, Regular Session, 1963, requires the board
31 to certify the tax rate to the county tax
32 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 year and to notify the tax assessor for
36 the taxing unit of that rate. The omitted law reads:

37 (c) . . . [upon final approval of the
38 budget, the board of directors shall . . .]
39 certify the tax rate for such year to the
40 county tax assessor and collector as
41 provided in Section 5 hereof, and

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

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

6 (1) the nature of the election, including the
7 proposition to appear on the ballot;

8 (2) the date of the election;

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

10 (4) the location of the polling places.

11 (e) Section 41.001(a), Election Code, does not apply to an
12 election ordered under this section. (Acts 58th Leg., R.S., Ch. 54,
13 Secs. 15B(a), (b), (c) (part).)

14 Source Law

15 Sec. 15B. (a) The District may be dissolved
16 only if the dissolution is approved by a majority of
17 the qualified voters of the District voting in an
18 election called and held for that purpose.

19 (b) The board of directors may order an election
20 on the question of dissolving the District and
21 disposing of the District's assets and obligations.
22 The board of directors shall order an election if the
23 board of directors receives a petition requesting an
24 election that is signed by a number of residents of the
25 District equal to at least 15 percent of the registered
26 voters in the District.

27 (c) . . . Section 41.001(a), Election Code,
28 does not apply to an election ordered under this
29 section. The order calling the election shall state:

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

32 (2) the date of the election;

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

35 (4) the location of the polling places.

36 Revisor's Note

37 (1) Section 15B(a), Chapter 54, Acts of the 58th
38 Legislature, Regular Session, 1963, provides that the
39 district may be dissolved if authorized at an election
40 "called and held" for that purpose. The revised law
41 omits the reference to "calling" an election for the
42 reason stated in the revisor's note to Section
43 1098.203.

44 (2) Section 15B(c), Chapter 54, Acts of the 58th

1 Legislature, Regular Session, 1963, provides that the
2 election must be held not later than the 60th day after
3 the date the election is ordered. The revised law
4 omits the provision as superseded by Section 3.005,
5 Election Code, applicable to the district under
6 Section 1.002, Election Code. Section 3.005, as
7 amended by Chapter 925, Acts of the 78th Legislature,
8 Regular Session, 2003, requires an election order
9 issued by the authority of a political subdivision to
10 be issued not later than the 62nd, 71st, or 78th day
11 before election day, depending on when the election is
12 held, and provides that Section 3.005 supersedes a law
13 outside the Election Code to the extent of any
14 conflict. The omitted law reads:

15 (c) The election shall be held not
16 later than the 60th day after the date the
17 election is ordered. . . .

18 Revised Law

19 Sec. 1098.302. NOTICE OF ELECTION. (a) The board shall
20 give notice of an election under this subchapter by publishing the
21 election order in a newspaper with general circulation in the
22 district once a week for two consecutive weeks.

23 (b) The first publication of the notice must appear not
24 later than the 35th day before the date set for the election. (Acts
25 58th Leg., R.S., Ch. 54, Sec. 15B(d) (part).)

26 Source Law

27 (d) The board of directors shall give notice of
28 the election by publishing the election order in a
29 newspaper with general circulation in the District
30 once a week for two consecutive weeks. The first
31 publication must appear not less than 35 days before
32 the date set for the election. . . .

33 Revised Law

34 Sec. 1098.303. BALLOT. The ballot for an election under
35 this subchapter must be printed to permit voting for or against the
36 proposition: "The dissolution of the Stonewall County Hospital
37 District." (Acts 58th Leg., R.S., Ch. 54, Sec. 15B(d) (part).)

1 (Acts 58th Leg., R.S., Ch. 54, Secs. 15B(f), (g).)

2 Source Law

3 (f) If a majority of the votes in the election
4 favor dissolution, the board of directors shall:

5 (1) transfer the land, buildings,
6 improvements, equipment, and other assets that belong
7 to the District to a county or other governmental
8 agency in Stonewall County;

9 (2) sell the assets and liabilities to
10 another person or entity; or

11 (3) administer the property, assets, and
12 debts until all money has been disposed of and all
13 District debts have been paid or settled.

14 (g) If the District transfers the land,
15 buildings, improvements, equipment, and other assets
16 to a county or other governmental agency, the county or
17 agency assumes all debts and obligations of the
18 District at the time of the transfer, and the District
19 is dissolved.

20 Revisor's Note

21 Section 15B(f), Chapter 54, Acts of the 58th
22 Legislature, Regular Session, 1963, refers to "another
23 person or entity." The revised law omits "entity"
24 because "entity" is included in the meaning of
25 "person" under Section 311.005(2), Government Code
26 (Code Construction Act).

27 Revised Law

28 Sec. 1098.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

29 (a) The district may not be dissolved unless the board provides for
30 the sale or transfer of the district's assets and liabilities to
31 another person.

32 (b) The dissolution of the district and the sale or transfer
33 of the district's assets and liabilities may not contravene a trust
34 indenture or bond resolution relating to the district's outstanding
35 bonds. The dissolution and sale or transfer does not diminish or
36 impair the rights of a holder of an outstanding bond, warrant, or
37 other obligation of the district.

38 (c) The sale or transfer of the district's assets and
39 liabilities must satisfy the debt and bond obligations of the
40 district in a manner that protects the interests of district
41 residents, including the residents' collective property rights in
42 the district's assets.

1 (d) The district may not transfer or dispose of the
2 district's assets except for due compensation unless:

3 (1) the transfer is made to another governmental
4 agency that serves the district; and

5 (2) the transferred assets are to be used for the
6 benefit of district residents.

7 (e) A grant from federal funds is an obligation to be repaid
8 in satisfaction. (Acts 58th Leg., R.S., Ch. 54, Secs. 15B(m), (n).)

9 Source Law

10 (m) The District may not be dissolved unless the
11 board of directors provides for the sale or transfer of
12 the District's assets and liabilities to another
13 person or entity. The dissolution of the District and
14 the sale or transfer of the District's assets and
15 liabilities may not contravene a trust indenture or
16 bond resolution relating to the outstanding bonds of
17 the District. The dissolution and sale or transfer
18 does not diminish or impair the rights of a holder of
19 an outstanding bond, warrant, or other obligation of
20 the District.

21 (n) The sale or transfer of the District's
22 assets and liabilities must satisfy the debt and bond
23 obligations of the District in a manner that protects
24 the interests of the residents of the District,
25 including the residents' collective property rights in
26 the District's assets. A grant from federal funds is
27 an obligation to be repaid in satisfaction. The
28 District may not transfer or dispose of the District's
29 assets except for due compensation unless the transfer
30 is made to a governmental agency that serves the
31 District and the transferred assets are to be used for
32 the benefit of the residents of the District.

33 Revisor's Note

34 Section 15B(m), Chapter 54, Acts of the 58th
35 Legislature, Regular Session, 1963, refers to "another
36 person or entity." The revised law omits "entity" for
37 the reason stated in the revisor's note to Section
38 1098.305.

39 Revised Law

40 Sec. 1098.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
41 TAXES. (a) After the board finds that the district is dissolved,
42 the board shall:

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

44 (2) impose on the property included on the district's
45 tax rolls a tax that is in proportion of the debt to the property

1 value.

2 (b) On the payment of all outstanding debts and obligations
3 of the district, the board shall order the board secretary to return
4 to each district taxpayer the taxpayer's pro rata share of all
5 unused tax money.

6 (c) A taxpayer may request that the taxpayer's share of
7 surplus tax money be credited to the taxpayer's county taxes. If a
8 taxpayer requests the credit, the board shall direct the board
9 secretary to transmit the money to the county tax
10 assessor-collector. (Acts 58th Leg., R.S., Ch. 54, Secs. 15B(h),
11 (i), (j).)

12 Source Law

13 (h) After the board of directors finds that the
14 District is dissolved, the board of directors shall:

15 (1) determine any remaining debt owed by
16 the District; and

17 (2) impose on the property included in the
18 District's tax rolls a tax that is in proportion of the
19 debt to the property value.

20 (i) When remaining outstanding debts and
21 obligations of the District are paid, the board of
22 directors shall order the secretary to return the pro
23 rata share of all unused tax money to each District
24 taxpayer.

25 (j) A taxpayer may request that the taxpayer's
26 share of surplus tax money be credited to the
27 taxpayer's county taxes. If a taxpayer requests the
28 credit, the board of directors shall direct the
29 secretary to transmit the money to the county tax
30 assessor-collector.

31 Revised Law

32 Sec. 1098.308. REPORT; DISSOLUTION ORDER. (a) After the
33 district has paid all district debts and has disposed of all
34 district money and other assets as prescribed by this subchapter,
35 the board shall file a written report with the Commissioners Court
36 of Stonewall County summarizing the board's actions in dissolving
37 the district.

38 (b) Not later than the 10th day after the date the
39 Commissioners Court of Stonewall County receives the report and
40 determines that the requirements of this subchapter have been
41 fulfilled, the commissioners court shall enter an order dissolving
42 the district and releasing the board from any further duty or
43 obligation. (Acts 58th Leg., R.S., Ch. 54, Secs. 15B(k), (l).)

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20 CHAPTER 1099. STRATFORD HOSPITAL DISTRICT
21 SUBCHAPTER A. GENERAL PROVISIONS
22 Revised Law
23 Sec. 1099.001. DEFINITIONS. In this chapter:
24 (1) "Board" means the board of directors of the
25 district.
26 (2) "Director" means a member of the board.
27 (3) "District" means the Stratford Hospital District.
28 (New.)
29 Revisor's Note
30 The definitions of "board," "director," and
31 "district" are added to the revised law for drafting
32 convenience and to eliminate frequent, unnecessary
33 repetition of the substance of the definitions.

1 Revised Law

2 Sec. 1099.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
3 OBLIGATION. The support and maintenance of the district may not
4 become a charge against or obligation of this state. (Acts 61st
5 Leg., R.S., Ch. 470, Sec. 20 (part).)

6 Source Law

7 Sec. 20. The support and maintenance of the
8 hospital district shall never become a charge against
9 or obligation of the State of Texas,

10 Revised Law

11 Sec. 1099.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
12 The legislature may not make a direct appropriation for the
13 construction, maintenance, or improvement of a district facility.
14 (Acts 61st Leg., R.S., Ch. 470, Sec. 20 (part).)

15 Source Law

16 Sec. 20. . . . nor shall any direct
17 appropriation be made by the Legislature for the
18 construction, maintenance, or improvement of any of
19 the facilities of such district.

20 Revisor's Note
21 (End of Subchapter)

22 Section 3, Chapter 470, Acts of the 61st
23 Legislature, Regular Session, 1969, provides
24 procedures for holding an election on the creation of
25 the district and the imposition of an ad valorem tax.
26 Section 7(b) of that act provides that the election may
27 include a bond proposition. Because the election has
28 been held, the revised law omits the relevant law as
29 executed. The omitted law reads:

30 Sec. 3. (a) The district shall not
31 be created, nor shall any tax therein be
32 authorized unless and until such creation
33 and such tax are approved by a majority of
34 the qualified property taxpaying electors
35 of the area of the proposed district voting
36 at an election called for that purpose. Such
37 election may be called by a majority of the
38 temporary or provisional directors or shall
39 be called by said provisional directors
40 upon presentation of a petition therefor
41 signed by at least 100 qualified property
42 taxpaying electors of the area of the
43 proposed district. . . . further provided,
44 if this district is not confirmed within 60
45 months from the effective date of this Act,

1 this Act is hereby repealed.

2 (b) At the election there shall be
3 submitted to the qualified property
4 taxpaying electors of the area the proposed
5 district the proposition of whether the
6 hospital district shall be created with
7 authority to levy annual taxes . . . for
8 the purpose of meeting the requirements of
9 the district's bonds, and its maintenance
10 and operating expenses, and a majority of
11 the qualified property taxpaying electors
12 voting at said election in favor of the
13 proposition shall be sufficient for its
14 adoption.

15 (c) The form of ballot used at the
16 election on the creation of the district
17 shall be in conformity with Sections 61 and
18 62, Texas Election Code, as amended
19 (Articles 6.05-6.07, Vernon's Texas
20 Election Code), so that ballots may be cast
21 "FOR" or "AGAINST" the following ballot
22 proposition: "The creation of Stratford
23 Hospital District, providing for the levy
24 of a tax not to exceed 40 cents on each \$100
25 valuation, upon all taxable property
26 situated within said district, subject to
27 hospital district taxation, for all
28 hospital district purposes."

29 (d) Within 10 days after such
30 election is held, the temporary or
31 provisional directors shall convene and
32 canvass the returns of the election, and if
33 a majority of the qualified property
34 taxpaying electors voting at said election
35 vote in favor of the proposition, they shall
36 so find and declare the hospital district
37 established and created.

38 [Sec. 7]

39 (b) A separate proposition may be
40 submitted at the election for the creation
41 or confirmation of the district as to
42 whether the board of directors, in the event
43 the district is created, shall be
44 authorized to issue bonds for any one or
45 more of the foregoing purposes. The
46 proposition, if submitted, shall specify
47 the purpose for which the bonds are to be
48 issued, the maximum amount of bonds then
49 proposed to be issued, the maximum
50 maturity, and the maximum interest rate.

51 [Sections 1099.008-1099.050 reserved for expansion]

52 SUBCHAPTER B. DISTRICT ADMINISTRATION

53 Revised Law

54 Sec. 1099.051. BOARD ELECTION; TERM. (a) The board
55 consists of five directors elected from the district at large.

56 (b) Unless four-year terms are established under Section
57 285.081, Health and Safety Code:

58 (1) directors serve staggered two-year terms with the
59 terms of two or three directors expiring each year as appropriate;

1 and

2 (2) a directors' election shall be held annually on the
3 May uniform election date to elect the appropriate number of
4 directors. (Acts 61st Leg., R.S., Ch. 470, Sec. 4(c) (part).)

5 Source Law

6 (c) Directors shall serve staggered terms with
7 three directors elected one year and two directors
8 elected the next year. Directors shall be elected by
9 vote of the electors of the entire district for two
10 year terms. An election to elect an appropriate number
11 of directors shall be held on the first Saturday in May
12 of each year. . . .

13 Revisor's Note

14 (1) Section 4(c), Chapter 470, Acts of the 61st
15 Legislature, Regular Session, 1969, was amended in
16 2001 to require that board elections be held on the
17 "first Saturday in May." From 1987 to 2003, Section
18 41.001, Election Code, provided for a uniform election
19 date for all political subdivisions on the first
20 Saturday in May. In Chapter 1315, Acts of the 78th
21 Legislature, Regular Session, 2003, the legislature
22 amended Section 41.001 by moving the uniform election
23 date in May to the third Saturday. In Chapter 1, Acts
24 of the 78th Legislature, 3rd Called Session, 2003, the
25 legislature amended Section 41.001 by moving the
26 uniform election date in May back to the first
27 Saturday. In Chapter 471, Acts of the 79th
28 Legislature, Regular Session, 2005, the legislature
29 amended Section 41.001 by moving the uniform election
30 date in May to the second Saturday. The revised law
31 substitutes "May uniform election date" for "first
32 Saturday in May" to reflect these changes while
33 preserving as closely as possible the legislative
34 intent expressed in the 2001 amendment to Section 4(c)
35 that the election be held on the first Saturday in May,
36 which was then the uniform election date in May.

37 (2) Sections 4(a) and (b), Chapter 470, Acts of

1 Source Law

2 (c) . . . 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 at least 30 days
6 prior to the date of the election. . . .

7 Revised Law

8 Sec. 1099.053. QUALIFICATIONS FOR OFFICE. (a) A person may
9 not be appointed or elected as a director unless the person is:

- 10 (1) a resident of the district;
11 (2) a freeholder; and
12 (3) a qualified voter.

13 (b) A person is not eligible to serve as a director if the
14 person is:

- 15 (1) the district manager;
16 (2) a district employee; or
17 (3) a member of the hospital staff. (Acts 61st Leg.,
18 R.S., Ch. 470, Sec. 4(d).)

19 Source Law

20 (d) No person shall be appointed or elected as a
21 member of the temporary or permanent board of
22 directors unless he is a resident of the district, a
23 freeholder, and a qualified voter. Neither the
24 administrator, an employee of the district, nor a
25 member of the staff of the hospital shall be eligible
26 to serve as a director.

27 Revised Law

28 Sec. 1099.054. BOND. (a) Each director shall execute a
29 good and sufficient bond for \$1,000 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 district shall pay for the directors' bonds. (Acts
34 61st Leg., R.S., Ch. 470, Sec. 4(c) (part).)

35 Source Law

36 (c) . . . Each member of the board of directors
37 shall execute a good and sufficient bond for \$1,000
38 payable to said district conditioned upon the faithful
39 performance of his duties, and each bond shall be
40 purchased at the expense of the district.

1 Revised Law

2 Sec. 1099.055. BOARD VACANCY. If a vacancy occurs in the
3 office of director, the remaining directors shall fill the vacancy
4 for the unexpired term. (Acts 61st Leg., R.S., Ch. 470, Sec. 4(c)
5 (part).)

6 Source Law

7 (c) . . . Vacancies in office shall be filled
8 for the unexpired term of the remainder of the
9 permanent directors. . . .

10 Revised Law

11 Sec. 1099.056. OFFICERS. (a) The board shall elect:

12 (1) a president and a vice president from among its
13 members; and

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

15 (b) Each officer of the board serves a one-year term.

16 (c) The board shall fill a vacancy in a board office for the
17 unexpired term. (Acts 61st Leg., R.S., Ch. 470, Sec. 4(e) (part).)

18 Source Law

19 (e) The board of directors, temporary and
20 permanent, shall organize by electing one of their
21 number as president and one of their number as vice
22 president. A secretary, who need not be a director,
23 shall also be elected. Officers shall be elected for a
24 term of one year and vacancies shall be filled for the
25 unexpired term by the board of directors, temporary or
26 permanent. . . .

27 Revised Law

28 Sec. 1099.057. COMPENSATION; EXPENSES. A director or
29 officer serves without compensation but may be reimbursed for
30 actual expenses incurred in the performance of official duties.
31 The expenses must be:

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

33 (2) approved by the board. (Acts 61st Leg., R.S., Ch.
34 470, Sec. 4(e) (part).)

35 Source Law

36 (e) . . . All members of the board of directors
37 and officers shall serve without compensation, but may
38 be reimbursed for actual expenses incurred in the
39 performance of their official duties upon the approval
40 of such expenses by the board of directors and so
41 reported in the minute book of the district or other
42 records of the district.

1 Revisor's Note

2 Section 4(e), Chapter 470, Acts of the 61st
3 Legislature, Regular Session, 1969, 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. 1099.058. VOTING REQUIREMENT. A concurrence of three
11 directors is sufficient in any matter relating to district
12 business. (Acts 61st Leg., R.S., Ch. 470, Sec. 4(e) (part).)

13 Source Law

14 (e) . . . [members of the board of directors]
15 . . . a concurrence of three shall be sufficient in all
16 matters pertaining to the business of the
17 district. . . .

18 Revisor's Note

19 Section 4(e), Chapter 470, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that
21 three directors constitute a quorum. The revised law
22 omits that provision because it duplicates Section
23 311.013, Government Code (Code Construction Act),
24 which provides that a quorum of a public body is a
25 majority of the number of members fixed by statute.
26 The omitted law reads:

27 (e) . . . Any three members of the
28 board of directors shall constitute a
29 quorum and

30 Revised Law

31 Sec. 1099.059. DISTRICT MANAGER; ASSISTANT MANAGER. (a)
32 The board shall appoint a qualified person as district manager.

33 (b) The board may appoint one or more assistant managers.

34 (c) The manager and any assistant manager serve at the will
35 of the board and receive the compensation determined by the board.

36 (d) On assuming the duties of district manager, the manager
37 shall execute a bond payable to the district in an amount set by the

1 board of not less than \$5,000 that:

2 (1) is conditioned on the manager performing the
3 manager's required duties; and

4 (2) contains any other condition the board requires.

5 (Acts 61st Leg., R.S., Ch. 470, Sec. 5 (part).)

6 Source Law

7 Sec. 5. . . . The board of directors shall
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. Such
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 \$5,000
19 conditioned that he shall perform the duties required
20 of him, and containing such other conditions as the
21 board may require. . . .

22 Revisor's Note

23 Section 5, Chapter 470, Acts of the 61st
24 Legislature, Regular Session, 1969, provides that the
25 board shall appoint a person as the "administrator or
26 manager" of the district and may appoint an "assistant
27 administrator or manager." Throughout this chapter,
28 the revised law omits "administrator" and "assistant
29 administrator" because, in context, "administrator"
30 and "assistant administrator" are included in the
31 meanings of "manager" and "assistant manager,"
32 respectively, and "manager" is the term used by the
33 district.

34 Revised Law

35 Sec. 1099.060. GENERAL DUTIES OF DISTRICT MANAGER. Subject
36 to the limitations prescribed by the board, the district manager
37 shall:

38 (1) supervise the work and activities of the district;
39 and

40 (2) direct the affairs of the district. (Acts 61st
41 Leg., R.S., Ch. 470, Sec. 5 (part).)

1 and regulations." Throughout this chapter, the
2 revised law omits references to "regulations" because,
3 under Section 311.005(5), Government Code (Code
4 Construction Act), a rule is defined to include a
5 regulation.

6 Revisor's Note
7 (End of Subchapter)

8 Section 4(c), Chapter 470, Acts of the 61st
9 Legislature, Regular Session, 1969, states that a
10 person must file a ballot application with the board
11 secretary to be a candidate for director and
12 prescribes a deadline for filing the application. The
13 revised law omits the requirement to file the
14 application with the board secretary because it is
15 covered by Sections 144.003 and 144.004, Election
16 Code. The revised law omits the filing deadline
17 because it is superseded by Section 144.005, Election
18 Code. Section 1.002, Election Code, provides that the
19 Election Code applies to all elections held in this
20 state. The omitted law reads:

21 (c) . . . Any person desiring to have
22 his name printed on the ballot as a
23 candidate for director shall file an
24 application with the secretary of the board
25 of directors. Such application shall be
26 filed with the secretary not less than 30
27 days nor more than 60 days prior to the date
28 of the election. . . .

29 [Sections 1099.063-1099.100 reserved for expansion]

30 SUBCHAPTER C. POWERS AND DUTIES

31 Revised Law

32 Sec. 1099.101. DISTRICT RESPONSIBILITY. The district has
33 full responsibility for operating all hospital facilities for
34 providing medical and hospital care for the district's needy
35 inhabitants. (Acts 61st Leg., R.S., Ch. 470, Sec. 19 (part).)

36 Source Law

37 Sec. 19. . . . The said hospital district shall
38 assume full responsibility for the operation of all
39 hospital facilities for the furnishing of medical and
40 hospital care for its needy inhabitants.

1 Revisor's Note

2 Section 19, Chapter 470, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 district "shall assume" full responsibility for
5 operating hospital facilities for providing medical
6 and hospital care for the district's needy
7 inhabitants. The revised law substitutes "has" for
8 the quoted language because the duty to assume that
9 responsibility is executed.

10 Revised Law

11 Sec. 1099.102. RESTRICTION ON POLITICAL SUBDIVISION
12 TAXATION AND DEBT. A political subdivision located within the
13 district or that has the same boundaries as the district may not
14 impose a tax or issue bonds or other obligations for hospital
15 purposes or to provide medical care. (Acts 61st Leg., R.S., Ch. 470,
16 Sec. 19 (part).)

17 Source Law

18 Sec. 19. After creation of the hospital
19 district, no municipality or political subdivision
20 within or having the same boundaries of the district
21 shall have the power to levy taxes or issue bonds or
22 other obligations for hospital purposes or for
23 providing medical care. . . .

24 Revisor's Note

25 (1) Section 19, Chapter 470, Acts of the 61st
26 Legislature, Regular Session, 1969, provides that
27 "[a]fter the creation of the hospital district,"
28 certain political subdivisions may not levy certain
29 taxes or issue certain bonds. The revised law omits
30 the quoted language as executed. In addition,
31 throughout this chapter, the revised law substitutes
32 "impose" for "levy" because, in the context of
33 taxation, the terms are synonymous and "impose" is
34 more commonly used.

35 (2) Section 19, Chapter 470, Acts of the 61st
36 Legislature, Regular Session, 1969, refers to a
37 "municipality or political subdivision." Throughout

1 this chapter, the revised law omits references to
2 "municipality" when used in conjunction with
3 "political subdivision" because "municipality" is
4 included in the meaning of "political subdivision."

5 Revised Law

6 Sec. 1099.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
7 The board shall manage, control, and administer the hospital system
8 and the district's money and resources. (Acts 61st Leg., R.S., Ch.
9 470, 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. 1099.104. 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 hospital system for
22 hospital purposes.

23 (b) The hospital system may include:

24 (1) facilities for domiciliary care of the sick,
25 injured, or geriatric;

26 (2) facilities for outpatient clinics;

27 (3) dispensaries;

28 (4) convalescent home facilities;

29 (5) necessary nurses domiciliaries and training
30 centers;

31 (6) blood banks;

32 (7) community mental health centers;

33 (8) research centers or laboratories; and

34 (9) any other facilities the board considers necessary
35 for hospital care. (Acts 61st Leg., R.S., Ch. 470, Secs. 2 (part),

1 9 (part).)

2 Source Law

3 Sec. 2. The district authorized to be created by
4 this Act shall provide for the establishment of a
5 hospital system by the purchase, construction,
6 acquisition, repair, or renovation of buildings and
7 equipment, and equipping same, and the administration
8 thereof for hospital purposes. . . .

9 Sec. 9. . . . The hospital system may include
10 facilities for domiciliary care of the sick, wounded,
11 and injured, facilities for outpatient clinic or
12 clinics, dispensaries, facilities for geriatric
13 domiciliary care, convalescent home facilities,
14 necessary nurses domiciliaries and training centers,
15 blood banks, community mental health centers, and
16 research centers or laboratories, and any other
17 facilities deemed necessary for hospital care by the
18 directors. . . .

19 Revisor's Note

20 (1) Section 2, Chapter 470, Acts of the 61st
21 Legislature, Regular Session, 1969, states that there
22 were no hospital facilities in the district at the time
23 the district was created and therefore the political
24 subdivisions in the district would not convey any
25 property to the district. The revised law omits this
26 provision as executed. The omitted law reads:

27 Sec. 2. . . . It is found and
28 determined that neither the county in which
29 the district is authorized to be created nor
30 a city or town within the area of the
31 proposed district has acquired or operates
32 any hospital facilities, and it shall not be
33 necessary for property acquired by the
34 political subdivisions for general
35 municipal purposes to be conveyed to the
36 district by reason of the property being now
37 or heretofore leased for doctors' offices.

38 (2) Section 9, Chapter 470, Acts of the 61st
39 Legislature, Regular Session, 1969, refers to the care
40 of the "sick, wounded, and injured." The revised law
41 omits "wounded" because "wounded" is included in the
42 meaning of "injured."

43 Revised Law

44 Sec. 1099.105. RULES. The board may adopt rules governing
45 the operation of the hospital, the hospital system, and the
46 district's staff and employees. (Acts 61st Leg., R.S., Ch. 470,

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 and regulations governing the
6 operation of the hospital, hospital system, its staff
7 and its employees. . . .

8 Revisor's Note

9 Section 5, Chapter 470, Acts of the 61st
10 Legislature, Regular Session, 1969, provides that the
11 board may "promulgate" rules to govern the district.
12 The revised law substitutes "adopt" for "promulgate"
13 because, in this context, the terms are synonymous and
14 "adopt" is more commonly used.

15 Revised Law

16 Sec. 1099.106. 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 61st
21 Leg., R.S., Ch. 470, Sec. 10 (part).)

22 Source Law

23 Sec. 10. The board of directors of such district
24 shall have the power to prescribe the method and manner
25 of making purchases and expenditures by and for such
26 hospital district, and shall also be authorized to
27 prescribe all accounting and control procedures. . . .

28 Revised Law

29 Sec. 1099.107. 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. The term of the lease may
36 not exceed 25 years.

37 (c) The district may acquire equipment for use in the
38 district's hospital system and mortgage or pledge the property as

1 security for the payment of the purchase price. A contract entered
2 into under this subsection must provide that the entire obligation
3 be retired not later than the fifth anniversary of the date of the
4 contract.

5 (d) The district may sell or otherwise dispose of any
6 property, including equipment, on terms the board finds are in the
7 best interest of the district's inhabitants. (Acts 61st Leg.,
8 R.S., Ch. 470, Secs. 9 (part), 10 (part).)

9 Source Law

10 Sec. 9. The board of directors is hereby given
11 complete discretion as to the type of buildings, both
12 as to number and location, required to establish and
13 maintain an adequate hospital system. . . . The
14 district, through its board of directors, . . . may
15 lease all or part of its buildings and facilities upon
16 terms and conditions considered to be to the best
17 interest of its inhabitants, provided that in no event
18 shall any lease be for a period in excess of 25 years
19 from the date entered. The district shall be empowered
20 to sell or otherwise dispose of any property, real or
21 personal, or equipment of any nature upon terms and
22 conditions found by the board to be in the best
23 interest of its inhabitants.

24 Sec. 10. . . . The district may acquire
25 equipment for use in its hospital system and mortgage
26 or pledge the property so acquired as security for the
27 payment of the purchase price, but any such contract
28 shall provide for the entire obligation of the
29 district to be retired within five years from the date
30 of the contract. . . .

31 Revisor's Note

32 (1) Section 9, Chapter 470, Acts of the 61st
33 Legislature, Regular Session, 1969, requires the board
34 to determine the type of buildings required to
35 "establish and maintain" an adequate hospital system.
36 The revised law omits the reference to establishing
37 the hospital system as executed.

38 (2) Section 9, Chapter 470, Acts of the 61st
39 Legislature, Regular Session, 1969, refers to "terms
40 and conditions." The revised law omits "conditions"
41 because "conditions" is included in the meaning of
42 "terms."

43 (3) Section 9, Chapter 470, Acts of the 61st
44 Legislature, Regular Session, 1969, refers to "any

1 property, real or personal." The revised law omits
2 "real or personal" because Section 311.005(4),
3 Government Code (Code Construction Act), applicable to
4 the revised law, defines "property" to mean "real and
5 personal property."

6 Revised Law

7 Sec. 1099.108. EMINENT DOMAIN. (a) The district may
8 exercise the power of eminent domain to acquire a fee simple or
9 other interest in any type of property located in district
10 territory if the interest is necessary to a power, right, or
11 privilege conferred by this chapter.

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

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

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

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

22 (3) provide a bond for costs or a supersedeas bond on
23 an appeal or petition for review. (Acts 61st Leg., R.S., Ch. 470,
24 Sec. 14.)

25 Source Law

26 Sec. 14. The district shall have the right and
27 power of eminent domain for the purpose of acquiring by
28 condemnation any and all property of any kind and
29 character in fee simple, or any lesser interest
30 therein, within the boundaries of the district
31 necessary to the powers, rights and privileges
32 conferred by this Act, in the manner provided by the
33 general law with respect to condemnation by counties,
34 provided that the district shall not be required to
35 make deposits in the registry of the trial court of the
36 sum required by paragraph 2 of Article 3268, Revised
37 Civil Statutes of Texas, 1925, as amended, or to make
38 bond as therein provided. In condemnation proceedings
39 being prosecuted by the district, the district shall
40 not be required to pay in advance or give bond or other
41 security for costs in the trial court, nor to give any
42 bond otherwise required for the issuance of a
43 temporary restraining order or a temporary injunction

1 nor to give bond for costs or for supersedeas on any
2 appeal or writ of error.

3 Revisor's Note

4 (1) Section 14, Chapter 470, Acts of the 61st
5 Legislature, Regular Session, 1969, provides that the
6 district has the "right and power of eminent domain for
7 the purpose of acquiring [property] by condemnation."
8 The revised law substitutes for the quoted language
9 "may exercise the power of eminent domain to acquire
10 [property]" because the phrases have the same meaning,
11 and the latter phrase is consistent with modern usage
12 in laws relating to eminent domain.

13 (2) Section 14, Chapter 470, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that the
15 district must exercise the power of eminent domain in
16 the manner provided by "the general law with respect to
17 condemnation by counties." The revised law
18 substitutes for the quoted language a reference to
19 Chapter 21, Property Code, because that is the general
20 law governing eminent domain for governmental
21 entities, including counties.

22 (3) Section 14, Chapter 470, Acts of the 61st
23 Legislature, Regular Session, 1969, refers to
24 "paragraph 2 of Article 3268, Revised Civil Statutes
25 of Texas, 1925, as amended." Paragraph 2 was codified
26 in 1983 as Section 21.021(a), Property Code, and the
27 revised law is drafted accordingly. In addition,
28 throughout this chapter, the revised law omits "as
29 amended" because under Section 311.027, Government
30 Code (Code Construction Act), a reference to a statute
31 applies to all reenactments, revisions, or amendments
32 of the statute unless expressly provided otherwise.

33 (4) Section 14, Chapter 470, Acts of the 61st
34 Legislature, Regular Session, 1969, refers to a "writ
35 of error." The revised law substitutes "petition for

1 review" for "writ of error" because, effective
2 September 1, 1997, the Texas Supreme Court replaced
3 the writ of error procedure with the petition for
4 review procedure. See Rule 53.1, Texas Rules of
5 Appellate Procedure.

6 Revised Law

7 Sec. 1099.109. GIFTS AND ENDOWMENTS. The board may accept
8 for the district a gift or endowment to be held in trust and
9 administered by the board for the purposes and under any
10 directions, limitations, or other provisions prescribed in writing
11 by the donor that are not inconsistent with the proper management
12 and objectives of the district. (Acts 61st Leg., R.S., Ch. 470,
13 Sec. 18.)

14 Source Law

15 Sec. 18. The board of directors of the hospital
16 district is authorized on behalf of such district to
17 accept donations, gifts, and endowments to be held in
18 trust and administered by the board of directors for
19 such purposes and under such directions, limitations,
20 and provisions as may be prescribed in writing by the
21 donor not inconsistent with proper management and
22 object of the hospital district.

23 Revisor's Note

24 Section 18, Chapter 470, Acts of the 61st
25 Legislature, Regular Session, 1969, refers to
26 "donations" and "gifts." The revised law omits
27 "donations" because "donations" is included in the
28 meaning of "gifts."

29 Revised Law

30 Sec. 1099.110. CONSTRUCTION AND PURCHASE CONTRACTS. A
31 construction or purchase contract that involves the expenditure of
32 more than \$15,000 may be made only after advertising in the manner
33 provided by Chapter 252, Local Government Code. (Acts 61st Leg.,
34 R.S., Ch. 470, Sec. 10 (part).)

35 Source Law

36 Sec. 10. . . . All contracts for construction
37 or purchases involving the expenditure of more than
38 \$15,000 may be made only after advertising in the
39 manner provided by Chapter 252, Local Government
40 Code. . . .

1 Revisor's Note

2 Section 10, Chapter 470, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 provisions of Chapter 2253, Government Code, apply to
5 the district's construction contracts in relation to
6 performance and payment bonds. The revised law omits
7 the reference to Chapter 2253, Government Code,
8 because that chapter applies to the district by its own
9 terms. The omitted law reads:

10 Sec. 10. . . . The provisions of
11 Chapter 2253, Government Code, relating to
12 performance and payment bonds shall apply
13 to construction contracts let by the
14 district. . . .

15 Revised Law

16 Sec. 1099.111. OPERATING AND MANAGEMENT CONTRACTS. The
17 board may enter into an operating or management contract relating
18 to a district facility. (Acts 61st Leg., R.S., Ch. 470, Sec. 9
19 (part).)

20 Source Law

21 Sec. 9. . . . [The district, through its board
22 of directors,] is further authorized to enter into an
23 operating or management contract with regard to its
24 facilities or a part thereof, or

25 Revised Law

26 Sec. 1099.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
27 HOSPITALIZATION AND TREATMENT. (a) The board may contract with a
28 county or municipality located outside the district's boundaries
29 for the hospitalization of a sick or injured person of that county
30 or municipality.

31 (b) The board may contract with this state or a federal
32 agency for the hospital treatment of a sick or injured person.
33 (Acts 61st Leg., R.S., Ch. 470, Sec. 5 (part).)

34 Source Law

35 Sec. 5. . . . Such board . . . shall be
36 authorized to contract with any county or incorporated
37 municipality located outside its boundaries for the
38 hospitalization of the sick, diseased, or injured
39 persons of any such county or municipality, and shall
40 have the authority to contract with the State of Texas
41 or agencies of the federal government for the hospital

1 treatment of sick, diseased or injured persons. . . .

2 Revisor's Note

3 (1) Section 5, Chapter 470, Acts of the 61st
4 Legislature, Regular Session, 1969, refers to an
5 "incorporated" municipality. The revised law omits
6 "incorporated" because under the Local Government Code
7 all municipalities must be incorporated.

8 (2) Section 5, Chapter 470, Acts of the 61st
9 Legislature, Regular Session, 1969, refers to the
10 treatment of "sick, diseased, or injured persons."
11 The revised law omits "diseased" because "diseased" is
12 included in the meaning of "sick."

13 Revised Law

14 Sec. 1099.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
15 INVESTIGATORY OR OTHER SERVICES. The board may contract with
16 another political subdivision or a governmental agency for the
17 district to provide investigatory or other services for the
18 hospital or welfare needs of district inhabitants. (Acts 61st
19 Leg., R.S., Ch. 470, Sec. 5 (part).)

20 Source Law

21 Sec. 5. . . . Such board shall be authorized to
22 contract with any other political subdivision or
23 governmental agency whereby the district will provide
24 investigatory or other services as to the hospital, or
25 welfare needs of the inhabitants of the district and
26

27 Revised Law

28 Sec. 1099.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
29 When a patient who resides in the district is admitted to a district
30 facility, the district manager may have an inquiry made into the
31 circumstances of:

32 (1) the patient; and

33 (2) the patient's relatives legally liable for the
34 patient's support.

35 (b) If the district manager determines that the patient or
36 those relatives cannot pay for all or part of the patient's care and
37 treatment in the hospital, the amount that cannot be paid becomes a

1 charge against the district.

2 (c) If the district manager determines that the patient or
3 those relatives can pay for all or part of the patient's care and
4 treatment, the patient or those relatives shall be ordered to pay
5 the district a specified amount each week for the patient's care and
6 support. The amount ordered must be proportionate to their
7 financial ability.

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

12 (e) If there is a dispute as to the ability to pay, or doubt
13 in the mind of the district manager, the board shall hold a hearing
14 and, after calling witnesses, shall:

15 (1) resolve the dispute or doubt; and

16 (2) issue any appropriate orders.

17 (f) The final order of the board may be appealed to the
18 district court. The substantial evidence rule applies to the
19 appeal. (Acts 61st Leg., R.S., Ch. 470, Sec. 17.)

20 Source Law

21 Sec. 17. Whenever a patient residing within the
22 district has been admitted to the facilities thereof,
23 the administrator or manager may cause inquiry to be
24 made as to his circumstances and those of the relatives
25 of such patient legally liable for his support. If he
26 finds that such patient or said relatives are able to
27 pay for his care and treatment in whole or in part, an
28 order shall be made directing such patient or said
29 relatives to pay to the hospital district for the care
30 and support of such patient a specified sum per week in
31 proportion to their financial ability. The
32 administrator or manager shall have power and
33 authority to collect such sums from the estate of the
34 patient or his relatives legally liable for his
35 support in the manner provided by law for collection of
36 expenses in the last illness of a deceased person. If
37 the administrator or manager finds that such patient
38 or said relatives are not able to pay either in whole
39 or in part for his care and treatment in such hospital,
40 same shall become a charge upon the hospital district
41 as to the amount of the inability to pay. Should there
42 be any dispute as to the ability to pay or doubt in the
43 mind of the administrator or manager, the board of
44 directors shall hear and determine same after calling
45 witnesses, and shall make such order or orders as may
46 be proper. Appeals from the final order of the board
47 shall lie to the district court. The substantial
48 evidence rule shall apply.

1 Revised Law

2 Sec. 1099.152. PETITION TO ANNEX TERRITORY. (a) A petition
3 requesting that territory be annexed to the district may be
4 presented to the board. The petition must:

5 (1) describe the tract or tracts of land to be annexed;
6 and

7 (2) be signed by 50 or a majority of the registered
8 voters who:

9 (A) reside in the territory to be annexed; and

10 (B) own property duly rendered for taxation on
11 the applicable county tax rolls that will be subject to district
12 taxation.

13 (b) This subchapter does not prohibit simultaneous action
14 on several petitions for annexation. A ballot proposition must be
15 submitted for each different territory proposed to be annexed, and
16 an election held in each territory represented by an approved
17 petition.

18 (c) If the board receives two or more petitions for
19 annexation that include all or part of the same territory to be
20 annexed to the district, the petition filed first with the board
21 shall be considered and another petition that includes any of the
22 same territory has no effect.

23 (d) The board may consider all petitions for annexation
24 presented to it and may approve or reject each petition. The board
25 may not partly approve or partly reject any petition. (Acts 61st
26 Leg., R.S., Ch. 470, Sec. 1(a) (part).)

27 Source Law

28 Sec. 1(a) . . .

29 A petition asking that territory be annexed to
30 the district may be presented to the governing body,
31 and such petition must describe the tract or tracts
32 proposed to be annexed, and be executed by 50 or a
33 majority of the resident qualified electors of the
34 area proposed to be annexed and who own property duly
35 rendered for taxation on the county tax rolls of the
36 particular county which will be subject to hospital
37 district taxation. . . .

38 Nothing herein shall be construed as prohibiting
39 simultaneous action on several petitions, but in such
40 event, propositions shall be submitted separately in
41 the different areas proposed to be annexed, it being

1 the intent hereof to allow an election to be held
2 within each area or territory represented by a
3 petition for annexation. In the event two or more
4 petitions are presented for annexation which include
5 all or part of the same territory to be annexed to the
6 hospital district, the petition first filed with the
7 county judge shall be considered and no other petition
8 which includes any of the same territory shall be of
9 any effect for any purpose. The governing body of the
10 district may consider all petitions presented to it,
11 and approve or reject the same, it being specifically
12 provided that such a petition, if presented, may not be
13 approved in part and rejected in part. . . .

14 Revisor's Note

15 (1) Section 1(a), Chapter 470, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to a
17 petition signed by "qualified electors" of the
18 territory to be annexed. Throughout this chapter, the
19 revised law substitutes "voters" for "electors"
20 because "voter" is the term used in the Election Code.
21 In addition, the revised law substitutes "registered"
22 for "qualified" because in the context of eligibility
23 to sign a petition, Section 277.0021, Election Code,
24 provides that "qualified voter" means a "registered
25 voter."

26 (2) Section 1(a), Chapter 470, Acts of the 61st
27 Legislature, Regular Session, 1969, states that a part
28 of Section 1(a) applies to any petition presented
29 after the district has been established. The revised
30 law omits that provision as executed. The omitted law
31 reads:

32 Sec. 1(a) . . . The provisions of
33 this paragraph shall be applicable to any
34 petition or petitions presented to the
35 governing body of the district after the
36 district has been established as the result
37 of an election held under the provisions of
38 Section 3 hereof. . . .

39 (3) Section 1(a), Chapter 470, Acts of the 61st
40 Legislature, Regular Session, 1969, provides that if
41 more than one petition is filed that includes the same
42 territory, the petition first filed with the "county
43 judge" shall be considered. The revised law
44 substitutes "board" for "county judge" because other

1 provisions in Section 1(a) clearly require the
2 petitions to be presented to the governing body of the
3 district, which is the board.

4 Revised Law

5 Sec. 1099.153. ELECTION ORDER. (a) If, on receipt of a
6 petition under Section 1099.152, the board finds that annexing the
7 territory is in the district's best interest, the board shall
8 within 90 days of the board's finding:

9 (1) approve the petition; and

10 (2) order an election on the question of annexing the
11 territory to the district.

12 (b) The election order shall provide for a separate election
13 in:

14 (1) the territory proposed to be annexed; and

15 (2) the district.

16 (c) The election order shall provide for clerks as in county
17 elections and must specify:

18 (1) the date of the election;

19 (2) the location of the polling places;

20 (3) the form of ballot; and

21 (4) the presiding judge and alternate judge for each
22 polling place.

23 (d) The election order may provide that:

24 (1) the entire district is one election precinct; or

25 (2) the county election precincts be combined for the
26 election. (Acts 61st Leg., R.S., Ch. 470, Secs. 1(a) (part), 3(a)
27 (part).)

28 Source Law

29 Sec. 1(a) . . . The governing body, upon the
30 receipt of the petition, if it finds that it would be
31 in the best interest of the district, shall (within 90
32 days after such finding) approve the same and order an
33 election to determine if such property shall be
34 annexed or added to the district. The election order
35 shall provide for a separate election within the
36 territory proposed to be annexed and in the area of the
37 existing district, and

38 [The provisions of Section 3,] . . . as well as
39 the provisions thereof with respect to the time,
40 manner and holding of elections and . . . shall apply

1 to all elections held under the provisions of this
2 Section. . . .

3 Sec. 3. (a) . . . The order calling the
4 election shall specify the date, place or places of
5 holding the election, the form of ballot, the
6 presiding judge and alternate judge for each voting
7 place, and provide for clerks as in county elections.
8 The election order may provide that the entire
9 district shall constitute one election precinct or the
10 county election precincts may be combined for
11 elections. . . .

12 Revisor's Note

13 (1) Section 1(a), Chapter 470, Acts of the 61st
14 Legislature, Regular Session, 1969, states that
15 Section 3 of that act, regarding the qualifications of
16 voters in the election provided for in that section,
17 applies to all elections held under Section 1(a).
18 Section 3, Chapter 470, Acts of the 61st Legislature,
19 Regular Session, 1969, refers to voting by "qualified
20 property taxpaying electors." (See omitted source law
21 under the revisor's note to the end of Subchapter A of
22 this chapter.) 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. The revised law
28 also omits the reference to "property taxpaying"
29 electors because in Hill v. Stone, 421 U.S. 289 (1975),
30 the United States Supreme Court determined that
31 property ownership as a qualification for voting is an
32 unconstitutional denial of equal protection. The
33 omitted law reads:

34 Sec. 1(a) . . . [The provisions of
35 Section 3,] with respect to the
36 qualifications of voters in the election
37 therein provided, . . . [shall apply to all
38 elections held under the provisions of this
39 Section.] . . .

40 (2) Section 1(a), Chapter 470, Acts of the 61st
41 Legislature, Regular Session, 1969, states that
42 Section 3 of that act, regarding the date of the

1 election provided for in that section, applies to all
2 elections held under Section 1(a). Section 3(a),
3 Chapter 470, Acts of the 61st Legislature, Regular
4 Session, 1969, states that the election must be held
5 not less than 35 nor more than 60 days after the date
6 the election is ordered. The revised law omits the
7 provision as superseded by Section 3.005, Election
8 Code, applicable to the district under Section 1.002,
9 Election Code. Section 3.005, as amended by Chapter
10 925, Acts of the 78th Legislature, Regular Session,
11 2003, requires an election order issued by the
12 authority of a political subdivision to be issued not
13 later than the 62nd, 71st, or 78th day before election
14 day, depending on when the election is held, and
15 provides that Section 3.005 supersedes a law outside
16 the Election Code to the extent of any conflict. The
17 omitted law reads:

18 (a) . . . Such election shall be
19 held not less than 35 nor more than 60 days
20 from the date the election is
21 ordered. . . .

22 Revised Law

23 Sec. 1099.154. BALLOT. The ballot for the election shall be
24 printed to permit voting for or against the proposition: "The
25 establishment of the Hospital District with extended boundaries and
26 establishment of a hospital district tax at a rate not to exceed 40
27 cents on the \$100 valuation." (Acts 61st Leg., R.S., Ch. 470, Sec.
28 1(a) (part).)

29 Source Law

30 Sec. 1(a) . . . the proposition submitted in
31 both areas shall be "FOR" and "AGAINST" the following
32 ballot proposition: "The establishment of the Hospital
33 District with extended boundaries and establishing a
34 hospital district tax of not to exceed 40 cents on the
35 \$100 valuation." . . .

36 Revised Law

37 Sec. 1099.155. NOTICE OF ELECTION. (a) Notice of the
38 election shall be given by publishing once a week for two

1 consecutive weeks a substantial copy of the election order in a
2 newspaper or newspapers that individually or collectively have
3 general circulation in the county or district.

4 (b) The first publication must appear at least 30 days
5 before the date of the election. (Acts 61st Leg., R.S., Ch. 470,
6 Secs. 1(a) (part), 3(a) (part).)

7 Source Law

8 Sec. 1(a) . . . The provisions of Section 3,
9 . . . with respect to [the time, manner and holding of
10 elections and] giving notice thereof, shall apply to
11 all elections held under the provisions of this
12 Section. . . .

13 Sec. 3. (a) . . . Notice of election shall be
14 given by publishing a substantial copy of the election
15 order in a newspaper or newspapers which individually
16 or collectively provide general circulation in the
17 county or district once a week for two consecutive
18 weeks, the first publication to appear at least 30 days
19 prior to the date established for the election. . . .

20 Revised Law

21 Sec. 1099.156. ELECTION RESULTS. (a) Territory may not be
22 annexed to the district unless:

23 (1) an election is held in accordance with this
24 subchapter; and

25 (2) the annexation is approved by a majority of the
26 voters voting in the election in:

27 (A) the district; and

28 (B) the territory proposed to be annexed.

29 (b) If the territory is annexed to the district, a certified
30 copy of the order canvassing the returns of the election shall be
31 filed and recorded in the deed records.

32 (c) The failure of an election under this subchapter does
33 not prohibit subsequent elections for the same purpose. A
34 confirmation election may not be held under this subchapter before
35 the first anniversary of the date of an election previously held
36 under this subchapter. (Acts 61st Leg., R.S., Ch. 470, Secs. 1(a)
37 (part), 3(a) (part).)

38 Source Law

39 Sec. 1(a) . . . No territory shall be annexed or
40 added to the district unless (i) an election is held

1 under the provisions of this Section, and (ii) a
2 majority of the electorate participating in the
3 election within the area of the district as then
4 established, or the area of the proposed district as
5 set forth in Section 1, as well as a majority of the
6 electorate participating in the election within the
7 territory proposed to be annexed, shall sustain the
8 propositions submitted. . . .

9 In the event territory is annexed to the district
10 under the provisions hereof, a certified copy of the
11 order canvassing the returns of the election shall be
12 filed and recorded in the said deed records. . . .

13 Sec. 3. (a) . . . The failure of such election
14 shall not operate to prohibit the calling and holding
15 of subsequent elections for the same purpose;
16 provided, however, that no district election for
17 confirmation can be held within 12 months of any
18 preceding district election for confirmation, and,
19

20 Revised Law

21 Sec. 1099.157. EFFECT OF ANNEXATION. (a) Territory
22 annexed to the district is part of the board for all purposes.

23 (b) The annexation of territory to the district does not
24 change the manner in which the board or board officers are selected.

25 (Acts 61st Leg., R.S., Ch. 470, Sec. 1(a) (part).)

26 Source Law

27 Sec. 1(a) . . . In the event territory is
28 annexed to the district, it shall thereafter be a part
29 thereof for all purposes, but the annexation thereof
30 shall not change or vary the manner in which the
31 governing body or officers of the district is or are
32 selected.

33 Revisor's Note

34 (End of Subchapter)

35 Section 1(a), Chapter 470, Acts of the 61st
36 Legislature, Regular Session, 1969, provides an
37 alternative procedure for an election on annexations
38 to the district if the district has not been
39 established. Because the district has been
40 established, the revised law omits the provision. The
41 omitted law reads:

42 Sec. 1(a) . . . In the event the
43 Stratford Hospital District has not been
44 established as the result of an election
45 pursuant to the provisions of Section 3, a
46 petition conforming to the foregoing
47 requirements may be submitted to the County
48 Judge of Sherman County, and the county
49 judge, if he orders an election on the
50 proposition on whether the Stratford
51 Hospital District shall be created within

1 12 months after the receipt of the petition,
2 shall also order a separate election held
3 within the area proposed to be annexed to
4 the district, and in the area described in
5 Section 1, and the proposition to be
6 submitted in both areas shall be "FOR" and
7 "AGAINST" the following ballot proposition:
8 "The annexation to the Stratford Hospital
9 District (in the event the same is
10 established) with a hospital district tax
11 of not to exceed 40 cents on the \$100
12 valuation." The proposition so submitted in
13 the area described in Section 1 shall be in
14 addition to the proposition as set forth in
15 Section 3 of this Act. If the proposition on
16 the creation of the district (as prescribed
17 in Section 3) is sustained by a majority
18 vote, the district shall be established
19 irrespective of the result of the
20 annexation election held under the
21 provisions of this Section. . . .

22 [Sections 1099.158-1099.200 reserved for expansion]

23 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

24 Revised Law

25 Sec. 1099.201. BUDGET. (a) The district manager shall
26 prepare an annual budget for approval by the board.

27 (b) The proposed budget must contain a complete financial
28 statement of:

- 29 (1) the outstanding obligations of the district;
- 30 (2) the cash on hand to the credit of each district
31 fund;
- 32 (3) the money received by the district from all
33 sources during the previous year;
- 34 (4) the money available to the district from all
35 sources during the ensuing year;
- 36 (5) the balances expected at the end of the year in
37 which the budget is being prepared;
- 38 (6) the estimated revenue and balances available to
39 cover the proposed budget;
- 40 (7) the estimated tax rate required; and
- 41 (8) the proposed expenditures and disbursements and
42 the estimated receipts and collections for the following fiscal
43 year. (Acts 61st Leg., R.S., Ch. 470, Sec. 6 (part).)

44 Source Law

45 Sec. 6. . . . The administrator or manager

1 shall prepare an annual budget for approval by the
2 board of directors. The budget shall also contain a
3 complete financial statement of the district showing
4 all outstanding obligations of the district, the cash
5 on hand to the credit of each and every fund of the
6 district, the funds received from all sources during
7 the previous year, the funds available from all
8 sources during the ensuing year, with balances
9 expected at end of the year in which the budget is
10 being prepared, and estimated revenues and balances
11 available to cover the proposed budget and the
12 estimated tax rate which will be required, and the
13 proposed expenditures and disbursements and the
14 estimated receipts and collections for the following
15 fiscal year. . . .

16 Revised Law

17 Sec. 1099.202. NOTICE; HEARING; APPROVAL OF BUDGET.

18 (a) The board shall hold a public hearing on the annual budget.

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

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

25 (d) At the conclusion of the hearing, the board shall act on
26 the budget proposed by the district manager. The board may make any
27 changes in the proposed budget that the board judges to be in the
28 interests of the taxpayers and the law warrants. The board must
29 approve the annual budget. (Acts 61st Leg., R.S., Ch. 470, Sec. 6
30 (part).)

31 Source Law

32 Sec. 6. . . . A public hearing on the annual
33 budget shall be held by the board of directors after
34 notice of such hearing has been published one time at
35 least 10 days before the date set therefor. Notice of
36 the budget hearing shall be published in a newspaper or
37 newspapers which individually or collectively provide
38 general circulation in the hospital district. Any
39 property taxpayer of the district shall have the right
40 to be present and participate in said hearing. At the
41 conclusion of the hearing, the budget, as proposed by
42 the administrator, shall be acted upon by the board of
43 directors. The board of directors shall have authority
44 to make such changes in the budget as in their judgment
45 the law warrants and the interest of the taxpayers
46 demand. . . . the annual budget, and . . . shall be
47 approved by the board of directors. . . .

48 Revised Law

49 Sec. 1099.203. AMENDMENTS TO BUDGET. The budget may be

1 amended as required by circumstances. The board must approve all
2 amendments. (Acts 61st Leg., R.S., Ch. 470, Sec. 6 (part).)

3 Source Law

4 Sec. 6. . . . The annual budget may be amended
5 from time to time as the circumstances may require, but
6 . . . all amendments thereto, [shall be approved by
7 the board of directors.] . . .

8 Revisor's Note

9 Section 6, Chapter 470, Acts of the 61st
10 Legislature, Regular Session, 1969, states that the
11 budget may be amended "from time to time." The revised
12 law omits the quoted language because the authority to
13 take an action implies the authority to do so at any
14 time.

15 Revised Law

16 Sec. 1099.204. RESTRICTION ON EXPENDITURES. Money may be
17 spent only for an expense included in the budget or an amendment to
18 the budget. (Acts 61st Leg., R.S., Ch. 470, Sec. 6 (part).)

19 Source Law

20 Sec. 6. . . . No expenditure may be made for any
21 expense not included in the annual budget or an
22 amendment thereto. . . .

23 Revised Law

24 Sec. 1099.205. FISCAL YEAR. The district shall operate on a
25 fiscal year that begins on September 1 and ends on August 31. (Acts
26 61st Leg., R.S., Ch. 470, Sec. 6 (part).)

27 Source Law

28 Sec. 6. The district shall be operated on the
29 basis of a fiscal year commencing on September 1 of
30 each year and ending on August 31 of the following
31 year, and

32 Revised Law

33 Sec. 1099.206. AUDIT. (a) The district shall have an
34 independent audit made of the district's financial condition for
35 each fiscal year.

36 (b) As soon as the audit is completed, the audit shall be
37 filed at the district's office. (Acts 61st Leg., R.S., Ch. 470,
38 Sec. 6 (part).)

1 deposit.

2 (c) This chapter, including Subsection (b), does not limit
3 the power of the board to:

4 (1) place a part of district money on time deposit; or

5 (2) purchase certificates of deposit. (Acts 61st
6 Leg., R.S., Ch. 470, Sec. 11.)

7 Source Law

8 Sec. 11. The board of directors of the district
9 shall name one or more banks within its boundaries to
10 serve as depository for the funds of the district. All
11 funds of the district, except those invested as
12 provided in Section 5, and those transmitted to a bank
13 or banks as payment for bonds or obligations issued by
14 the district, shall be deposited as received with the
15 depository bank and shall remain on deposit, provided
16 that nothing herein shall limit the power of the board
17 to place a portion of such funds on time deposit or
18 purchase certificates of deposit.

19 Revised Law

20 Sec. 1099.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)
21 Except as otherwise provided by Section 1099.107(c) and by
22 Subchapter F, the district may not incur an obligation payable from
23 district revenue other than the revenue on hand or to be on hand in
24 the current and following district fiscal years.

25 (b) The board may invest operating, depreciation, or
26 building reserves only in funds or securities specified by Chapter
27 2256, Government Code. (Acts 61st Leg., R.S., Ch. 470, Secs. 5
28 (part), 10 (part).)

29 Source Law

30 Sec. 5. . . . in no event shall any operating,
31 depreciation or building fund reserves be invested in
32 any funds or securities other than those specified in
33 Articles 836 or 837, Revised Civil Statutes of Texas,
34 1925, as amended. . . .

35 Sec. 10. . . . Except as permitted in the
36 preceding sentence and as permitted by Sections 7 and
37 8, the district may incur no obligation payable from
38 any revenues of the district, taxes or otherwise
39 except those on hand or to be on hand within the then
40 current and following fiscal year of the district.

41 Revisor's Note

42 (1) Section 5, Chapter 470, Acts of the 61st
43 Legislature, Regular Session, 1969, refers to
44 "Articles 836 or 837, Revised Civil Statutes of Texas,

1 1925, as amended." Those articles were impliedly
2 repealed by the enactment of the Public Funds
3 Investment Act of 1987 (Article 842a-2, Vernon's Texas
4 Civil Statutes), which was revised in 1993 as Chapter
5 2256, Government Code. Chapter 2256 defines "local
6 government" to include hospital districts and applies
7 to the district by its own terms. The revised law
8 therefore substitutes a reference to Chapter 2256,
9 Government Code, for the reference to Articles 836 and
10 837.

11 (2) Section 10, Chapter 470, 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," the district may not
15 incur certain obligations. The "preceding sentence"
16 in Section 10 is revised in Section 1099.107(c).
17 Sections 7 and 8 are revised in Subchapter F of this
18 chapter. The revised law is drafted accordingly.

19 [Sections 1099.211-1099.250 reserved for expansion]

20 SUBCHAPTER F. BONDS

21 Revised Law

22 Sec. 1099.251. GENERAL OBLIGATION BONDS. The board may
23 issue and sell general obligation bonds in the name and on the faith
24 and credit of the district for any purpose relating to the purchase,
25 construction, acquisition, repair, or renovation of buildings or
26 improvements and equipping the buildings or improvements for
27 hospital purposes. (Acts 61st Leg., R.S., Ch. 470, Sec. 7(a)
28 (part).)

29 Source Law

30 Sec. 7. (a) The board of directors shall have
31 the power and authority to issue and sell its bonds in
32 the name and upon the faith and credit of such hospital
33 district for the purchase, construction, acquisition,
34 repair, or renovation of buildings, and improvements
35 and equipping the same for hospital purposes, and for
36 any or all of such purposes. . . .

1 Revisor's Note

2 Section 7(a), Chapter 470, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 board may issue and sell bonds in the name and on the
5 faith and credit of the district. Because the type of
6 bonds described by Section 7(a) are known as "general
7 obligation bonds," the revised law is drafted
8 accordingly.

9 Revised Law

10 Sec. 1099.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
11 the time general obligation bonds are issued by the district, the
12 board shall impose an ad valorem tax at a rate sufficient to create
13 an interest and sinking fund to pay the principal of and interest on
14 the bonds as the bonds mature.

15 (b) The tax required by this section together with any other
16 ad valorem tax imposed for the district may not exceed the tax rate
17 approved by the voters at the election authorizing the imposition
18 of the tax. (Acts 61st Leg., R.S., Ch. 470, Sec. 7(a) (part).)

19 Source Law

20 (a) . . . At the time of the issuances of any
21 bonds by the district a tax shall be levied by the
22 board sufficient to create an interest and sinking
23 fund to pay the interest on and principal of said bonds
24 as same mature, providing such tax, together with any
25 other taxes levied for said district, shall not exceed
26 the rate of tax voted under the provisions of Section 3
27 of this Act. . . .

28 Revisor's Note

29 (1) Section 7(a), Chapter 470, Acts of the 61st
30 Legislature, Regular Session, 1969, requires the
31 district to impose a tax to pay the principal of and
32 interest on bonds. The revised law specifies that the
33 tax is an "ad valorem" tax because it is clear from the
34 source law that the tax is a property tax. Section
35 1(b), Article VIII, Texas Constitution, requires all
36 property that is taxed to be taxed in proportion to its
37 value, and accordingly "ad valorem" tax is the term
38 most commonly used in Texas law to refer to a property

1 tax.

2 (2) Section 7(a), Chapter 470, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 tax rate may not exceed "the rate of tax voted under
5 the provisions of Section 3 of this Act." Section 3
6 sets out procedures for the district's creation
7 election and requires voter approval of the district's
8 authority to impose taxes. Because the revised law
9 omits Section 3 for the reason stated in the revisor's
10 note to the end of Subchapter A, the revised law
11 substitutes "the tax rate approved by the voters at the
12 election authorizing the imposition of the tax" for
13 the quoted language.

14 Revised Law

15 Sec. 1099.253. GENERAL OBLIGATION BOND ELECTION. (a) The
16 district may issue general obligation bonds only if the bonds are
17 authorized by a majority of the district voters voting at an
18 election held for that purpose.

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

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the presiding and alternate election judges for
24 each polling place;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum interest rate of the bonds.

27 (c) Notice of a bond election shall be given as provided by
28 Section 1251.003, Government Code. (Acts 61st Leg., R.S., Ch. 470,
29 Sec. 7(a) (part).)

30 Source Law

31 (a) . . . No bonds shall be issued by such
32 hospital district . . . until authorized by a majority
33 of the qualified property taxpaying electors of the
34 district voting at an election called for such
35 purpose. The order for bond election shall specify the
36 date of the election, the amount of bonds to be
37 authorized, the maximum rate of interest they are to
38 bear, the place or places where the election shall be

1 held, the presiding judge and alternate judge for each
2 voting place, and provide for clerks as in county
3 elections. . . . notice of any bond election shall be
4 given as provided in Article 704, Revised Civil
5 Statutes of Texas, 1925, as amended, and shall be
6 conducted in accordance with the general laws of Texas
7 pertaining to general elections, except as modified by
8 the provisions of this Act.

9 Revisor's Note

10 (1) Section 7(a), Chapter 470, Acts of the 61st
11 Legislature, Regular Session, 1969, refers to a
12 majority vote of the "qualified property taxpaying"
13 voters. The revised law omits the quoted language for
14 the reason stated in Revisor's Note (1) to Section
15 1099.153.

16 (2) Section 7(a), Chapter 470, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that
18 notice of a bond election under Section 7(b) must be
19 given as provided by Section 3. As explained in the
20 revisor's note to the end of Subchapter A, Sections 3
21 and 7(b), Chapter 470, are executed. The revised law
22 therefore omits the provision. The omitted law reads:

23 (a) . . . Except as to a bond
24 election held pursuant to the provisions of
25 Subsection (b) of this section, where
26 notice shall be given as provided in Section
27 3,

28 (3) Section 7(a), Chapter 470, Acts of the 61st
29 Legislature, Regular Session, 1969, refers to Article
30 704, Revised Statutes, which specifies certain notice
31 requirements for a bond election. That provision was
32 codified in 1999 as Section 1251.003, Government Code.
33 The revised law is drafted accordingly.

34 (4) Section 7(a), Chapter 470, Acts of the 61st
35 Legislature, Regular Session, 1969, provides that an
36 election under Section 7 "shall be conducted in
37 accordance with the general laws of Texas pertaining
38 to general elections, except as modified by the
39 provisions of this Act." The general law on elections
40 in Texas is the Election Code. The revised law omits

1 the quoted language 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.

6 Revised Law

7 Sec. 1099.254. MATURITY OF GENERAL OBLIGATION BONDS.
8 District general obligation bonds must mature not later than 40
9 years after the date of issuance. (Acts 61st Leg., R.S., Ch. 470,
10 Sec. 7(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. 1099.255. EXECUTION OF GENERAL OBLIGATION BONDS. The
16 board president shall execute the general obligation bonds in the
17 district's name and the board secretary shall countersign the bonds
18 in the manner provided by Chapter 618, Government Code. (Acts 61st
19 Leg., R.S., Ch. 470, Sec. 7(d) (part).)

20 Source Law

21 (d) [Bonds of the district] . . . shall be
22 executed in the name of the hospital district and in
23 its behalf by the president of the board and
24 countersigned by the secretary in the manner provided
25 by Chapter 204, Acts of the 57th Legislature, Regular
26 Session, 1961, as amended (Article 717j-1, Vernon's
27 Texas Civil Statutes), and

28 Revisor's Note

29 (1) Section 7(d), Chapter 470, Acts of the 61st
30 Legislature, Regular Session, 1969, refers to Chapter
31 204, Acts of the 57th Legislature, Regular Session,
32 1961, as amended (Article 717j-1, Vernon's Texas Civil
33 Statutes). That statute was codified in 1999 as
34 Chapter 618, Government Code, and the revised law is
35 drafted accordingly.

36 (2) Section 7(d), Chapter 470, Acts of the 61st
37 Legislature, Regular Session, 1969, provides in part
38 that district bonds must bear interest at a rate not to

1 exceed six and one-half percent a year. The revised
2 law omits that provision because it has been
3 superseded by the enactment of the maximum interest
4 rate provision found in Section 1204.006, Government
5 Code. That section reflects the 1981 amendment of
6 Chapter 3, Acts of the 61st Legislature, Regular
7 Session, 1969 (Article 717k-2, Vernon's Texas Civil
8 Statutes, now Chapter 1204, Government Code), by
9 Section 1, Chapter 61, Acts of the 67th Legislature,
10 Regular Session, 1981, and permits a public agency,
11 including a hospital district, to issue public
12 securities at any net effective interest rate of 15
13 percent or less. Section 1204.006, Government Code,
14 applies to district bonds by application of Section
15 1204.001, Government Code. The omitted law reads:

16 (d) [Bonds of the district] shall
17 bear interest not to exceed six and one-half
18 percent a year,

19 (3) Section 7(d), Chapter 470, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that
21 district bonds are subject to the law governing
22 counties that relates to bond approval by the attorney
23 general and registration of the bonds by the
24 comptroller. Section 7(d) also provides that after
25 approval and registration the bonds are "incontestable
26 for any cause." The revised law omits those provisions
27 as superseded by Chapter 1202, Government Code
28 (enacted as Article 3, Chapter 53, Acts of the 70th
29 Legislature, 2nd Called Session, 1987). Section
30 1202.003(a), Government Code, requires bonds to be
31 submitted to the attorney general. Section
32 1202.003(b), Government Code, provides for approval of
33 the bonds by the attorney general and requires the
34 attorney general to submit the approved bonds to the
35 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 (d) [Bonds of the district] . . .
9 shall be subject to the same requirements in
10 the manner of approval by the Attorney
11 General of Texas and registration by the
12 Comptroller of Public Accounts of the State
13 of Texas as are by law provided for approval
14 and registration of bonds issued by
15 counties. Upon the approval of such bonds
16 by the attorney general and registration by
17 the comptroller, the same shall be
18 incontestable for any cause.

19 Revised Law

20 Sec. 1099.256. 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 district 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 61st Leg., R.S., Ch. 470, Sec. 8 (part).)

35 Source Law

36 Sec. 8. In addition to the power to issue bonds
37 payable from taxes levied by the district, as
38 contemplated by the preceding section, 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
43 for acquiring sites therefor, such bonds to be payable

1 from and secured by a pledge of all or any part of the
2 revenues of the district to be derived from the
3 operation of its hospital or hospitals, and such bonds
4 may be additionally secured by a mortgage or deed of
5 trust lien on any part or all of its properties. Such
6 bonds shall be issued in the manner and in accordance
7 with the procedures and requirements specified for the
8 issuance of revenue bonds by county hospital
9 authorities in Sections 8, 10, 11, 12, and 13 of
10 Chapter 122, Acts of the 58th Legislature, 1963
11 (Article 4494r, Vernon's Texas Civil Statutes).

12 Revisor's Note

13 Section 8, Chapter 470, Acts of the 61st
14 Legislature, Regular Session, 1969, refers to Sections
15 8, 10, 11, 12, and 13 of Chapter 122, Acts of the 58th
16 Legislature, 1963 (Article 4494r, Vernon's Texas Civil
17 Statutes). Those provisions were codified in 1989 as
18 Sections 264.042, 264.043, 264.046, 264.047, 264.048,
19 and 264.049, Health and Safety Code. The revised law
20 is drafted accordingly.

21 Revised Law

22 Sec. 1099.257. REFUNDING BONDS. (a) The board may, without
23 an election, issue refunding bonds to refund outstanding
24 indebtedness issued by the district.

25 (b) A refunding bond may be:

26 (1) sold, with the proceeds of the refunding bond
27 applied to the payment of outstanding indebtedness; or

28 (2) exchanged wholly or partly for not less than a
29 similar principal amount of the outstanding indebtedness. (Acts
30 61st Leg., R.S., Ch. 470, Secs. 7(a) (part), (c) (part), 8 (part).)

31 Source Law

32 Sec. 7. (a) . . . [No bonds shall be issued by
33 such hospital district] except refunding bonds [until
34 authorized by a majority of the qualified property
35 taxpaying electors of the district voting at an
36 election called for such purpose.] . . .

37 (c) Refunding bonds of the district may be
38 issued for the purpose of refunding and paying off any
39 outstanding indebtedness issued. Such refunding bonds
40 may be sold and the proceeds therefrom applied to the
41 payment of outstanding indebtedness, or may be
42 exchanged in whole or in part for not less than a like
43 principal amount of such outstanding indebtedness
44

45 Sec. 8. . . . [the board of directors is further
46 authorized] . . . to refund any previously issued

1 [revenue bonds]

2 Revisor's Note

3 (1) Section 7(c), Chapter 470, Acts of the 61st
4 Legislature, Regular Session, 1969, provides that the
5 refunding bonds must bear interest at the same or a
6 lower rate than the rate of the debt refunded unless a
7 savings is shown. The revised law omits that provision
8 for the reason stated in Revisor's Note (2) to Section
9 1099.255. The omitted law reads:

10 (c) . . . provided that, if refunding
11 bonds are to be exchanged for a like amount
12 of said outstanding indebtedness, such
13 refunding bonds shall bear interest at the
14 same or lower rate than borne by the debt
15 refunded, unless it is shown mathematically
16 that a saving will result in the total
17 amount of interest to be paid on said
18 refunding bonds, and

19 (2) Section 7(c), Chapter 470, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that
21 refunding bonds sold to pay outstanding indebtedness
22 must be issued and payments made in the manner
23 specified by Chapter 503, Acts of the 54th
24 Legislature, Regular Session, 1955, as amended
25 (Article 717k, Vernon's Texas Civil Statutes).
26 Article 717k was codified as part of Chapter 1207,
27 Government Code. The revised law omits the provision
28 because Chapter 1207, Government Code, applies to the
29 district by its own terms under Section 1207.001,
30 Government Code. The omitted law reads:

31 (c) . . . provided further that if
32 such refunding bonds are to be sold and the
33 proceeds thereof applied to the payment of
34 any such outstanding indebtedness, same
35 shall be issued and payments made in the
36 manner specified by Chapter 503, Acts of the
37 54th Legislature, Regular Session, 1955, as
38 amended (Article 717k, Vernon's Texas Civil
39 Statutes).

40 Revised Law

41 Sec. 1099.258. BONDS EXEMPT FROM TAXATION. The following
42 are exempt from taxation by this state or a political subdivision of
43 this state:

- 1 (1) any bonds issued by the district;
2 (2) the transfer and issuance of the bonds; and
3 (3) any profits made in the sale of the bonds. (Acts
4 61st Leg., R.S., Ch. 470, Sec. 21 (part).)

5 Source Law

6 Sec. 21. . . . any bonds issued by it and their
7 transfer and the issuance therefrom, including any
8 profits made in the sale thereof, shall at all times be
9 free from taxation by the state or any municipality or
10 political subdivision thereof.

11 Revisor's Note
12 (End of Subchapter)

13 (1) Section 13, Chapter 470, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that
15 district bonds are legal and authorized investments
16 for certain entities. The revised law omits the
17 provision as unnecessary. As to several of the
18 entities listed, Section 13 has been superseded and
19 impliedly repealed. Investments in securities by
20 banks are regulated by Section 34.101, Finance Code
21 (enacted in 1995 as Section 5.101, Texas Banking Act
22 (Article 342-5.101, Vernon's Texas Civil Statutes)).
23 Investments in securities by savings banks are
24 regulated by Section 93.001(c)(10), Finance Code
25 (enacted in 1993 as Section 7.15(10), Texas Savings
26 Bank Act (Article 489e, Vernon's Texas Civil
27 Statutes)). Investments in securities by trust
28 companies are regulated by Section 184.101, Finance
29 Code (enacted in 1997 as Section 5.101, Texas Trust
30 Company Act (Article 342a-5.101, Vernon's Texas Civil
31 Statutes)). Investments in securities by savings and
32 loan associations are regulated by Sections 63.002 and
33 64.001, Finance Code. As to the remaining entities
34 listed, Section 13 is superseded by Section 1201.041,
35 Government Code, enacted as Section 9, Bond Procedures
36 Act of 1981 (Article 717k-6, Vernon's Texas Civil
37 Statutes). Section 1201.041, Government Code, applies

1 to district bonds by application of Section 1201.002,
2 Government Code. The revised law omits the reference
3 to public funds of this state because it has been
4 superseded by Section 404.024, Government Code
5 (enacted in 1985 as Section 2.014, Treasury Act
6 (Article 4393-1, Vernon's Texas Civil Statutes)),
7 which governs the investment of state funds. Section
8 404.024(b)(10), Government Code, authorizes the
9 investment of state funds in obligations of political
10 subdivisions, including hospital districts. The
11 revised law omits the reference to public funds of
12 political subdivisions or public agencies of the state
13 because it has been superseded by Chapter 2256,
14 Government Code (enacted in 1987 as the Public Funds
15 Investment Act of 1987 (Article 842a-2, Vernon's Texas
16 Civil Statutes)), which governs the investment of
17 local funds. The omitted law reads:

18 Sec. 13. All bonds issued hereunder
19 by the district shall be and are hereby
20 declared to be legal and authorized
21 investments of banks, savings banks, trust
22 companies, building and loan associations,
23 savings and loan associations, insurance
24 companies, trustees, and sinking funds of
25 cities, towns, villages, counties, school
26 districts, or other political subdivisions
27 of the State of Texas, and for all public
28 funds of the State of Texas or its agencies
29 including the state permanent school
30 fund. . . .

31 (2) Section 13, Chapter 470, Acts of the 61st
32 Legislature, Regular Session, 1969, provides that
33 district bonds and indebtedness may secure deposits of
34 public funds of this state or political subdivisions
35 of this state. The revised law omits the provisions as
36 impliedly repealed by Section 404.0221, Government
37 Code (enacted in 1995), which lists eligible
38 collateral for deposits of state funds by the
39 comptroller, and by Chapter 2257, Government Code
40 (enacted in 1989 as Article 2529d, Vernon's Texas Civil

1 providing for the operation and maintenance of the
2 hospital district and hospital system; and (3) for the
3 purpose of making further improvements and additions
4 to the hospital system, and for the acquisition of
5 necessary sites therefor by purchase, lease or
6 condemnation. . . .

7 Revised Law

8 Sec. 1099.302. TAX RATE. (a) The board may impose the tax
9 at a rate not to exceed 40 cents on each \$100 valuation of taxable
10 property in the district.

11 (b) In setting the tax rate, the board shall consider the
12 income of the district from sources other than taxation. (Acts 61st
13 Leg., R.S., Ch. 470, Secs. 3(b) (part), 12 (part).)

14 Source Law

15 [Sec. 3]

16 (b) . . . [the hospital district shall be
17 created with authority to levy annual taxes] at a rate
18 not to exceed 40 cents on the \$100 valuation [of
19 taxable property situated within the district subject
20 to hospital district taxation]

21 Sec. 12. [The board of directors shall annually
22 levy a tax] of not to exceed the amount hereinabove
23 permitted In setting such tax rate the board
24 shall take into consideration the income of the
25 district from sources other than taxation. . . .

26 Revisor's Note

27 Section 12, Chapter 470, Acts of the 61st
28 Legislature, Regular Session, 1969, requires the board
29 to levy the tax and to certify the tax rate to the tax
30 assessor-collector. The revised law omits that
31 provision because Section 26.05(a), Tax Code, requires
32 the governing body of a taxing unit to adopt a tax rate
33 for the current tax year and to notify the tax assessor
34 for the taxing unit of that rate. The omitted law
35 reads:

36 Sec. 12. . . . Upon determination of
37 the amount of tax required to be levied, the
38 board shall make such levy and certify the
39 same to the tax assessor-collector of said
40 district.

41 Revised Law

42 Sec. 1099.303. ASSESSMENT AND COLLECTION BY COUNTY TAX
43 ASSESSOR-COLLECTOR. Unless the board by majority vote elects to
44 have taxes assessed and collected under Section 1099.304, the tax

1 assessor-collector of the county in which the district is located
2 shall assess and collect taxes imposed by and for the district.
3 (Acts 61st Leg., R.S., Ch. 470, Sec. 15 (part).)

4 Source Law

5 Sec. 15. . . . unless the directors, by
6 majority vote, elect to have taxes assessed and
7 collected by its own tax assessor-collector under
8 Subsection (2) hereof. . . .

9 (1) Under this subsection, The
10 tax assessor-collector of the county in which said
11 district is situated shall be charged and required to
12 accomplish the assessment and collection of all taxes
13 levied by and on behalf of the district. . . .

14 Revisor's Note

15 (1) Section 15, Chapter 470, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to the
17 assessment and collection of district taxes on county
18 tax values in the same manner as county taxes. The
19 revised law omits those provisions because they were
20 repealed by Section 6(b), Chapter 841, Acts of the 66th
21 Legislature, Regular Session, 1979, which repealed all
22 "general, local, and special laws" that conflicted
23 with that act. The 1979 act enacted the Property Tax
24 Code (Title 1, Tax Code), a comprehensive, substantive
25 codification of property tax law. Title 1, Tax Code,
26 provides the exclusive procedures for the imposition
27 and collection of property taxes by a taxing unit,
28 including a hospital district. The omitted law reads:

29 Sec. 15. . . . All taxes of the
30 district shall be assessed and collected on
31 county tax values as provided in Subsection
32 (1) hereof

33 (1) . . . district taxes shall
34 be assessed and collected on county tax
35 values in the same manner as provided by law
36 with relation to county taxes. . . .

37 (2) Section 15(1), Chapter 470, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that the
39 tax assessor-collector shall charge a fee for the
40 assessment and collection of district taxes. The
41 revised law omits that provision because it was
42 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 (1) . . . The
7 assessor-collector of taxes shall charge
8 and deduct from payments to the hospital
9 district an amount as fees for assessing and
10 collecting the taxes at a rate of not
11 exceeding two percent of the amounts
12 collected as may be determined by the board
13 of directors, but in no event shall the
14 amount paid exceed \$5,000 in any one
15 calendar year. Such fees shall be deposited
16 in the officers salary fund of the county
17 and reported as fees of office of the county
18 tax assessor-collector. . . .

19 (3) Section 15(1), Chapter 470, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that
21 interest and penalties on district taxes and discounts
22 are the same as for county taxes. The revised law
23 omits that provision because it was repealed by
24 Section 6(b), Chapter 841, Acts of the 66th
25 Legislature, Regular Session, 1979. See Revisor's
26 Note (1). Chapter 33, Tax Code, provides for penalties
27 and interest on delinquent taxes, and Section 31.05,
28 Tax Code, provides for local option discounts on the
29 early payment of taxes. The omitted law reads:

30 (1) . . . Interest and
31 penalties on taxes paid to the hospital
32 district shall be the same as in the case of
33 county taxes. Discounts shall be the same
34 as allowed by the county. . . .

35 (4) Section 15(1), Chapter 470, Acts of the 61st
36 Legislature, Regular Session, 1969, 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 collector for a taxing unit to deposit taxes collected
41 in the unit's depository. The omitted law reads:

42 (1) . . . The residue of tax
43 collections after deduction of discounts

1 and fees for assessing and collecting shall
2 be deposited in the district's
3 depository. . . .

4 (5) Section 15(1), Chapter 470, Acts of the 61st
5 Legislature, Regular Session, 1969, provides that the
6 bond of the county tax assessor-collector is security
7 for the performance of district duties unless the
8 board determines that an additional bond is necessary.
9 The revised law omits that provision because it
10 duplicates Section 6.29(b), Tax Code, which authorizes
11 a taxing unit for which the county tax
12 assessor-collector collects a tax to require that
13 collector to post an additional bond. The omitted law
14 reads:

15 (1) . . . The bond of the
16 county tax assessor-collector shall stand
17 as security for the proper performance of
18 his duties as assessor-collector of the
19 district; or, if in the judgment of the
20 district board of directors it is
21 necessary, additional bond payable to the
22 district may be required. . . .

23 (6) Section 15(1), Chapter 470, Acts of the 61st
24 Legislature, Regular Session, 1969, states that the
25 tax assessor-collector may act in accordance with
26 state law relating to the assessment, collection, and
27 enforcement of state and county taxes. The revised law
28 omits that provision as unnecessary. The state law
29 relating to the assessment, collection, and
30 enforcement of all ad valorem taxes is Title 1, Tax
31 Code. Section 1.02, Tax Code, requires all taxing
32 units to administer the assessment, collection, and
33 enforcement of taxes in conformity with that title.
34 The omitted law reads:

35 (1) . . . In all matters
36 pertaining to the assessment, collection
37 and enforcement of taxes for the district,
38 the county tax assessor-collector shall be
39 authorized to act in all respects according
40 to the laws of the State of Texas relating
41 to state and county taxes.

1 Revised Law

2 Sec. 1099.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX
3 ASSESSOR-COLLECTOR. (a) The board, by majority vote, may elect to
4 have district taxes assessed and collected by a tax
5 assessor-collector appointed by the board. An election under this
6 subsection must be made before December 1 and governs the manner in
7 which taxes are assessed and collected, until changed by a similar
8 resolution.

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

10 (1) reside in the district; and

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

12 (c) The board shall prescribe the district tax
13 assessor-collector's term of employment and compensation. (Acts
14 61st Leg., R.S., Ch. 470, Sec. 15 (part).)

15 Source Law

16 Sec. 15. . . . [unless the directors, by
17 majority vote, elect to have taxes assessed and
18 collected by its own tax assessor-collector under
19 Subsection (2) hereof.] Any such election may be made
20 prior to December 1 annually and shall govern the
21 manner in which taxes are thereafter assessed and
22 collected, until changed by a similar resolution.

23 . . .
24 (2) Under this subsection, taxes shall be
25 assessed and collected by a tax assessor-collector
26 appointed by the directors, who shall also fix the
27 terms of his employment, compensation, and . . . the
28 tax assessor shall be residents of the district and own
29 real property subject to hospital district taxation,
30 and

31 Revisor's Note

32 (1) Section 15(2), Chapter 470, Acts of the 61st
33 Legislature, Regular Session, 1969, requires the board
34 to set a bond amount of not less than \$5,000 as
35 security for the district tax assessor-collector. The
36 revised law omits the provision because it was
37 repealed by Section 6(b), Chapter 841, Acts of the 66th
38 Legislature, Regular Session, 1979. See Revisor's
39 Note (1) to Section 1099.303. Section 6.29(a), Tax
40 Code, requires the governing body of a taxing unit,
41 including a hospital district, to require the unit's

1 tax assessor-collector to post bond without limiting
2 the amount. The omitted law reads:

3 (2) . . . [directors, who shall
4 also fix the] . . . requirement for bond to
5 assure the faithful performance of his
6 duties, but in no event shall such bond be
7 for less than \$5,000. . . .

8 (2) Section 15(2), Chapter 470, Acts of the 61st
9 Legislature, Regular Session, 1969, states that the
10 board shall appoint a board of equalization and
11 establishes the duties of that board and the tax
12 assessor-collector. The revised law omits the
13 reference to a board of equalization because boards of
14 equalization were abolished and their functions and
15 duties transferred to the appraisal review boards of
16 appraisal districts by the 1979 enactment of the
17 Property Tax Code, Title 1, Tax Code (Section 1,
18 Chapter 841, Acts of the 66th Legislature, Regular
19 Session, 1979). The provisions relating to the duties
20 of the tax assessor-collector are omitted because the
21 Tax Code specifies the duties of a tax
22 assessor-collector. The omitted law reads:

23 (2) . . . The directors shall
24 also annually appoint five persons to serve
25 as a board of equalization and shall fix
26 their compensation. Each member of the
27 board and [the tax assessor shall be
28 residents of the district and own real
29 property subject to hospital district
30 taxation, and] each shall have the same
31 duties, including the obligation to execute
32 the oath of office, as required by county
33 officials exercising such powers and
34 duties. . . .

35 (3) Section 15(2), Chapter 470, Acts of the 61st
36 Legislature, Regular Session, 1969, refers to the
37 applicability of Title 122 of the Revised Statutes
38 (taxation). Before its repeal and recodification,
39 Title 122 was composed of V.A.C.S. Articles
40 7041-7359a. The relevant parts of those provisions
41 were revised in 1979 as the Property Tax Code, Title 1,
42 Tax Code (Section 1, Chapter 841, Acts of the 66th

1 Legislature, Regular Session, 1979). The revised law
2 omits the provision because Title 1 applies to the
3 district on its own terms. The omitted law reads:

4 (2) . . . Except as in this law
5 provided to the contrary, all the
6 provisions of Title 122, Revised Civil
7 Statutes of Texas, 1925, as amended, shall
8 apply to the district.

9 Revisor's Note
10 (End of Subchapter)

11 Section 15, Chapter 470, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 directors may impose taxes for the entire year in which
14 the district is established. The revised law omits
15 that provision as executed. The omitted law reads:

16 Sec. 15. The directors shall have the
17 authority to levy taxes for the entire year
18 in which the district is established as the
19 result of the election herein provided.
20 . . .

21 Revisor's Note
22 (End of Chapter)

23 (1) Section 5, Chapter 470, Acts of the 61st
24 Legislature, Regular Session, 1969, provides for the
25 sale and purchase of certain land, buildings,
26 equipment, and property to the district after the
27 district is created. The revised law omits the
28 provision as executed. The omitted law reads:

29 Sec. 5. . . . The hospital district
30 created by this Act is authorized to
31 purchase from any city hospital within the
32 district, and each said authority is hereby
33 authorized to sell to said hospital
34 district, any and all hospital facilities,
35 including all lands, buildings, equipment
36 and properties owned by them upon such terms
37 and for such prices as they may mutually
38 agree. If any such hospital authority sells
39 its facilities to the district, that
40 authority shall no longer be authorized to
41 perform hospital services within the
42 boundaries of the district herein
43 authorized nor issue bonds therefor.

44 (2) Section 22, Chapter 470, Acts of the 61st
45 Legislature, Regular Session, 1969, provides that the
46 act is severable. The revised law omits this provision

1 because it duplicates Section 311.032, Government Code
2 (Code Construction Act), applicable to the revised
3 law, which provides that a provision of a statute is
4 severable from each other provision of the statute
5 that can be given effect. The omitted law reads:

6 Sec. 22. . . . If any provision of
7 this Act should be invalid, such fact shall
8 not affect the authorization for the
9 creation of the district or the validity of
10 any other provisions of this Act, and the
11 Legislature hereby declares that it would
12 have created the district and enacted the
13 valid provisions of this Act
14 notwithstanding the invalidity of any other
15 provision or provisions hereof.

16 (3) Section 23, Chapter 470, Acts of the 61st
17 Legislature, Regular Session, 1969, states that public
18 notice of the enactment of Chapter 470 was provided in
19 a manner that satisfies the requirements of the Texas
20 Constitution. The revised law omits that section as
21 executed. The omitted law reads:

22 Sec. 23. 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 such notice is hereby
29 found and declared proper and sufficient to
30 satisfy such requirement.

31 (4) Section 23A, Chapter 470, Acts of the 61st
32 Legislature, Regular Session, 1969, validates all
33 resolutions, orders, and other acts or attempted acts
34 of the board before September 1, 1987, the date on
35 which Section 23A became effective. The revised law
36 omits this provision as executed. The omitted law
37 reads:

38 Sec. 23A. All resolutions, orders,
39 and other acts or attempted acts of the
40 board of directors of the district and all
41 proceedings of the district, authorizing
42 the issuance of bonds of the district,
43 including voted but unissued bonds of the
44 district, bond elections, all taxes voted
45 for and collected, and all contracts, are
46 validated in all respects. All the
47 resolutions, orders, and other acts or
48 attempted acts of the board of directors of

1 the district, all proceedings of the
2 district, the district's bond, bond
3 elections, tax authorization and
4 collection, pledged revenues, and contracts
5 shall be valid as though they had originally
6 been duly and legally authorized or
7 accomplished.

8 CHAPTER 1100. SOUTH RANDALL COUNTY HOSPITAL DISTRICT

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1 resolution to provide an alternative procedure
2 conformable with such constitutions. . . .

3 Revisor's Note

4 Section 23, Chapter 200, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides that the
6 act may not be construed to violate the federal or
7 state constitution and requires that action under the
8 act comply with the constitutions. The revised law
9 omits the reference to the federal constitution
10 because, under the Supremacy Clause of the United
11 States Constitution (Clause 2, Article VI), federal
12 law always takes precedence over a state statute. The
13 revised law also omits the reference to the state
14 constitution because the state legislature cannot
15 modify constitutional provisions by statute. The
16 omitted law reads:

17 Sec. 23. Nothing in this Act shall be
18 construed to violate any provision of the
19 federal or state constitutions, and all
20 acts done under this Act shall be in such
21 manner as will conform thereto, whether
22 expressly provided or not. . . .

23 Revised Law

24 Sec. 1100.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
25 OBLIGATION. The support and maintenance of the district may not
26 become a charge against or obligation of this state. (Acts 62nd
27 Leg., R.S., Ch. 200, Sec. 20 (part).)

28 Source Law

29 Sec. 20. The support and maintenance of the
30 hospital district shall never become a charge against
31 or obligation of the State of Texas,

32 Revised Law

33 Sec. 1100.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
34 The legislature may not make a direct appropriation for the
35 construction, maintenance, or improvement of a district facility.
36 (Acts 62nd Leg., R.S., Ch. 200, Sec. 20 (part).)

37 Source Law

38 Sec. 20. . . . nor shall any direct
39 appropriation be made by the legislature for the
40 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 200, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides
6 procedures for holding an election on creation of the
7 district and the imposition of an ad valorem tax.
8 Section 8, Chapter 200, Acts of the 62nd Legislature,
9 Regular Session, 1971, provides for the election to
10 include a bond proposition. Because the election has
11 been held, the revised law omits those provisions as
12 executed. The omitted law reads:

13 Sec. 3. The district shall not be
14 created, nor shall any tax therein be
15 authorized unless and until such creation
16 and such tax are approved by a majority of
17 the qualified taxpaying electors of the
18 area of the proposed district voting at an
19 election called for such purpose. Such
20 election may be called by a majority of the
21 temporary or provisional directors or shall
22 be called by said provisional directors
23 upon presentation of a petition therefor
24 signed by at least fifty (50) qualified
25 taxpaying electors of the area of the
26 proposed district. Such election shall be
27 held not less than thirty-five (35) nor more
28 than sixty (60) days from the date the
29 election is ordered. The order calling the
30 election shall specify the date, place or
31 places of holding the election, the form of
32 ballot, the presiding judge and alternate
33 judge for each voting place and provide for
34 clerks as in county elections. Notice of
35 election shall be given by publishing a
36 substantial copy of the election order in a
37 newspaper of general circulation in the
38 county once a week for two consecutive
39 weeks, the first publication to appear at
40 least thirty (30) days prior to the date
41 established for the election. The failure
42 of such election shall not operate to
43 prohibit the calling and holding of
44 subsequent elections for the same purpose.

45 At the time of the election to create
46 the district, the commissioners court may
47 order an election to determine whether the
48 district may levy annually taxes within the
49 district. This tax may not exceed 75 cents
50 on the \$100 valuation upon all taxable
51 property situated within the hospital
52 district, subject to hospital district
53 taxation. If the commissioners court does
54 not include this election in the order for
55 the election to create the district, the
56 board of directors may order this election
57 at any time.

58 The form of ballot used at the election

1 on the creation of the district shall be in
2 conformity with Chapter 452, Acts of the
3 60th Legislature, Regular Session, 1967, so
4 that ballots may be cast "FOR" or "AGAINST"
5 the following proposition:

6 "The creation of South Randall County
7 Hospital District, providing for the levy
8 of a tax not to exceed 75 cents on each \$100
9 valuation, for all hospital district
10 purposes."

11 Within ten (10) days after such
12 election is held, the provisional directors
13 of the district shall convene and canvass
14 the returns of the election and, in the
15 event such election results favorably to
16 the proposition specified in Section 3, the
17 board shall so find and declare the hospital
18 district established and created.

19 Sec. 8. A petition for an election to
20 create the hospital district (as provided
21 in Section 3) may incorporate a request that
22 a separate proposition be submitted at such
23 election as to whether the board of
24 directors of the district (in the event same
25 is created) shall be authorized to issue
26 bonds for the purposes specified in Section
27 7. Such petition shall specify the maximum
28 amount of bonds to be issued, their maximum
29 maturity and maximum interest rate, and the
30 same shall be included in the proposition
31 submitted at the election. The temporary
32 board (upon its own motion) may submit a
33 proposition on whether bonds will be issued
34 for the purposes specified in Section 7
35 irrespective of whether a petition so
36 requests and irrespective of whether a
37 petition is presented.

38 [Sections 1100.008-1100.050 reserved for expansion]

39 SUBCHAPTER B. DISTRICT ADMINISTRATION

40 Revised Law

41 Sec. 1100.051. BOARD ELECTION; TERM. (a) Unless the number
42 of directors is increased or decreased in accordance with Section
43 1100.060, the board consists of seven directors elected from the
44 district at large.

45 (b) 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 annually on the May
49 uniform election date to elect the appropriate number of directors.

50 (Acts 62nd Leg., R.S., Ch. 200, Sec. 4(c) (part).)

51 Source Law

52 (c) After the initial election of directors, an
53 election shall be held on the first Saturday in May

1 each year, and the appropriate number of successor
2 directors shall be elected by vote of the electors of
3 the entire district for two-year terms. . . .

4 Revisor's Note

5 (1) Sections 4(a) and (b), Chapter 200, Acts of
6 the 62nd Legislature, Regular Session, 1971, name the
7 temporary directors of the district, require the
8 directors to take the constitutional oath of office,
9 prescribe the terms of those directors, and provide
10 for filling a vacancy in the office of temporary
11 director. The revised law omits those provisions as
12 executed but codifies establishment of a board
13 consisting of seven elected directors. The omitted
14 law reads:

15 Sec. 4. (a) Upon the effective date
16 of this Act, the following seven persons,
17 Mrs. T. G. Hull, Jr., W. W. Sternenberg,
18 Raymond Batenhorst, Mrs. Nolon Henson, Jr.,
19 Vernon H. Harman, O. H. Rahlfs, and Floyd
20 Tomlinson shall be and are hereby
21 constituted the temporary or provisional
22 directors of said district. Each temporary
23 or provisional director shall subscribe to
24 the constitutional oath of office.

25 (b) Temporary directors shall serve
26 for a period of two years or until the
27 creation of the district is confirmed at an
28 election, whichever date shall first occur.
29 Any vacancy in the office of temporary
30 director, whether by reason of a failure to
31 qualify or the occurring of a vacancy prior
32 to the confirmation of the district at the
33 election provided, shall be filled by
34 appointment made by the County Judge of
35 Randall County.

36 (2) Sections 4(a), (b), and (c), Chapter 200,
37 Acts of the 62nd Legislature, Regular Session, 1971,
38 provide for a board consisting of seven directors.
39 Section 4(f) of the act, revised in this chapter as
40 Section 1100.060, provides a mechanism through which
41 the number of directors may be increased or decreased.
42 The revised law is drafted accordingly and adds a
43 reference to Section 1100.060 for the convenience of
44 the reader.

45 (3) Section 4(c), Chapter 200, Acts of the 62nd
46 Legislature, Regular Session, 1971, as amended by

1 Chapter 440, Acts of the 72nd Legislature, Regular
2 Session, 1991, provides that "[a]fter the initial
3 election of directors," directors serve two-year
4 terms. The revised law omits the quoted language as
5 executed.

6 (4) Section 4(c), Chapter 200, Acts of the 62nd
7 Legislature, Regular Session, 1971, as amended by
8 Chapter 440, Acts of the 72nd Legislature, Regular
9 Session, 1991, requires board elections to be held on
10 the "first Saturday in May." From 1987 to 2003,
11 Section 41.001, Election Code, provided for a uniform
12 election date for all political subdivisions on the
13 first Saturday in May. In Chapter 1315, Acts of the
14 78th Legislature, Regular Session, 2003, the
15 legislature amended Section 41.001 by moving the
16 uniform election date in May to the third Saturday. In
17 Chapter 1, Acts of the 78th Legislature, 3rd Called
18 Session, 2003, the legislature amended Section 41.001
19 by moving the uniform election date in May back to the
20 first Saturday. In Chapter 471, Acts of the 79th
21 Legislature, Regular Session, 2005, the legislature
22 amended Section 41.001 by moving the uniform election
23 date in May to the second Saturday. The revised law
24 substitutes "May uniform election date" for "first
25 Saturday in May" to reflect these changes while
26 preserving as closely as possible the legislative
27 intent expressed in the 1991 amendment to Section 4(c)
28 that the election be held on the first Saturday in May,
29 which was then the uniform election date in May.

30 (5) Section 4(c), Chapter 200, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that
32 directors serve two-year terms. Section 285.081,
33 Health and Safety Code, applicable to this district,
34 provides a mechanism by which the governing board of a

1 hospital district, on its own motion, may order that
2 the members are to be elected in even-numbered years to
3 serve staggered four-year terms. The revised law is
4 drafted accordingly and adds a reference to Section
5 285.081, Health and Safety Code, for the convenience
6 of the reader.

7 (6) Section 4(c), Chapter 200, Acts of the 62nd
8 Legislature, Regular Session, 1971, as amended by
9 Chapter 440, Acts of the 72nd Legislature, Regular
10 Session, 1991, in part provides procedures regarding
11 write-in voting for director elections. The revised
12 law omits the provision because it mostly duplicates
13 Section 285.131, Health and Safety Code, which,
14 according to its terms, applies to all hospital
15 districts created under general or special law. The
16 portion of the provision regarding the deadline for
17 filing a declaration of write-in candidacy is
18 superseded by amendments made to Section 285.131,
19 Health and Safety Code, by Section 11, Chapter 925,
20 Acts of the 78th Legislature, Regular Session, 2003,
21 and by Section 34, Chapter 1109, Acts of the 79th
22 Legislature, Regular Session, 2005. The omitted law
23 reads:

24 (c) . . . A write-in vote may not be
25 counted for a person unless that person has
26 filed a declaration of write-in candidacy
27 in the manner provided for write-in
28 candidates in the general election for
29 state and county officers. A declaration of
30 write-in candidacy must be filed not later
31 than 5 p.m. of the 30th day before the date
32 on which the election is scheduled.
33 However, if a candidate whose name is to
34 appear on the ballot dies or is declared
35 ineligible after the 33rd day before the
36 date on which the election is scheduled, a
37 declaration of write-in candidacy for the
38 office sought by the deceased or ineligible
39 candidate may be filed not later than 5 p.m.
40 of the 27th day before the date on which the
41 election is scheduled. Except as provided
42 by this subsection, Subchapter B, Chapter
43 146, Election Code, applies to write-in
44 voting under this subsection. . . .

1 Revised Law

2 Sec. 1100.052. NOTICE OF ELECTION. At least 30 days before
3 the date of a directors' election, notice of the election must be
4 published one time in a newspaper or newspapers that individually
5 or collectively have general circulation in the district. (Acts
6 62nd Leg., R.S., Ch. 200, Sec. 4(c) (part).)

7 Source Law

8 (c) . . . Notice of each such election shall be
9 published in a newspaper or newspapers which
10 individually or collectively provide general
11 circulation in the district one time at least 30 days
12 prior to the date of the election. . . .

13 Revised Law

14 Sec. 1100.053. BALLOT PETITION. A person who wants to have
15 the person's name printed on the ballot as a candidate for director
16 must file with the board secretary a petition requesting that
17 action. The petition must be:

- 18 (1) signed by at least 10 registered taxpaying voters;
19 and
20 (2) filed by the deadline imposed by Section 144.005,
21 Election Code. (Acts 62nd Leg., R.S., Ch. 200, Sec. 4(c) (part).)

22 Source Law

23 (c) . . . Any person desiring to have his name
24 printed on the ballot as a candidate for director shall
25 file a petition signed by at least ten qualified
26 taxpaying electors asking that such name be printed on
27 the ballot with the secretary of the board of
28 directors. Such petition shall be filed with the
29 secretary at least 30 days prior to the date of the
30 election. . . .

31 Revisor's Note

32 (1) Section 4(c), Chapter 200, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to a
34 petition signed by "qualified taxpaying electors."
35 Throughout this chapter, the revised law substitutes
36 "voters" for "electors" because "voters" is the term
37 used in the Election Code. The revised law also
38 substitutes "registered" for "qualified" because, in
39 the context of eligibility to sign a petition, Section
40 277.0021, Election Code, provides that "qualified"

1 voter means "registered" voter.

2 (2) Section 4(c), Chapter 200, Acts of the 62nd
3 Legislature, Regular Session, 1971, requires a
4 candidate for director to file a petition signed by at
5 least 10 qualified taxpaying electors at least 30 days
6 before the date of the election to have the candidate's
7 name appear on the ballot. Under Section 144.003,
8 Election Code (applicable to the district under
9 Section 144.001, Election Code), a candidate for
10 office must submit an application for a place on the
11 ballot. The application must be filed by the deadline
12 imposed by Section 144.005, Election Code, which is
13 either 71 or 78 days before the date of the election,
14 depending on when the election is held. Because the
15 petition serves as an additional requirement for a
16 candidate to appear on the ballot, the revised law
17 conforms the date the petition must be filed to the
18 date the application must be filed.

19 Revised Law

20 Sec. 1100.054. 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 administrator;

27 (2) a district employee; or

28 (3) a member of the hospital staff. (Acts 62nd Leg.,
29 R.S., Ch. 200, Sec. 4(d).)

30 Source Law

31 (d) No person shall be appointed or elected as a
32 member of the board of directors unless he is a
33 resident of the district and a qualified voter.
34 Neither the administrator, an employee of the district
35 nor a member of the staff of the hospital shall be
36 eligible to serve as a director.

1 Revised Law

2 Sec. 1100.055. BOARD VACANCY. If a vacancy occurs in the
3 office of director, the remaining directors shall fill the vacancy
4 for the unexpired term. (Acts 62nd Leg., R.S., Ch. 200, Sec. 4(c)
5 (part).)

6 Source Law

7 (c) . . . Vacancies in office shall be filled
8 for the unexpired term by the remainder of the board of
9 directors.

10 Revised Law

11 Sec. 1100.056. OFFICERS. (a) The board shall elect:

12 (1) a president and a vice president from among its
13 members; and

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

15 (b) Each officer of the board serves a one-year term.

16 (c) The board shall fill a vacancy in a board office for the
17 unexpired term. (Acts 62nd Leg., R.S., Ch. 200, Sec. 4(e) (part).)

18 Source Law

19 (e) 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. 1100.057. QUORUM; VOTING REQUIREMENT. (a) Any four
28 directors constitute a quorum.

29 (b) A concurrence of four directors is sufficient in any
30 matter relating to district business. (Acts 62nd Leg., R.S., Ch.
31 200, Sec. 4(e) (part).)

32 Source Law

33 (e) . . . Any four members of the board of
34 directors shall constitute a quorum and a concurrence
35 of four shall be sufficient in all matters pertaining
36 to the business of the district. . . .

37 Revised Law

38 Sec. 1100.058. EXPENSES. A director or officer may be
39 reimbursed for actual expenses incurred in the performance of
40 official duties. The expenses must be:

- 1 (1) reported in the district's records; and
2 (2) approved by the board. (Acts 62nd Leg., R.S., Ch.
3 200, Sec. 4(e) (part).)

4 Source Law

5 (e) . . . The board of directors and officers
6 may be reimbursed for actual expenses incurred in the
7 performance of their official duties upon the approval
8 of such expenses by the board of directors and so
9 reported in the minute book of the district or other
10 records of the district.

11 Revisor's Note

12 Section 4(e), Chapter 200, Acts of the 62nd
13 Legislature, Regular Session, 1971, requires that
14 approved expenses be reported in the "minute book of
15 the district or other records of the district." The
16 revised law omits "minute book of the district"
17 because the minute book is a district record.

18 Revised Law

19 Sec. 1100.059. PAYMENT FOR ATTENDANCE AT MEETINGS. The
20 board may establish a system of payments set at a reasonable amount
21 determined by the board for attending board or committee meetings
22 related to the performance of official duties. (Acts 62nd Leg.,
23 R.S., Ch. 200, Sec. 4(e) (part).)

24 Source Law

25 (e) . . . The board of directors may establish a
26 system of payments set at a reasonable amount as
27 determined by the board of directors for attending
28 board or committee meetings related to the performance
29 of official duties. . . .

30 Revised Law

31 Sec. 1100.060. PETITION TO CHANGE NUMBER OF DIRECTORS. (a)
32 A petition to increase or decrease the number of directors by one or
33 two directors may be presented to the board at any time.

34 (b) A petition to increase or decrease the number of
35 directors must:

36 (1) be executed by at least 100 registered voters of
37 the district; and

38 (2) suggest the number of directors the petitioners
39 believe are required for the orderly administration of district

1 affairs.

2 (c) Not later than the 90th day after the date a proper
3 petition is presented to the board, the board shall order an
4 election on the question of changing the number of directors to a
5 number not to exceed the number suggested by the petition.

6 (d) The order calling the election shall provide for
7 election officials as in county elections and must specify:

8 (1) the date of the election; and

9 (2) the location of the polling places.

10 (e) Notice of the election shall be published as provided by
11 Section 1251.003, Government Code.

12 (f) The ballot for the election shall be printed to permit
13 voting for or against the proposition: "Providing for an increase
14 (decrease) in the number of directors of the South Randall County
15 Hospital District."

16 (g) If a proposition to increase the number of directors is
17 approved by a majority of the voters participating in the election:

18 (1) each director in office shall continue to serve
19 for the term for which the director was elected or appointed; and

20 (2) the board shall appoint any additional directors
21 to serve until the next regular election of directors, at which time
22 a successor shall be elected.

23 (h) If a proposition to decrease the number of directors is
24 approved by a majority of the voters participating in the election:

25 (1) the reduction takes effect at the next regular
26 election or election of directors; and

27 (2) not more than one position may be deleted at each
28 election.

29 (i) Notwithstanding Subsection (c), another election for
30 the same purpose may not be held before the third anniversary of the
31 date of an election under this section. (Acts 62nd Leg., R.S., Ch.
32 200, Sec. 4(f) (part).)

33 Source Law

34 (f) A petition asking that the number of
35 directors of the district be increased or decreased to

1 a greater or smaller number may be presented to the
2 directors of the district at any time after the
3 district has been created and established as a result
4 of the election for which provision is made in Section
5 3. Each such petition shall be executed by at least one
6 hundred (100) qualified electors of the district, and
7 suggest the number of directors petitioners believe
8 are required for the orderly administration of the
9 affairs of the district. It shall be the duty of the
10 board to order an election on the case of whether the
11 number of directors of the district shall be changed to
12 a number not to exceed the number suggested by the
13 petition, but in no event to exceed a change of more
14 than two directors as the result of any one election.
15 Such election shall be called within ninety (90) days
16 after the presentation of a proper petition and notice
17 thereof shall be published as provided in Article 704,
18 Revised Civil Statutes of Texas, 1925, as amended, and
19 . . . the order calling the election shall specify the
20 date, place or places of holding the same and provide
21 for election officials as in a county election. The
22 ballots shall be prepared to allow voting for or
23 against the proposition "Providing for an increase
24 (decrease) in the number of directors of the South
25 Randall County Hospital District." If a majority of
26 the voters participating in the election shall vote in
27 favor of such proposition, then each director in
28 office shall continue to serve for the term for which
29 he was elected or appointed. The members of the board
30 then existing shall appoint any director to serve
31 until the next regular election for directors, at
32 which time successor or successors in office shall be
33 elected and if the membership of the board is
34 decreased, such reduction shall be effective at the
35 next regular election or election of directors, no
36 more than one position being deleted at each election.
37 No more than one such election for the purpose of
38 voting on the aforesaid proposition shall be held
39 within any three year period.

40 Revisor's Note

41 (1) Section 4(f), Chapter 200, Acts of the 62nd
42 Legislature, Regular Session, 1971, provides that a
43 petition to increase or decrease the number of
44 directors of the district may be presented at any time
45 "after the district has been created and established
46 as a result of the election for which provision is made
47 in Section 3." The revised law omits the quoted
48 language as executed.

49 (2) Section 4(f), Chapter 200, Acts of the 62nd
50 Legislature, Regular Session, 1971, refers to a
51 petition signed by "qualified" voters in the district.
52 The revised law substitutes "registered" for
53 "qualified" for the reason stated in Revisor's Note (1)
54 to Section 1100.053.

1 board.

2 (d) On assuming the duties of district administrator, the
3 administrator shall execute a bond payable to the district in an
4 amount set by the board of not less than \$5,000 that:

5 (1) is conditioned on the administrator performing the
6 administrator's duties; and

7 (2) contains any other condition the board requires.

8 (Acts 62nd Leg., R.S., Ch. 200, Sec. 5 (part).)

9 Source Law

10 Sec. 5. . . . The board of directors shall
11 appoint a qualified person to be known as the
12 administrator or manager of the hospital district.
13 Such administrator or manager shall serve at the will
14 of the board and shall receive such compensation as may
15 be 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 Five
19 Thousand Dollars (\$5,000), conditioned that he shall
20 perform the duties required of him, and containing
21 such other conditions as the board may require. The
22 administrator or manager may appoint an assistant
23 administrator or manager. . . .

24 Revisor's Note

25 Section 5, Chapter 200, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 board shall appoint a person as the "administrator or
28 manager" of the district and that the administrator or
29 manager may appoint "an assistant administrator or
30 manager." Throughout this chapter, the revised law
31 omits "manager" because, in context, "manager" is
32 included in the meaning of "administrator."

33 Revised Law

34 Sec. 1100.062. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
35 Subject to any limitation prescribed by the board, the district
36 administrator shall:

37 (1) supervise the work and activities of the district;
38 and

39 (2) direct the affairs of the district. (Acts 62nd

40 Leg., R.S., Ch. 200, Sec. 5 (part).)

1 Legislature, Regular Session, 1971, provides that the
2 district "shall assume" full responsibility for
3 operating all hospital facilities for providing
4 hospital care for the district's needy inhabitants.
5 The revised law substitutes "has" for the quoted
6 language because the duty to assume the responsibility
7 is executed.

8 Revised Law

9 Sec. 1100.102. RESTRICTION ON POLITICAL SUBDIVISION
10 TAXATION AND DEBT. A political subdivision located within the
11 district may not impose a tax or issue bonds or other obligations
12 for hospital purposes or to provide medical care for district
13 inhabitants. (Acts 62nd Leg., R.S., Ch. 200, Sec. 19 (part).)

14 Source Law

15 Sec. 19. After creation of the hospital
16 district, no municipality or political subdivision
17 within the boundaries of the district shall have the
18 power to levy taxes or issue bonds or other obligations
19 for hospital purposes or for providing medical care
20 for inhabitants of the district. . . .

21 Revisor's Note

22 (1) Section 19, Chapter 200, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that
24 "[a]fter creation of the hospital district," certain
25 political subdivisions may not levy certain taxes or
26 issue certain bonds or other obligations. The revised
27 law omits the quoted language as executed. In
28 addition, throughout this chapter, the revised law
29 substitutes "impose" for "levy" because, in the
30 context of taxation, the terms are synonymous and the
31 former is more commonly used.

32 (2) Section 19, Chapter 200, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to a
34 "municipality or political subdivision." The revised
35 law omits "municipality" when used in conjunction with
36 "political subdivision" because "municipality" is
37 included in the meaning of "political subdivision."

1 Revised Law

2 Sec. 1100.103. 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.
5 200, 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 and

10 Revised Law

11 Sec. 1100.104. HOSPITAL SYSTEM. (a) The district shall
12 provide for:

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

14 (A) purchasing, constructing, acquiring,
15 repairing, or renovating buildings and equipment; and

16 (B) equipping the buildings; and

17 (2) the administration of the hospital system for
18 hospital purposes.

19 (b) The hospital system may include:

20 (1) domiciliary care and treatment of the sick,
21 injured, or geriatric;

22 (2) outpatient clinics;

23 (3) dispensaries;

24 (4) convalescent home facilities;

25 (5) necessary nurses;

26 (6) domiciliaries and training centers;

27 (7) blood banks;

28 (8) community mental health centers;

29 (9) research centers or laboratories; and

30 (10) any other facilities the board considers
31 necessary for hospital care. (Acts 62nd Leg., R.S., Ch. 200, Secs.
32 2 (part), 10(a) (part).)

33 Source Law

34 Sec. 2. . . . such district shall provide for
35 the establishment of a hospital system by the
36 purchase, construction, acquisition, repair or
37 renovation of buildings and equipment, and equipping

1 same, and the administration thereof for hospital
2 purposes. . . .

3 Sec. 10. (a) . . . The hospital system may
4 include domiciliary care and treatment of the sick,
5 wounded and injured, out-patient clinic or clinics,
6 dispensaries, geriatric domiciliary care and
7 treatment, convalescent home facilities, necessary
8 nurses, domiciliaries and training centers, blood
9 banks, community mental health centers and research
10 centers or laboratories, and any other facilities
11 deemed necessary for hospital care by the directors.
12 . . .

13 Revisor's Note

14 (1) Section 2, Chapter 200, Acts of the 62nd
15 Legislature, Regular Session, 1971, states the
16 legislative findings that at the time of enactment
17 there was no hospital or hospital system owned by
18 Randall County or any municipality in the district and
19 the district was not in any other hospital district.
20 The revised law omits the provision as executed. The
21 omitted law reads:

22 Sec. 2. It is hereby found and
23 determined that there is no hospital or
24 hospital system owned by Randall County and
25 any city or town within the boundaries of
26 the proposed district and The area
27 of the proposed district is not included
28 within the boundaries of any other hospital
29 district heretofore established.

30 (2) Section 10(a), Chapter 200, Acts of the 62nd
31 Legislature, Regular Session, 1971, refers to the care
32 and treatment of the "sick, wounded and injured." The
33 revised law omits "wounded" because "wounded" is
34 included in the meaning of "injured."

35 Revised Law

36 Sec. 1100.105. RULES. The board may adopt rules governing
37 the operation of the hospital, the hospital system, and the
38 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 200,
39 Sec. 5 (part).)

40 Source Law

41 Sec. 5. . . . The district, through its board of
42 directors, shall have the power and authority . . . to
43 promulgate rules and regulations governing the
44 operation of the hospital, hospital system, its staff
45 and its employees. . . .

1 Revisor's Note

2 Section 5, Chapter 200, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 board may "promulgate rules and regulations" to govern
5 the district. The revised law substitutes "adopt" for
6 "promulgate" because the terms are synonymous and the
7 former is more commonly used. The revised law omits
8 "regulations" because under Section 311.005(5),
9 Government Code (Code Construction Act), a rule is
10 defined to include a regulation.

11 Revised Law

12 Sec. 1100.106. PURCHASING AND ACCOUNTING PROCEDURES. The
13 board may prescribe:

14 (1) the method and manner of making purchases and
15 expenditures by and for the district; and

16 (2) all accounting and control procedures. (Acts 62nd
17 Leg., R.S., Ch. 200, Sec. 10(b) (part).)

18 Source Law

19 (b) The board of directors of such district
20 shall have the power to prescribe the method and manner
21 of making purchases and expenditures by and for such
22 hospital district, and shall also be authorized to
23 prescribe all accounting and control procedures. . . .

24 Revised Law

25 Sec. 1100.107. DISTRICT PROPERTY, FACILITIES, AND
26 EQUIPMENT. (a) The board shall determine the type, number, and
27 location of buildings required to maintain an adequate hospital
28 system.

29 (b) The board may lease all or part of the district's
30 buildings and other facilities on terms considered to be in the best
31 interest of the district's inhabitants. The term of the lease may
32 not exceed 25 years.

33 (c) The district may acquire or lease equipment for use in
34 the district's hospital system and mortgage or pledge the property
35 as security for the payment of the purchase price. A contract
36 entered into under this subsection must provide that the entire

1 obligation be retired not later than the fifth anniversary of the
2 date of the contract.

3 (d) The district may borrow money to purchase equipment or
4 for other purposes authorized by the board. The board may pledge all
5 or part of the district's tax revenue to the payment of the amounts
6 borrowed. Section 1100.211(c) does not apply to amounts borrowed
7 under this subsection.

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 62nd Leg.,
11 R.S., Ch. 200, Secs. 10(a) (part), (b) (part).)

12 Source Law

13 Sec. 10. (a) The board of directors is hereby
14 given complete discretion as to the type of buildings
15 (both as to number and location) required to establish
16 and maintain an adequate hospital system. . . . The
17 district, through its board of directors, . . . may
18 lease all or part of its buildings and facilities upon
19 terms and conditions considered to be to the best
20 interest of its inhabitants, provided that in no event
21 shall any lease be for a period in excess of
22 twenty-five (25) years from the date entered. The
23 district shall be empowered to sell or otherwise
24 dispose of any property (real or personal) or
25 equipment of any nature upon terms and conditions
26 found by the board to be in the best interest of its
27 inhabitants.

28 (b) . . . The district may acquire or lease
29 equipment for use in its hospital system and mortgage
30 or pledge the property so acquired as security for the
31 payment of the purchase price, but any such contract
32 shall provide for the entire obligation of the
33 district to be retired within five (5) years from the
34 date of the contract. The district may borrow money to
35 purchase equipment or for other purposes authorized by
36 the board. The board may pledge all or part of the
37 district's tax revenues to the payment of the amounts
38 borrowed. Section 9A(c) of this Act does not apply to
39 amounts borrowed under this section. . . .

40 Revisor's Note

41 (1) Section 10(a), Chapter 200, Acts of the 62nd
42 Legislature, Regular Session, 1971, requires the board
43 to determine the type of buildings required to
44 "establish and maintain" an adequate hospital system.
45 The revised law omits the reference to establishing
46 the hospital system as executed.

47 (2) Section 10(a), Chapter 200, Acts of the 62nd

1 Legislature, Regular Session, 1971, refers to "terms
2 and conditions." The revised law omits the references
3 to "conditions" because "conditions" is included in
4 the meaning of "terms."

5 (3) Section 10(a), Chapter 200, Acts of the 62nd
6 Legislature, Regular Session, 1971, refers to "real or
7 personal" property. The revised law omits "real or
8 personal" as unnecessary because Section 311.005(4),
9 Government Code (Code Construction Act), applicable to
10 the revised law, defines "property" to mean real and
11 personal property.

12 Revised Law

13 Sec. 1100.108. EMINENT DOMAIN. (a) The district may
14 exercise the power of eminent domain to acquire a fee simple or
15 other interest in any type of property located in district
16 territory if the interest is necessary or convenient to a power,
17 right, or privilege conferred by this chapter.

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

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

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

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

28 (3) provide a bond for costs or a supersedeas bond on
29 an appeal or petition for review. (Acts 62nd Leg., R.S., Ch. 200,
30 Sec. 14.)

31 Source Law

32 Sec. 14. The district shall have the right and
33 power of eminent domain for the purpose of acquiring by
34 condemnation any and all property of any kind and
35 character in fee simple, or any lesser interest
36 therein, within the boundaries of the district
37 necessary or convenient to the powers, rights and

1 privileges conferred by this Act, in the manner
2 provided by the general law with respect to
3 condemnation by counties, provided that the district
4 shall not be required to make deposits in the registry
5 of the trial court of the sum required by Paragraph 2
6 of Article 3268, Revised Civil Statutes of Texas,
7 1925, as amended, or to make bond as therein provided.
8 In condemnation proceedings being prosecuted by the
9 district, the district shall not be required to pay in
10 advance or give bond or other security for costs in the
11 trial court, nor to give any bond otherwise required
12 for the issuance of a temporary restraining order or a
13 temporary injunction nor to give bond for costs or for
14 supersedeas on any appeal or writ of error.

15 Revisor's Note

16 (1) Section 14, Chapter 200, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides that the
18 district has the "right and power of eminent domain for
19 the purpose of acquiring [property] by condemnation."
20 The revised law substitutes for the quoted language
21 "may exercise the power of eminent domain to acquire
22 [property]" because the phrases have the same meaning,
23 and the latter phrase is consistent with modern usage
24 in laws relating to eminent domain.

25 (2) Section 14, Chapter 200, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 district must exercise the power of eminent domain in
28 the manner provided by "the general law with respect to
29 condemnation by counties." The revised law
30 substitutes for the quoted language a reference to
31 Chapter 21, Property Code, because that is the general
32 law governing eminent domain for governmental
33 entities, including counties.

34 (3) Section 14, Chapter 200, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to
36 "Paragraph 2 of Article 3268, Revised Civil Statutes
37 of Texas, 1925, as amended." That statute was codified
38 in 1983 as Section 21.021(a), Property Code. The
39 revised law is drafted accordingly.

40 (4) Section 14, Chapter 200, Acts of the 62nd
41 Legislature, Regular Session, 1971, 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, Texas Rules of
6 Appellate Procedure.

7 Revised Law

8 Sec. 1100.109. GIFTS AND ENDOWMENTS. The board may accept
9 for the district a gift or endowment to be held in trust and
10 administered by the board for the purposes and under the
11 directions, limitations, or other provisions prescribed in writing
12 by the donor that are not inconsistent with the proper management
13 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 200,
14 Sec. 18.)

15 Source Law

16 Sec. 18. The board of directors of the hospital
17 district is authorized on behalf of such district to
18 accept donations, gifts and endowments to be held in
19 trust and administered by the board of directors for
20 such purposes and under such directions, limitations
21 and provisions as may be prescribed in writing by the
22 donor not inconsistent with proper management and
23 object of the hospital district.

24 Revisor's Note

25 Section 18, Chapter 200, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to
27 "donations" and "gifts." The revised law omits
28 "donations" because "donations" is included in the
29 meaning of "gifts."

30 Revised Law

31 Sec. 1100.110. CONSTRUCTION CONTRACTS. A construction
32 contract that involves the expenditure of more than \$15,000 may be
33 made only after advertising in the manner provided by Subchapter B,
34 Chapter 271, Local Government Code. (Acts 62nd Leg., R.S., Ch. 200,
35 Sec. 10(b) (part).)

36 Source Law

37 (b) . . . All contracts for construction
38 involving the expenditure of more than Fifteen
39 Thousand Dollars (\$15,000) may be made only after

1 advertising in the manner provided by Subchapter B,
2 Chapter 271, Local Government Code. . . .

3 Revisor's Note

4 Section 10(b), Chapter 200, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides that the
6 provisions of Article 5160, Revised Statutes, apply to
7 the district's construction contracts in relation to
8 performance and payment bonds. The revised law omits
9 this reference because Article 5160 was codified as
10 Chapter 2253, Government Code, and that chapter
11 applies to hospital districts on its own terms. The
12 omitted law reads:

13 (b) . . . The provisions of Article
14 5160, Revised Statutes, relating to
15 performance and payment bonds shall apply
16 to construction contracts let by the
17 district. . . .

18 Revised Law

19 Sec. 1100.111. OPERATING AND MANAGEMENT CONTRACTS. The
20 board may enter into an operating or management contract relating
21 to a district facility. (Acts 62nd Leg., R.S., Ch. 200, Sec. 10(a)
22 (part).)

23 Source Law

24 Sec. 10. (a) . . . The district, through its
25 board of directors, is further authorized to enter
26 into an operating or management contract with regard
27 to its facilities or a part thereof, or

28 Revised Law

29 Sec. 1100.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
30 CARE AND TREATMENT. (a) The board may contract with a county or
31 municipality located outside the district's boundaries for the care
32 and treatment of a sick or injured person of that county or
33 municipality.

34 (b) The board may contract with this state or a federal
35 agency for the state or federal government to reimburse the
36 district for treatment of a sick or injured person. (Acts 62nd
37 Leg., R.S., Ch. 200, Sec. 5 (part).)

38 Source Law

39 Sec. 5. . . . Such board . . . shall be

1 authorized to contract with any county or incorporated
2 municipality located outside its boundaries for the
3 care and treatment of the sick, diseased or injured
4 persons of any such county or municipality, and shall
5 have the authority to contract with the State of Texas,
6 or agencies of the federal government for the state or
7 federal government to reimburse the district for the
8 treatment of sick, diseased or injured persons. . . .

9 Revisor's Note

10 (1) Section 5, Chapter 200, Acts of the 62nd
11 Legislature, Regular Session, 1971, refers to an
12 "incorporated" municipality. The revised law omits
13 "incorporated" because under the Local Government Code
14 all municipalities must be incorporated.

15 (2) Section 5, Chapter 200, Acts of the 62nd
16 Legislature, Regular Session, 1971, refers to the
17 treatment of a "sick, diseased or injured" person. The
18 revised law omits "diseased" because "diseased" is
19 included in the meaning of "sick."

20 Revised Law

21 Sec. 1100.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
22 INVESTIGATORY OR OTHER SERVICES. The board may contract with
23 another political subdivision or governmental agency for the
24 district to provide investigatory or other services for the
25 medical, hospital, or welfare needs of district inhabitants. (Acts
26 62nd Leg., R.S., Ch. 200, Sec. 5 (part).)

27 Source Law

28 Sec. 5. . . . Such board shall be authorized to
29 contract with any other political subdivision or
30 governmental agency whereby the district will provide
31 investigatory or other services as to the medical,
32 hospital, or welfare needs of the inhabitants of the
33 district and

34 Revised Law

35 Sec. 1100.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
36 When a patient who resides in the district is admitted to a district
37 facility, the district administrator may have an inquiry made into
38 the circumstances of:

39 (1) the patient; and

40 (2) the patient's relatives legally liable for the
41 patient's support.

1 (b) If the district administrator determines that the
2 patient or those relatives cannot pay for all or part of the
3 patient's care and treatment in the hospital, the amount 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 patient's
7 care and treatment, the patient or those relatives shall be ordered
8 to pay the district a specified amount each week for the patient's
9 care and support. The amount ordered must be proportionate to their
10 financial ability.

11 (d) The district administrator may collect the amount from
12 the patient's estate, or from those relatives legally liable for
13 the patient's support, in the manner provided by law for the
14 collection of expenses of the last illness of a deceased person.

15 (e) If there is a dispute as to the ability to pay, or doubt
16 in the mind of the district administrator, the board shall hold a
17 hearing and, after calling witnesses, shall:

- 18 (1) resolve the dispute or doubt; and
- 19 (2) issue any appropriate order.

20 (f) The final order of the board may be appealed to the
21 district court. The substantial evidence rule applies to the
22 appeal. (Acts 62nd Leg., R.S., Ch. 200, Sec. 17.)

23 Source Law

24 Sec. 17. Whenever a patient residing within the
25 district has been admitted to the facilities thereof,
26 the administrator or manager may cause inquiry to be
27 made as to his circumstances and those of the relatives
28 of such patient legally liable for his support. If he
29 finds that such patient or said relatives are able to
30 pay for his care and treatment in whole or in part, an
31 order shall be made directing such patient or said
32 relatives to pay to the hospital district for the care
33 and support of such patient a specified sum per week in
34 proportion to their financial ability. The
35 administrator or manager shall have the power and
36 authority to collect such sums from the estate of the
37 patient or his relatives legally liable for his
38 support in the manner provided by law for collection of
39 expenses in the last illness of a deceased person. If
40 the administrator or manager finds that such patient
41 or said relatives are not able to pay either in whole
42 or in part for his care and treatment in such hospital,
43 same shall become a charge upon the hospital district
44 as to the amount of the inability to pay. Should there
45 be any dispute as to the ability to pay or doubt in the

1 mind of the administrator or manager, the board of
2 directors shall hear and determine same after calling
3 witnesses, and shall make such order or orders as may
4 be proper. Appeals from a final order of the board
5 shall lie to the district court. The substantial
6 evidence rule shall apply.

7 Revised Law

8 Sec. 1100.115. REIMBURSEMENT FOR SERVICES. (a) The board
9 shall require the sheriff of Randall County or the police chief of a
10 municipality located in Randall County, as appropriate, to
11 reimburse the district for the district's care and treatment of a
12 person confined in a jail facility of Randall County or a
13 municipality located in Randall County who is not a district
14 resident.

15 (b) A person confined in a jail facility of Randall County
16 or a municipality located in Randall County, as appropriate, is not
17 considered a district resident unless the person meets the
18 qualifications for residency notwithstanding the confinement, the
19 length of confinement, or the facts surrounding the confinement.
20 (Acts 62nd Leg., R.S., Ch. 200, Sec. 5 (part).)

21 Source Law

22 Sec. 5. . . . The board shall require
23 reimbursement from the sheriff of Randall County or
24 the police chief of a municipality within Randall
25 County for the district's care and treatment of a
26 person confined in a jail facility of the county or
27 municipality who is not a resident of the district. A
28 person confined in a jail facility of the county or
29 municipality is not considered a resident of the
30 district unless the person meets the qualifications
31 for residency notwithstanding the confinement, the
32 length of confinement, or the facts surrounding the
33 confinement.

34 Revised Law

35 Sec. 1100.116. AUTHORITY TO SUE AND BE SUED. The district,
36 through the board, may sue and be sued. (Acts 62nd Leg., R.S., Ch.
37 200, Sec. 5 (part).)

38 Source Law

39 Sec. 5. . . . The district, through its board
40 of directors, shall have the power and authority to sue
41 and be sued,

42 [Sections 1100.117-1100.150 reserved for expansion]

1 SUBCHAPTER D. CHANGE IN BOUNDARIES

2 Revised Law

3 Sec. 1100.151. EXPANSION OF TERRITORY; ELECTION. (a) The
4 board may order an election on the question of:

5 (1) expanding the district's boundaries to include all
6 of the territory in Randall County that is not included in the City
7 of Amarillo Hospital District;

8 (2) the assumption by the additional territory of a
9 proportionate share of district debt; and

10 (3) the imposition of taxes in the territory to be
11 added to that district.

12 (b) The district may not be expanded unless the expansion,
13 assumption of debt, and imposition of taxes are approved by a
14 majority of the voters at:

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

16 (2) a separate election held in the territory to be
17 added.

18 (c) The election in the district and the election in the
19 territory to be added must be held on the same day.

20 (d) Section 41.001(a), Election Code, does not apply to an
21 election ordered under this section. (Acts 62nd Leg., R.S., Ch.
22 200, Secs. 1A(a), (c), (d), (e) (part).)

23 Source Law

24 Sec. 1A. (a) The board of directors may order
25 an election on the questions of expanding the South
26 Randall County Hospital District's boundaries to
27 include all of the territory in the county that is not
28 included in the City of Amarillo Hospital District,
29 the assumption of a proportionate share of the South
30 Randall County Hospital District's debts, and the levy
31 of taxes in the territory to be added to that district.

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

38 (d) The election in the district and the
39 election in the territory to be added must be held on
40 the same day.

41 (e) Section 41.001(a), Election Code, does not
42 apply to an election ordered under this section. . . .

1 Revisor's Note

2 Section 1A(e), Chapter 200, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 Election Code governs an election held under that
5 section, except as provided by that section. The
6 revised law omits the provision as unnecessary because
7 Section 1.002, Election Code, provides that the
8 Election Code applies to all elections held in this
9 state. An exception to the application of the Election
10 Code would apply by its own terms. The omitted law
11 reads:

12 (e) . . . Except as provided by this
13 subsection, an election under this section
14 shall be held in accordance with the
15 applicable provisions of the Election Code.

16 Revised Law

17 Sec. 1100.152. BALLOT. The ballot for the election must be
18 printed to permit voting for or against the proposition:
19 "Expanding the South Randall County Hospital District to include
20 all of the territory in Randall County that is not included in the
21 City of Amarillo Hospital District, the assumption by the
22 additional territory of its proportionate share of the district's
23 outstanding debt, and the imposition of a tax not to exceed 75 cents
24 on each \$100 of valuation on all taxable property in the expanded
25 area of the district." (Acts 62nd Leg., R.S., Ch. 200, Sec. 1A(b).)

26 Source Law

27 (b) The ballot for the election shall be printed
28 to permit voting for or against the proposition:
29 "Expanding the South Randall County Hospital District
30 to include all of the territory in Randall County that
31 is not included in the City of Amarillo Hospital
32 District, the assumption by the additional territory
33 of its proportionate share of the South Randall County
34 Hospital District's outstanding debts, and the levy of
35 a tax not to exceed 75 cents on each \$100 of valuation
36 on all taxable property in the expanded area of the
37 district."

38 [Sections 1100.153-1100.200 reserved for expansion]

39 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

40 Revised Law

41 Sec. 1100.201. BUDGET. (a) The district administrator

1 shall prepare an annual budget for approval by the board.

2 (b) The proposed budget must contain a complete financial
3 statement of:

4 (1) the outstanding obligations of the district;

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

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

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

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

13 (6) the estimated revenue and balances available to
14 cover the proposed budget; and

15 (7) the estimated tax rate required. (Acts 62nd Leg.,
16 R.S., Ch. 200, Sec. 6 (part).)

17 Source Law

18 Sec. 6. . . . The administrator or manager
19 shall prepare an annual budget for approval by the
20 board of directors. The budget shall also contain a
21 complete financial statement of the district showing
22 all outstanding obligations of the district, the cash
23 on hand to the credit of each and every fund of the
24 district, the funds received from all sources during
25 the previous year, the funds available from all
26 sources during the ensuing year, with balances
27 expected at year end of the year in which the budget is
28 being prepared, and estimated revenues and balances
29 available to cover the proposed budget and the
30 estimated tax rate which will be required. . . .

31 Revised Law

32 Sec. 1100.202. NOTICE; HEARING; APPROVAL 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.

36 (c) Any district taxpayer is entitled to be present and
37 participate at the hearing.

38 (d) At the conclusion of the hearing, the board shall act on
39 the budget proposed by the district administrator. The board may
40 make any changes in the proposed budget that the board judges to be

1 in the interest of the taxpayers and the law warrants. (Acts 62nd
2 Leg., R.S., Ch. 200, Sec. 6 (part).)

3 Source Law

4 Sec. 6. . . . A public hearing on the annual
5 budget shall be held by the board of directors after
6 notice of such hearing has been published one (1) time
7 at least ten (10) days before the date set therefor.
8 Any taxpayer of the district shall have the right to be
9 present and participate in said hearing. At the
10 conclusion of the hearing, the budget, as proposed by
11 the administrator, shall be acted upon by the board of
12 directors. The board of directors shall have authority
13 to make such changes in the budget as in their judgment
14 the law warrants and the interest of the taxpayers
15 demands. . . . the annual budget, and . . . shall be
16 approved by the board of directors. . . .

17 Revised Law

18 Sec. 1100.203. AMENDMENTS TO BUDGET. The annual budget may
19 be amended as required by circumstances. The board must approve all
20 amendments. (Acts 62nd Leg., R.S., Ch. 200, Sec. 6 (part).)

21 Source Law

22 Sec. 6. . . . The annual budget may be amended
23 from time to time as the circumstances may require, but
24 . . . all amendments thereto, shall be approved by the
25 board of directors. . . .

26 Revisor's Note

27 Section 6, Chapter 200, Acts of the 62nd
28 Legislature, Regular Session, 1971, states that the
29 board may amend the budget "from time to time."
30 Throughout this chapter, the revised law omits the
31 quoted language because the authority to take an
32 action implies the authority to do so at any time.

33 Revised Law

34 Sec. 1100.204. RESTRICTION ON EXPENDITURES. Money may be
35 spent only for an expense included in the annual budget or an
36 amendment to the budget. (Acts 62nd Leg., R.S., Ch. 200, Sec. 6
37 (part).)

38 Source Law

39 Sec. 6. . . . No expenditure may be made for
40 any expense not included in the annual budget or an
41 amendment thereto. . . .

42 Revised Law

43 Sec. 1100.205. 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 more than once in a
3 24-month period. (Acts 62nd Leg., R.S., Ch. 200, Sec. 6 (part).)

4 Source Law

5 Sec. 6. The district shall be operated on the
6 basis of a fiscal year if established from time to time
7 by the board of directors of the district provided such
8 fiscal year shall not be changed more often than once
9 in any twenty-four months period. . . .

10 Revised Law

11 Sec. 1100.206. AUDIT. The board shall have an audit made of
12 the district's financial condition. (Acts 62nd Leg., R.S., Ch.
13 200, Sec. 6 (part).)

14 Source Law

15 Sec. 6. . . . The board shall cause an audit to
16 be made of the financial condition of said district,
17

18 Revised Law

19 Sec. 1100.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.
20 The audit and other district records shall be open to inspection at
21 the district's principal office. (Acts 62nd Leg., R.S., Ch. 200,
22 Sec. 6 (part).)

23 Source Law

24 Sec. 6. . . . [an audit] . . . which together
25 with other records of the district shall be open to
26 inspection at the principal office of the
27 district. . . .

28 Revised Law

29 Sec. 1100.208. FINANCIAL REPORT. As soon as practicable
30 after the close of each fiscal year, the district administrator
31 shall prepare for the board:

32 (1) a complete sworn statement of all district money;
33 and

34 (2) a complete account of the disbursements of that
35 money. (Acts 62nd Leg., R.S., Ch. 200, Sec. 6 (part).)

36 Source Law

37 Sec. 6. . . . As soon as practicable after the
38 close of each fiscal year, the administrator or
39 manager shall prepare for the board a full sworn
40 statement of all moneys belonging to the district and a
41 full account of the disbursements of same.

1 Revised Law

2 Sec. 1100.209. DEPOSITORY. (a) The board shall select one
3 or more banks or other federally insured financial institutions
4 inside or outside the district to serve as a depository for district
5 money.

6 (b) District money, other than money invested as provided by
7 Section 1100.210(b), and money transmitted to a bank for payment of
8 bonds or obligations issued or assumed by the district, shall be
9 deposited as received with the depository and shall remain on
10 deposit.

11 (c) This chapter, including Subsection (b), does not limit
12 the power of the board to:

- 13 (1) place a portion of district money on time deposit;
14 or
15 (2) purchase certificates of deposit. (Acts 62nd
16 Leg., R.S., Ch. 200, Sec. 11.)

17 Source Law

18 Sec. 11. The board of directors of the district
19 shall name one or more banks or other federally insured
20 financial institutions within or without its
21 boundaries to serve as depository for the funds of the
22 district. All funds of the district (except those
23 invested as provided in Section 5, and those
24 transmitted to a bank or banks of payment for bonds or
25 obligations issued or assumed by the district) shall
26 be deposited as received with the depository and shall
27 remain on deposit, provided that nothing herein shall
28 limit the power of the board to place a portion of such
29 funds on time deposit or purchase certificate of
30 deposit.

31 Revised Law

32 Sec. 1100.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)
33 Except as otherwise provided by Sections 1100.104(b), 1100.107,
34 1100.110, 1100.111, and 1100.211 and Subchapter F, the district may
35 not incur an obligation payable from district revenue other than
36 the revenue on hand or to be on hand in the current and following
37 district fiscal years.

38 (b) The board may invest district money in funds and
39 securities as prescribed by Chapter 2256, Government Code. (Acts
40 62nd Leg., R.S., Ch. 200, Secs. 5 (part), 10(b) (part).)

1 omits "lawfully" because a "lawful" obligation is
2 included in the meaning of an "authorized" obligation.

3 [Sections 1100.212-1100.250 reserved for expansion]

4 SUBCHAPTER F. BONDS

5 Revised Law

6 Sec. 1100.251. GENERAL OBLIGATION BONDS. The board may
7 issue and sell general obligation bonds in the name and on the faith
8 and credit of the district for any purpose relating to:

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

11 (2) equipping buildings or improvements for hospital
12 purposes. (Acts 62nd Leg., R.S., Ch. 200, Sec. 7 (part).)

13 Source Law

14 Sec. 7. The board of directors shall have the
15 power and authority to issue and sell its bonds in the
16 name and upon the faith and credit of such hospital
17 district for the purchase, construction, acquisition,
18 repair or renovation of buildings and improvements and
19 equipping the same for hospital purposes, and for any
20 or all of such purposes. . . .

21 Revisor's Note

22 Section 7, Chapter 200, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that the
24 board may issue and sell bonds in the name and on the
25 faith and credit of the district. Because the type of
26 bonds described by Section 7 are known as "general
27 obligation bonds," the revised law is drafted
28 accordingly.

29 Revised Law

30 Sec. 1100.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
31 the time general obligation bonds are issued by the district, the
32 board shall impose an ad valorem tax at a rate sufficient to create
33 an interest and sinking fund to pay the principal of and interest on
34 the bonds as the bonds mature.

35 (b) The tax required by this section may not in any year
36 exceed 75 cents on each \$100 valuation of all taxable property in
37 the district subject to hospital district taxation. (Acts 62nd

1 Leg., R.S., Ch. 200, Sec. 7 (part).)

2 Source Law

3 Sec. 7. . . . 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, . . . the board of directors shall levy
8 an annual tax not to exceed 75 cents on the \$100
9 valuation, upon all taxable property situated within
10 the hospital district, subject to hospital district
11 taxation. . . .

12 Revisor's Note

13 (1) Section 7, Chapter 200, Acts of the 62nd
14 Legislature, Regular Session, 1971, 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. Section
19 1(b), Article VIII, Texas Constitution, requires that
20 all property that is taxed shall be taxed in proportion
21 to its value, and accordingly "ad valorem" tax is the
22 term most commonly used in Texas law to refer to a
23 property tax.

24 (2) Section 7, Chapter 200, Acts of the 62nd
25 Legislature, Regular Session, 1971, refers to an
26 election on the levy of a tax. The revised law omits
27 the reference as executed. The omitted law reads:

28 Sec. 7. . . . after a majority of
29 those persons voting at the election vote
30 for the levy of a tax, [the board of
31 directors shall levy an annual tax]

32 Revised Law

33 Sec. 1100.253. 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 a bond election must provide for
38 clerks as in county elections and must specify:

- 39 (1) the date of the election;
- 40 (2) the location of the polling places;

1 (3) the presiding and alternate election judges for
2 each polling place;

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

4 (5) the maximum maturity of the bonds.

5 (c) Notice of a bond election shall be published as provided
6 by Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch.
7 200, Sec. 7 (part).)

8 Source Law

9 Sec. 7. . . . No bonds shall be issued by such
10 hospital district . . . until authorized by a majority
11 of the qualified electors of the district who own
12 taxable property therein and who have duly rendered
13 the same for taxation voting at an election called for
14 such purpose. The order for bond election shall
15 specify the date of the election, the amount of bonds
16 to be authorized, the maximum maturity thereof, the
17 place or places where the election shall be held, the
18 presiding judge and alternate judge for each voting
19 place and provide for clerks as in county elections.
20 Notice of any bond election . . . shall be published as
21 provided in Article 704, Revised Civil Statutes of
22 Texas, 1925, as amended, and shall be conducted in
23 accordance with the general laws of Texas pertaining
24 to general elections, except as modified by the
25 provisions of this Act. . . .

26 Revisor's Note

27 (1) Section 7, Chapter 200, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to a
29 majority vote of the "qualified electors of the
30 district who own taxable property therein and who have
31 duly rendered the same for taxation." The revised law
32 omits the reference to "qualified" as unnecessary in
33 this context because Chapter 11, Election Code,
34 governs eligibility to vote in an election in this
35 state and allows only "qualified" voters who are
36 residents of the territory covered by the election to
37 vote in an election. The revised law omits the
38 reference to voters "who own taxable property therein
39 [in the district] and who have duly rendered the same
40 for taxation" because in Hill v. Stone, 421 U.S. 289
41 (1975), the United States Supreme Court determined
42 that property ownership as a qualification for voting

1 is an unconstitutional denial of equal protection.

2 (2) Section 7, Chapter 200, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that
4 notice of a bond election under Section 8, which
5 addresses a bond election at the creation of the
6 district, must be given as provided under Section 3.
7 As explained in the revisor's note to the end of
8 Subchapter A, the relevant provisions of Sections 3
9 and 8 are executed. The revised law therefore omits
10 the provision. The omitted law reads:

11 Sec. 7. . . . [Notice of any bond
12 election] (except one held under the
13 provisions of Section 8, in which instance
14 notice shall be given as provided in Section
15 3)

16 (3) Section 7, Chapter 200, Acts of the 62nd
17 Legislature, Regular Session, 1971, refers to Article
18 704, Revised Civil Statutes of Texas, 1925, as
19 amended, which specifies certain notice requirements
20 for a bond election. That provision was codified in
21 1999 as Section 1251.003, Government Code. The
22 revised law is drafted accordingly.

23 (4) Section 7, Chapter 200, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that a
25 bond election "shall be conducted in accordance with
26 the general laws of Texas pertaining to general
27 elections, except as modified by the provisions of
28 this Act." The revised law omits the quoted language
29 for the reason stated in Revisor's Note (4) to Section
30 1100.060.

31 Revised Law

32 Sec. 1100.254. MATURITY OF GENERAL OBLIGATION BONDS.
33 District general obligation bonds must mature not later than 40
34 years after the date of issuance. (Acts 62nd Leg., R.S., Ch. 200,
35 Sec. 7 (part).)

1 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
2 and Safety Code, for issuance of revenue bonds by a county hospital
3 authority. (Acts 62nd Leg., R.S., Ch. 200, Sec. 9 (part).)

4 Source Law

5 Sec. 9. In addition to the power to issue bonds
6 payable from taxes levied by the district, as
7 contemplated by the preceding section, the board of
8 directors is further authorized to issue, and . . .
9 revenue bonds for purchasing, constructing,
10 acquiring, repairing, equipping, or renovating
11 buildings and improvements for hospital purposes, and
12 for acquiring sites therefor, such bonds to be payable
13 from and secured by a pledge of all or any part of the
14 revenues of the district to be derived from the
15 operation of its hospital or hospitals, and such bonds
16 may be additionally secured by a mortgage or deed of
17 trust lien on any part or all of its properties. Such
18 bonds shall be issued in the manner and in accordance
19 with the procedures and requirements specified for the
20 issuance of revenue bonds by County Hospital
21 Authorities in Sections 8 and 10 through 13 of Chapter
22 122, Acts of the 58th Legislature, Regular Session,
23 1963 (codified as Article 4494r, Vernon's Texas Civil
24 Statutes).

25 Revisor's Note

26 Section 9, Chapter 200, Acts of the 62nd
27 Legislature, Regular Session, 1971, refers to Sections
28 8 and 10 through 13, Chapter 122, Acts of the 58th
29 Legislature, Regular Session, 1963 (Article 4494r,
30 Vernon's Texas Civil Statutes). Those provisions were
31 codified in 1989 as Sections 264.042, 264.043,
32 264.046, 264.047, 264.048, and 264.049, Health and
33 Safety Code. The revised law is drafted accordingly.

34 Revised Law

35 Sec. 1100.257. REFUNDING BONDS. (a) The board may, without
36 an election, issue refunding bonds to refund outstanding
37 indebtedness issued or assumed by the district.

38 (b) A refunding bond may be:

39 (1) sold, with the proceeds of the refunding bond
40 applied to the payment of outstanding indebtedness; or

41 (2) exchanged wholly or partly for not less than a
42 similar principal amount of outstanding indebtedness. (Acts 62nd
43 Leg., R.S., Ch. 200, Secs. 7 (part), 9 (part).)

1 applies to the district by its own terms under Section
2 1207.001, Government Code. The omitted law reads:

3 Sec. 7. . . . provided further that
4 if such refunding bonds are to be sold and
5 the proceeds thereof applied to the payment
6 of any such outstanding indebtedness, same
7 shall be issued and payments made in the
8 manner specified by Article 717k, Revised
9 Civil Statutes of Texas, 1925, as
10 amended. . . .

11 Revised Law

12 Sec. 1100.258. BONDS EXEMPT FROM TAXATION. The following
13 are exempt from taxation by this state or a political subdivision of
14 this state:

- 15 (1) bonds issued by the district;
16 (2) the transfer and issuance of the bonds; and
17 (3) any profits made in the sale of the bonds. (Acts
18 62nd Leg., R.S., Ch. 200, Sec. 21 (part).)

19 Source Law

20 Sec. 21. . . . any bonds issued by it and their
21 transfer and the issuance therefrom, including any
22 profits made in the sale thereof, shall at all times be
23 free from taxation by the state or any municipality or
24 political subdivision thereof.

25 Revisor's Note

26 Section 21, Chapter 200, Acts of the 62nd
27 Legislature, Regular Session, 1971, refers to "any
28 municipality or political subdivision" of this state.
29 The revised law omits "municipality" for the reason
30 stated in Revisor's Note (2) to Section 1100.102.

31 Revisor's Note
32 (End of Subchapter)

33 (1) Section 7, Chapter 200, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that
35 district bonds, other than refunding bonds, must bear
36 interest at a rate not to exceed that permitted by
37 Chapter 3, Acts of the 61st Legislature, Regular
38 Session, 1969 (Article 717k-2, Vernon's Texas Civil
39 Statutes), and that refunding bonds must bear interest
40 at a rate not to exceed that permitted by Chapter 784,

1 Acts of the 61st Legislature, Regular Session, 1969
2 (Article 717k-3, Vernon's Texas Civil Statutes). The
3 revised law omits the provisions as unnecessary. The
4 maximum interest rate noted in Article 717k-2 was
5 revised in 1999 as Section 1204.006, Government Code,
6 and that section applies to district bonds on its own
7 terms by application of Section 1204.001, Government
8 Code. The maximum interest rate provided by Section
9 1204.006 also applies to refunding bonds, and
10 accordingly the specific reference to the maximum
11 interest rate for refunding bonds previously included
12 in Article 717k-3 was omitted as unnecessary when that
13 article was codified in 1999 as part of Chapter 1207,
14 Government Code. For further discussion of the
15 omission of those provisions of Article 717k-3, see
16 Revisor's Note (1) at the end of Chapter 1207,
17 Government Code. The omitted law reads:

18 Sec. 7. . . . Bonds of the district
19 shall bear interest at a rate not to exceed
20 the rate permitted by Article 717k-2,
21 except that refunding bonds shall bear
22 interest at a rate not in excess of that
23 permitted by Article 717k-3. . . .

24 (2) Section 7, Chapter 200, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that
26 district bonds are subject to the law governing
27 counties that relates to bond approval by the attorney
28 general and registration of the bonds by the
29 comptroller. Section 7 also provides that after
30 approval and registration the bonds are "incontestable
31 for any cause." The revised law omits those provisions
32 as superseded by Chapter 1202, Government Code
33 (enacted as Article 3, Chapter 53, Acts of the 70th
34 Legislature, 2nd Called Session, 1987). Section
35 1202.003(a), Government Code, requires bonds to be
36 submitted to the attorney general. Section
37 1202.003(b), Government Code, provides for approval of

1 the bonds by the attorney general and requires the
2 attorney general to submit the approved bonds to the
3 comptroller for registration. Section 1202.005,
4 Government Code, requires registration of the bonds by
5 the comptroller. Section 1202.006, Government Code,
6 provides that after approval and registration the
7 bonds are incontestable and binding obligations.
8 Chapter 1202, Government Code, applies to district
9 bonds by application of Section 1202.001, Government
10 Code. The omitted law reads:

11 Sec. 7. . . . [Bonds of the district]
12 . . . shall be subject to the same
13 requirements in the manner of approval by
14 the Attorney General of Texas and
15 registration by the Comptroller of Public
16 Accounts of the State of Texas as are by law
17 provided for approval and registration of
18 bonds issued by counties. Upon the approval
19 of such bonds by the Attorney General and
20 registration by the Comptroller, the same
21 shall be incontestable for any cause.

22 (3) Section 13, Chapter 200, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that
24 district bonds are legal and authorized investments
25 for certain entities. The revised law omits the
26 provision as unnecessary. As to several of the
27 entities listed, Section 13 has been superseded and
28 impliedly repealed or it duplicates existing law.
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 13 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 13 lists "guardians" and Section
9 1201.041 does not, the latter statute includes
10 "fiduciaries," 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 revised law omits the
22 reference to public funds of political subdivisions or
23 public agencies of the state because it has been
24 superseded by Chapter 2256, Government Code (enacted
25 in 1987 as the Public Funds Investment Act of 1987
26 (Article 842a-2, Vernon's Texas Civil Statutes)),
27 which governs the investment of local funds. The
28 omitted law reads:

29 Sec. 13. All bonds issued by the
30 district shall be and are hereby declared to
31 be legal and authorized investments of
32 banks, savings banks, trust companies,
33 building and loan associations, savings and
34 loan 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 (4) Section 13, Chapter 200, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that
4 district bonds may secure deposits of public funds of
5 this state or political subdivisions of this state.
6 The revised law omits the provisions as impliedly
7 repealed by Section 404.0221, Government Code (enacted
8 in 1995), which lists eligible collateral for deposits
9 of state funds by the comptroller, and 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 hospital districts. The omitted law reads:

16 Sec. 13. . . . Such bonds shall be
17 eligible to secure deposit of public funds
18 of the State of Texas and public funds of
19 cities, towns, villages, counties, school
20 districts or other political subdivisions
21 or corporations of the State of Texas, and
22 shall be lawful and sufficient security for
23 said deposits to the extent of their value
24 when accompanied by all unmatured coupons
25 appurtenant thereto.

26 [Sections 1100.259-1100.300 reserved for expansion]

27 SUBCHAPTER G. TAXES

28 Revised Law

29 Sec. 1100.301. IMPOSITION OF AD VALOREM TAX. (a) The board
30 shall impose a tax on all taxable property in the district subject
31 to district taxation.

32 (b) The board shall impose the tax to pay:

33 (1) the district's indebtedness, including
34 obligations created or assumed by the district; and

35 (2) the district's maintenance and operating expenses.

36 (Acts 62nd Leg., R.S., Ch. 200, Secs. 7 (part), 12 (part).)

37 Source Law

38 Sec. 7. . . . the board of directors shall levy
39 an annual tax . . . upon all taxable property situated
40 within the hospital district, subject to hospital
41 district taxation. . . .

1 (b) . . . The tax collections shall
2 be deposited in the district's depository.

3 [Sections 1100.304-1100.350 reserved for expansion]

4 SUBCHAPTER H. DISSOLUTION

5 Revised Law

6 Sec. 1100.351. DISSOLUTION; ELECTION. (a) The district
7 may be dissolved as provided by this subchapter.

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

11 (c) The board shall order an election if the board receives
12 a petition requesting an election that is signed by at least 30
13 registered voters in the district.

14 (d) Section 41.001(a), Election Code, does not apply to an
15 election ordered under this section. (Acts 62nd Leg., R.S., Ch.
16 200, Secs. 21A(a), (b), (c) (part).)

17 Source Law

18 Sec. 21A. (a) The district may be dissolved as
19 provided by this section.

20 (b) The board of directors may order an election
21 on the question of dissolving the district and
22 disposing of the district's assets and obligations.
23 The board shall order an election if the board receives
24 a petition requesting an election that is signed by at
25 least 30 registered voters in the district.

26 (c) . . . Section 41.001(a), Election Code,
27 does not apply to an election ordered under this
28 section.

29 Revisor's Note

30 Section 21A(c), Chapter 200, Acts of the 62nd
31 Legislature, Regular Session, 1971, as added by
32 Chapter 440, Acts of the 72nd Legislature, Regular
33 Session, 1991, states that the election must be held
34 not later than the 60th day after the date the election
35 is ordered. The revised law omits the provision as
36 superseded by Section 3.005, Election Code, applicable
37 to the district under Section 1.002, Election Code.
38 Section 3.005, as amended by Chapter 925, Acts of the
39 78th Legislature, Regular Session, 2003, requires an
40 election order issued by the authority of a political

1 subdivision to be issued not later than the 62nd, 71st,
2 or 78th day before election day, depending on when the
3 election is held, and provides that Section 3.005
4 supersedes a law outside the Election Code to the
5 extent of any conflict. The omitted law reads:

6 (c) The election shall be held not
7 later than the 60th day after the date on
8 which the election is ordered. . . .

9 Revised Law

10 Sec. 1100.352. BALLOT. The ballot for the election under
11 this subchapter must be printed to permit voting for or against the
12 proposition: "The dissolution of the South Randall County Hospital
13 District." (Acts 62nd Leg., R.S., Ch. 200, Sec. 21A(d) (part).)

14 Source Law

15 (d) The ballot for the election shall be printed
16 to permit voting for or against the proposition: "The
17 dissolution of the South Randall County Hospital
18 District." . . .

19 Revisor's Note

20 Section 21A(d), Chapter 200, Acts of the 62nd
21 Legislature, Regular Session, 1971, provides that the
22 Election Code governs an election held under that
23 section. The revised law omits the provision for the
24 reason stated in the revisor's note to Section
25 1100.151. The omitted law reads:

26 (d) . . . The election shall be held
27 in accordance with the applicable
28 provisions of the Election Code.

29 Revised Law

30 Sec. 1100.353. ELECTION RESULTS. (a) If a majority of the
31 votes in the election under this subchapter favor dissolution, the
32 board shall find that the district is dissolved.

33 (b) If a majority of the votes in the election do not favor
34 dissolution, the board shall continue to administer the district
35 and another election on the question of dissolution may not be held
36 before the first anniversary of the date of the most recent election
37 to dissolve the district. (Acts 62nd Leg., R.S., Ch. 200, Sec.
38 21A(e).)

1 Revised Law

2 Sec. 1100.355. IMPOSITION OF TAX. (a) After the board
3 finds that the district is dissolved, the board shall:

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

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

8 (b) The board may institute a suit to enforce payment of
9 taxes and to foreclose liens to secure the payment of the taxes.

10 (Acts 62nd Leg., R.S., Ch. 200, Secs. 21B(b), (c).)

11 Source Law

12 (b) After the board finds that the district is
13 dissolved, the board shall:

14 (1) determine the debt owed by the
15 district; and

16 (2) impose on the property included in the
17 district's tax rolls a tax that is in proportion of the
18 debt to the property value.

19 (c) The board may institute a suit to enforce
20 payment of taxes and to foreclose liens to secure the
21 payment of taxes due the district.

22 Revised Law

23 Sec. 1100.356. RETURN OF SURPLUS TAXES. (a) On the payment
24 of all outstanding debts and obligations of the district, the board
25 shall order the board secretary to return to each district taxpayer
26 the taxpayer's pro rata share of all unused tax money.

27 (b) 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 board
30 secretary to transmit the money to the county tax
31 assessor-collector. (Acts 62nd Leg., R.S., Ch. 200, Sec. 21B(d).)

32 Source Law

33 (d) When all outstanding debts and obligations
34 of the district are paid, the board shall order the
35 secretary to return the pro rata share of all unused
36 tax money to each district taxpayer. A taxpayer may
37 request that the taxpayer's share of surplus tax money
38 be credited to the taxpayer's county taxes. If a
39 taxpayer requests the credit, the board shall direct
40 the secretary to transmit the funds to the county tax
41 assessor-collector.

42 Revised Law

43 Sec. 1100.357. REPORT; DISSOLUTION ORDER. (a) After the

1 district has paid all district debts and has disposed of all
2 district money and other assets as prescribed by this subchapter,
3 the board shall file a written report with the Commissioners Court
4 of Randall County summarizing the board's actions in dissolving the
5 district.

6 (b) Not later than the 10th day after the date the
7 Commissioners Court of Randall County receives the report and
8 determines that the requirements of this subchapter have been
9 fulfilled, the commissioners court shall enter an order dissolving
10 the district. (Acts 62nd Leg., R.S., Ch. 200, Sec. 21B(e).)

11 Source Law

12 (e) After the district has paid all its debts
13 and has disposed of all its assets and funds as
14 prescribed by this section, the board shall file a
15 written report with the commissioners court of Randall
16 County setting forth a summary of the board's actions
17 in dissolving the district. Not later than the 10th day
18 after it receives the report and determines that the
19 requirements of this section have been fulfilled, the
20 commissioners court shall enter an order dissolving
21 the district.

22 Revisor's Note
23 (End of Chapter)

24 (1) Section 22, Chapter 200, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides for
26 separate voting by persons who own property and
27 persons who do not own property if voting by only
28 persons who own property is determined to be illegal.
29 The revised law omits that provision because in Hill v.
30 Stone, 421 U.S. 289 (1975), the U.S. Supreme Court
31 determined that requiring a dual box election
32 procedure is an unconstitutional denial of equal
33 protection. The omitted law reads:

34 Sec. 22. The legislature hereby
35 recognizes there is some confusion as to the
36 proper qualification of electors in the
37 light of recent court decisions. It is the
38 intention of this Act to provide a procedure
39 for the creation of said hospital district
40 and to allow such district, when created, to
41 issue bonds payable from taxation, but that
42 in each instance the authority shall be
43 predicated upon the expression of the will
44 of the majority of those who cast valid
45 ballots at an election called for the

1 purpose. Should the body calling an
2 election determine that all qualified
3 electors, including those who own taxable
4 property which has been duly rendered for
5 taxation, should be permitted to vote at an
6 election (by reason of the aforesaid court
7 decisions), nothing herein shall be
8 construed as a limitation upon the power to
9 call and hold an election, provided
10 provision is made for the voting,
11 tabulating, and counting of the ballots of
12 the resident qualified property taxpaying
13 electors who own taxable property which has
14 been duly rendered for taxation separately
15 from those who are qualified electors, and
16 in any election so called a majority vote of
17 the resident qualified property taxpaying
18 voters who own taxable property which has
19 been duly rendered for taxation and a
20 majority vote of the qualified electors,
21 including those who own taxable property
22 which has been duly rendered for taxation,
23 shall be required to sustain the
24 proposition.

25 (2) Section 23, Chapter 200, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides in part
27 that the act is severable. The revised law omits that
28 provision because it duplicates Section 311.032,
29 Government Code (Code Construction Act), which
30 provides that a provision of a statute is severable
31 from each other provision of the statute that can be
32 given effect. The omitted law reads:

33 Sec. 23. . . . If any provision of
34 this Act should be invalid, such fact shall
35 not affect the authorization for the
36 creation of the district or the validity of
37 any other provisions of this Act, and the
38 legislature hereby declares that it would
39 have created the district and enacted the
40 valid provisions of this Act
41 notwithstanding the invalidity of any other
42 provision or provisions hereof.

43 (3) Section 24, Chapter 200, Acts of the 62nd
44 Legislature, Regular Session, 1971, states that public
45 notice was provided in a manner that satisfies the
46 requirements of the Texas Constitution. The revised
47 law omits that section as executed. The omitted law
48 reads:

49 Sec. 24. Proof of publication of the
50 notice required in the enactment hereof
51 under the provisions of Article IX, Section
52 9, of the Texas Constitution, has been made
53 in the manner and form provided by law

1 pertaining to the enactment of local and
2 special laws, and such notice is hereby
3 found and declared proper and sufficient to
4 satisfy such requirement.

5 CHAPTER 1101. SUTTON COUNTY HOSPITAL DISTRICT

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26		SUBCHAPTER A. GENERAL PROVISIONS	
27		<u>Revised Law</u>	
28	Sec. 1101.001.	DEFINITIONS. In this chapter:	
29		(1) "Board" means the board of directors of the	
30		district.	
31		(2) "Commissioners court" means the Commissioners	
32		Court of Sutton County, Texas.	
33		(3) "Director" means a member of the board.	
34		(4) "District" means the Sutton County Hospital	

1 District. (Acts 68th Leg., R.S., Ch. 1047, Sec. 1.01.)

2 Source Law

3 Sec. 1.01. In this Act:

4 (1) "District" means the Sutton County
5 Hospital District.

6 (2) "Board" means the board of directors
7 of the district.

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

10 (4) "Commissioners court" means the
11 Commissioners Court of Sutton County, Texas.

12 Revised Law

13 Sec. 1101.002. AUTHORITY FOR OPERATION. The Sutton County
14 Hospital District operates and is financed as provided by Section
15 9, Article IX, Texas Constitution, and by this chapter. (Acts 68th
16 Leg., R.S., Ch. 1047, Sec. 1.02.)

17 Source Law

18 Sec. 1.02. The Sutton County Hospital District
19 may be created and established and, if created, must be
20 maintained, operated, and financed in the manner
21 provided by Article IX, Section 9, of the Texas
22 Constitution and by this Act.

23 Revisor's Note

24 Section 1.02, Chapter 1047, Acts of the 68th
25 Legislature, Regular Session, 1983, provides that the
26 district "may be created and established and, if
27 created, must be maintained, operated, and financed"
28 in the manner provided by the Texas Constitution and
29 the act. The revised law omits references to the
30 establishment and creation of the district as
31 executed. The revised law omits "maintained" because,
32 in this context, the meaning of that term is included
33 in the meaning of "operated."

34 Revised Law

35 Sec. 1101.003. ESSENTIAL PUBLIC FUNCTION. The district is
36 a public entity performing an essential public function. (Acts
37 68th Leg., R.S., Ch. 1047, Sec. 6.11 (part).)

38 Source Law

39 Sec. 6.11. Since the district created under
40 this Act is a public entity performing an essential
41 public function,

1 Revised Law

2 Sec. 1101.004. DISTRICT TERRITORY. The boundaries of the
3 district are coextensive with the boundaries of Sutton County,
4 Texas. (Acts 68th Leg., R.S., Ch. 1047, Sec. 1.03.)

5 Source Law

6 Sec. 1.03. The boundaries of the district are
7 coextensive with the boundaries of Sutton County,
8 Texas.

9 Revised Law

10 Sec. 1101.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
11 OBLIGATION. This state may not become obligated for the support or
12 maintenance of the district. (Acts 68th Leg., R.S., Ch. 1047, Sec.
13 8.01 (part).)

14 Source Law

15 Sec. 8.01. 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. 1101.006. 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 68th Leg., R.S., Ch. 1047, Sec. 8.01 (part).)

23 Source Law

24 Sec. 8.01. . . . 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 2, Chapter 1047, Acts of the 68th
31 Legislature, Regular Session, 1983, provides
32 procedures for holding an election on creation of the
33 district and the imposition of an ad valorem tax.
34 Because the election has been held, the revised law
35 omits Article 2 as executed. The omitted law reads:

36 Sec. 2.01. The district may be
37 created and a tax may be authorized only if
38 the creation and the tax are approved by a
39 majority of the qualified voters of the
40 territory of the proposed district voting
41 at an election called and held for that

1 purpose.

2 Sec. 2.02. On presentation of a
3 petition for a creation election signed by
4 at least 15 percent of the registered voters
5 of the territory of the proposed district,
6 according to the most recent official lists
7 of registered voters, the commissioners
8 court shall order an election to be held.
9 The election shall be called not later than
10 the 60th day after the date the petition is
11 presented to the commissioners court.

12 Sec. 2.03. 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. 2.04. The commissioners court
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. 2.05. (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) A general law requiring elections
35 to be held on uniform or specified election
36 dates does not apply to an election ordered
37 under this article.

38 Sec. 2.06. The ballot for an election
39 at which the issuance of bonds is not
40 proposed shall be printed to permit voting
41 for or against the proposition: "The
42 creation of the Sutton County Hospital
43 District and the levy of annual taxes for
44 hospital purposes at a rate not to exceed 10
45 cents on each \$100 valuation of all taxable
46 property in the district."

47 Sec. 2.07. (a) Not later than the
48 10th day after the date of the election, the
49 commissioners court shall meet and canvass
50 the returns of the election.

51 (b) If the commissioners court finds
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 commissioners court finds
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. 2.08. Not more than two
64 elections on the proposition to create the
65 district may be held under this Act.

66 Sec. 2.09. If the creation of the
67 district is not approved at an election held
68 within 60 months after the effective date of
69 this Act, this Act expires.

1 [Sections 1101.007-1101.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Revised Law

4 Sec. 1101.051. BOARD ELECTION; TERM. (a) The district is
5 governed by a board of seven directors elected as follows:

6 (1) one director elected from each commissioners
7 precinct; and

8 (2) three directors elected from the district at
9 large.

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

11 (c) An election shall be held in each even-numbered year on
12 the May uniform election date under Section 41.001, Election Code,
13 to elect the appropriate number of directors. (Acts 68th Leg.,
14 R.S., Ch. 1047, Secs. 3.01(a), 3.03(a), (d); Acts 72nd Leg., R.S.,
15 Ch. 521, Sec. 4.)

16 Source Law

17 [Acts 68th Leg., R.S., Ch. 1047]

18 Sec. 3.01. (a) The district is governed by a
19 board of seven directors.

20 Sec. 3.03. (a) One director shall be elected
21 from each commissioner precinct and three directors
22 shall be elected from the district at large.

23 (d) An election shall be held on the May uniform
24 election date under Section 41.001, Election Code, in
25 each even-numbered year, and the appropriate number of
26 successor directors shall be elected for four-year
27 terms.

28 [Acts 72nd Leg., R.S., Ch. 521]

29 Sec. 4. (a) The election of the board of
30 directors scheduled before the effective date of this
31 Act to be held in May 1992 must be held, and the
32 directors elected at that election shall serve
33 two-year terms.

34 (b) The election of the board of directors
35 scheduled before the effective date of this Act to be
36 held in May 1993 must be held, and the directors
37 elected at that election shall serve until the
38 directors elected in May 1996 take office.

39 (c) The directors elected at the elections to be
40 held in May 1994 and May 1996 shall serve four-year
41 terms.

42 Revisor's Note

43 (1) Section 3.01(b), Chapter 1047, Acts of the
44 68th Legislature, Regular Session, 1983, provides for
45 the commissioners court to appoint temporary directors

1 to serve until elected directors take office. The
2 revised law omits the provision as executed. The
3 omitted law reads:

4 (b) On creation of the district, the
5 commissioners court shall appoint seven
6 persons to serve as directors from the time
7 the creation of the district is approved
8 until the elected directors take office.

9 (2) Sections 3.03(b) and (c), Chapter 1047, Acts
10 of the 68th Legislature, Regular Session, 1983,
11 prescribe the method for electing the initial board
12 and, by doing so, establish the terms of the initial
13 directors. The revised law omits the provisions as
14 executed. The omitted law reads:

15 (b) At the initial election of
16 directors, the candidate receiving the
17 highest number of votes from a commissioner
18 precinct is the director for that precinct,
19 and the three candidates receiving the
20 highest number of votes from the district at
21 large are directors for the district at
22 large.

23 (c) The candidates elected from
24 odd-numbered precincts at the initial
25 election serve for a term of two years, and
26 the candidates elected from the
27 even-numbered precincts at that election
28 serve for a term of one year. The two
29 candidates elected as the directors from
30 the district at large at the initial
31 election who receive the highest number of
32 votes to represent the district at large
33 serve for a term of two years, and the other
34 director elected from the district at large
35 at the initial election serves for a term of
36 one year.

37 (3) Section 4, Chapter 521, Acts of the 72nd
38 Legislature, Regular Session, 1991, prescribes the
39 procedure for staggering the terms of the directors
40 first elected under that act. The revised law revises
41 the provision specifying staggered terms but omits as
42 executed the provision relating to which year the
43 initial terms expire.

44 Revised Law

45 Sec. 1101.052. NOTICE OF ELECTION. Notice of a directors'
46 election must be published one time in a newspaper with general
47 circulation in the district in accordance with Section 4.003,

1 Election Code. (Acts 68th Leg., R.S., Ch. 1047, Sec. 3.04.)

2 Source Law

3 Sec. 3.04. Notice of the election shall be
4 published one time in a newspaper with general
5 circulation in the district in accordance with Section
6 4.003, Election Code.

7 Revised Law

8 Sec. 1101.053. 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) In addition to the qualifications required by
14 Subsection (a), a person who is elected from a commissioners
15 precinct or who is appointed to fill a vacancy for a commissioners
16 precinct must be a resident of that commissioners precinct.

17 (c) A district employee may not serve as a director. (Acts
18 68th Leg., R.S., Ch. 1047, Sec. 3.06.)

19 Source Law

20 Sec. 3.06. (a) To be eligible to be a candidate
21 for or to serve as a director, a person must be:

22 (1) a resident of the district; and

23 (2) a qualified voter.

24 (b) In addition to the qualifications required
25 by Subsection (a) of this section, a person who is
26 elected from a commissioner precinct or who is
27 appointed to fill a vacancy for a commissioner
28 precinct must be a resident of that commissioner
29 precinct.

30 (c) An employee of the district may not serve as
31 a director.

32 Revised Law

33 Sec. 1101.054. BOARD VACANCY. If a vacancy occurs in the
34 office of director, the remaining directors shall appoint a
35 director for the unexpired term. (Acts 68th Leg., R.S., Ch. 1047,
36 Sec. 3.07.)

37 Source Law

38 Sec. 3.07. A vacancy in the office of director
39 shall be filled for the unexpired term by appointment
40 by the remaining directors.

41 Revised Law

42 Sec. 1101.055. OFFICERS. (a) The board shall elect from

1 among its members a president and a vice president.

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

4 (c) Each officer of the board serves a one-year term.

5 (d) The board shall fill a vacancy in a board office for the
6 unexpired term. (Acts 68th Leg., R.S., Ch. 1047, Secs. 3.08, 3.09.)

7 Source Law

8 Sec. 3.08. The board shall elect from among its
9 members a president and a vice-president. The board
10 shall also appoint a secretary. The secretary need not
11 be a director.

12 Sec. 3.09. (a) Each officer of the board serves
13 for a term of one year.

14 (b) A vacancy in a board office shall be filled
15 for the unexpired term by the board.

16 Revised Law

17 Sec. 1101.056. COMPENSATION; EXPENSES. A director or
18 officer serves without compensation but may be reimbursed for
19 actual expenses incurred in the performance of official duties.
20 The expenses must be:

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

22 (2) approved by the board. (Acts 68th Leg., R.S., Ch.
23 1047, Sec. 3.10.)

24 Source Law

25 Sec. 3.10. Directors and officers serve without
26 compensation but may be reimbursed for actual expenses
27 incurred in the performance of official duties. Those
28 expenses must be reported in the district's minute book
29 or other district records and must be approved by the
30 board.

31 Revisor's Note

32 Section 3.10, Chapter 1047, Acts of the 68th
33 Legislature, Regular Session, 1983, requires that
34 expenses be reported in the "district's minute book or
35 other district records." The revised law omits
36 "district's minute book" because the minute book is a
37 district record.

38 Revised Law

39 Sec. 1101.057. VOTING REQUIREMENT. A concurrence of a
40 majority of the directors voting is necessary in any matter

1 relating to district business. (Acts 68th Leg., R.S., Ch. 1047,
2 Sec. 3.11.)

3 Source Law

4 Sec. 3.11. A concurrence of a majority of the
5 members of the board voting is necessary in matters
6 relating to the business of the district.

7 Revised Law

8 Sec. 1101.058. DISTRICT ADMINISTRATOR. (a) The board may
9 appoint a qualified person as district administrator.

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

12 (c) Before assuming the duties of district administrator,
13 the administrator must execute a bond in an amount determined by the
14 board of not less than \$5,000 that is:

15 (1) payable to the district; and

16 (2) conditioned on the faithful performance of the
17 administrator's duties under this chapter.

18 (d) The board may pay for the bond with district money.
19 (Acts 68th Leg., R.S., Ch. 1047, Secs. 3.12(a) (part), (b) (part),
20 (c) (part), (d).)

21 Source Law

22 Sec. 3.12. (a) The board may appoint qualified
23 persons as administrator of the district,

24 (b) The administrator, . . . serve at the will
25 of the board.

26 (c) The administrator, . . . are entitled to
27 compensation as determined by the board.

28 (d) Before assuming his duties, the
29 administrator shall execute a bond payable to the
30 hospital district in the amount of not less than \$5,000
31 as determined by the board, conditioned on the
32 faithful performance of his duties under this Act. The
33 board may pay for the bond with district funds.

34 Revised Law

35 Sec. 1101.059. 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 district;

39 and

40 (2) direct the general affairs of the district. (Acts
41 68th Leg., R.S., Ch. 1047, Sec. 3.15.)

1 (b) The application must specify the
2 commissioner precinct the candidate wishes
3 to represent or specify that the candidate
4 wishes to represent the district at large.

5 [Sections 1101.064-1101.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Revised Law

8 Sec. 1101.101. DISTRICT RESPONSIBILITY. The district has
9 full responsibility for operating hospital facilities and for
10 providing medical and hospital care for the district's needy
11 inhabitants. (Acts 68th Leg., R.S., Ch. 1047, Sec. 4.02 (part).)

12 Source Law

13 Sec. 4.02. On creation of the district, the
14 district:

15 (1) assumes full responsibility for
16 operating hospital facilities and for furnishing
17 medical and hospital care for the district's needy
18 inhabitants;

19 . . .

20 Revisor's Note

21 Section 4.02, Chapter 1047, Acts of the 68th
22 Legislature, Regular Session, 1983, provides that
23 "[o]n creation of the district," the district
24 "assumes" certain responsibilities. The revised law
25 omits "[o]n creation of the district" as executed. The
26 revised law substitutes "has" for "assumes" because
27 the obligation to assume the responsibility is
28 executed.

29 Revised Law

30 Sec. 1101.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
31 Sutton County may not impose a tax or issue bonds or other
32 obligations for hospital purposes or to provide medical care for
33 district residents. (Acts 68th Leg., R.S., Ch. 1047, Sec. 4.01.)

34 Source Law

35 Sec. 4.01. On or after creation of the district,
36 Sutton County may not levy taxes or issue bonds or
37 other obligations for hospital purposes or for
38 providing medical care for the residents of the
39 district.

40 Revisor's Note

41 Section 4.01, Chapter 1047, Acts of the 68th

1 Legislature, Regular Session, 1983, provides that
2 "[o]n or after creation of the district," Sutton
3 County may not levy certain taxes or issue certain
4 bonds or other obligations. The revised law omits the
5 quoted language as executed. In addition, throughout
6 this chapter, the revised law substitutes "impose" for
7 "levy" because, in the context of taxation, the terms
8 are synonymous and "impose" is more commonly used.

9 Revised Law

10 Sec. 1101.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
11 The board shall manage, control, and administer the hospital system
12 and the district's money and resources. (Acts 68th Leg., R.S., Ch.
13 1047, Sec. 4.03.)

14 Source Law

15 Sec. 4.03. The board shall manage, control, and
16 administer the hospital system and the funds and
17 resources of the district.

18 Revised Law

19 Sec. 1101.104. RULES. The board may adopt rules governing:
20 (1) the operation of the hospital and hospital system;
21 and
22 (2) the duties, functions, and responsibilities of
23 district staff and employees. (Acts 68th Leg., R.S., Ch. 1047, Sec.
24 4.04.)

25 Source Law

26 Sec. 4.04. The board may adopt rules governing
27 the operation of the hospital and hospital system and
28 the duties, functions, and responsibilities of
29 district staff and employees.

30 Revised Law

31 Sec. 1101.105. PURCHASING AND ACCOUNTING PROCEDURES. The
32 board may prescribe:
33 (1) the method of making purchases and expenditures by
34 and for the district; and
35 (2) accounting and control procedures for the
36 district. (Acts 68th Leg., R.S., Ch. 1047, Secs. 4.05(a), (b).)

1 type, number, and location of buildings required to
2 establish and maintain an adequate hospital system and
3 the type of equipment necessary for hospital care.
4 Facilities and equipment to provide for domiciliary
5 care and treatment of geriatric patients and
6 convalescent home facilities may be included as part
7 of the hospital system.

8 (b) The board may acquire property, facilities,
9 and equipment for the district for use in the hospital
10 system and may mortgage or pledge the property,
11 facilities, or equipment acquired as security for the
12 payment of the purchase price.

13 (c) The board may lease hospital facilities on
14 behalf of the district.

15 (d) The board may sell or otherwise dispose of
16 property, facilities, or equipment on behalf of the
17 district.

18 Revisor's Note

19 Section 4.06(a), Chapter 1047, Acts of the 68th
20 Legislature, Regular Session, 1983, requires the board
21 to determine the buildings required to "establish and
22 maintain" an adequate hospital system. The revised
23 law omits the reference to establishing the hospital
24 system as executed.

25 Revised Law

26 Sec. 1101.108. GIFTS AND ENDOWMENTS. The board may accept
27 for the district a gift or endowment to be held in trust for any
28 purpose and under any direction, limitation, or other provision
29 prescribed in writing by the donor that is consistent with the
30 proper management of the district. (Acts 68th Leg., R.S., Ch. 1047,
31 Sec. 4.12.)

32 Source Law

33 Sec. 4.12. On behalf of the district, the board
34 may accept donations, gifts, and endowments to be held
35 in trust for any purpose and under any direction,
36 limitation, or provision prescribed in writing by the
37 donor that is consistent with the proper management of
38 the district.

39 Revisor's Note

40 Section 4.12, Chapter 1047, Acts of the 68th
41 Legislature, Regular Session, 1983, refers to
42 "donations" and "gifts." The revised law omits
43 "donations" because "donations" is included in the
44 meaning of "gifts."

1 Revised Law

2 Sec. 1101.109. CONSTRUCTION CONTRACTS. (a) The board may
3 enter into construction contracts for the district.

4 (b) The board may enter into a construction contract that
5 involves the expenditure of more than the amount provided by
6 Section 271.024, Local Government Code, only after competitive
7 bidding as provided by Subchapter B, Chapter 271, Local Government
8 Code. (Acts 68th Leg., R.S., Ch. 1047, Sec. 4.07(a).)

9 Source Law

10 Sec. 4.07. (a) The board may enter into
11 construction contracts on behalf of the district;
12 however, the board may enter into construction
13 contracts that involve spending more than the amount
14 provided by Section 271.024, Local Government Code,
15 only after competitive bidding as provided by
16 Subchapter B, Chapter 271, Local Government Code.

17 Revisor's Note

18 Section 4.07(b), Chapter 1047, Acts of the 68th
19 Legislature, Regular Session, 1983, provides that
20 Chapter 2253, Government Code, applies to the
21 district's construction contracts in relation to
22 performance and payment bonds. The revised law omits
23 the provision because that chapter applies to hospital
24 districts on its own terms. The omitted law reads:

25 (b) Chapter 2253, Government Code, as
26 it relates to performance and payment
27 bonds, applies to construction contracts
28 let by the district.

29 Revised Law

30 Sec. 1101.110. OPERATING AND MANAGEMENT CONTRACTS. The
31 board may enter into an operating or management contract relating
32 to a hospital facility for the district. (Acts 68th Leg., R.S., Ch.
33 1047, Sec. 4.08.)

34 Source Law

35 Sec. 4.08. The board may enter into operating or
36 management contracts relating to hospital facilities
37 on behalf of the district.

38 Revised Law

39 Sec. 1101.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
40 SERVICES. The board may contract with a political subdivision of

1 this state or with a state or federal agency for the district to:

2 (1) furnish a mobile emergency medical service; or

3 (2) provide for the investigatory or welfare needs of
4 district inhabitants. (Acts 68th Leg., R.S., Ch. 1047, Sec. 4.11.)

5 Source Law

6 Sec. 4.11. The board may contract with a city,
7 county, special district, or other political
8 subdivision of the state or with a state or federal
9 agency for the district to furnish a mobile emergency
10 medical service or to provide for the investigatory or
11 welfare needs of inhabitants of the district.

12 Revisor's Note

13 Section 4.11, Chapter 1047, Acts of the 68th
14 Legislature, Regular Session, 1983, refers to "a city,
15 county, special district, or other political
16 subdivision of the state." Throughout this chapter,
17 the revised law omits "city," "county," and "special
18 district" in this context because each of those
19 entities is included in the meaning of "political
20 subdivision of the state."

21 Revised Law

22 Sec. 1101.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)
23 When an individual who resides in the district is admitted as a
24 patient to a district facility, the district administrator may have
25 an inquiry made into the financial circumstances of:

26 (1) the patient; and

27 (2) a relative of the patient legally responsible for
28 the patient's support.

29 (b) To the extent that the patient or a relative of the
30 patient legally responsible for the patient's support cannot pay
31 for care and treatment provided by the district, the district shall
32 supply the care and treatment without charging the patient or the
33 relative.

34 (c) On determining that the patient or a relative legally
35 responsible for the patient's support can pay for all or part of the
36 care and treatment provided by the district, the district
37 administrator shall report that determination to the board, and the

1 board shall issue an order directing the patient or the relative to
2 pay the district a specified amount each week. The amount must be
3 based on the individual's ability to pay.

4 (d) The district administrator may collect money owed to the
5 district from the patient's estate or from that of a relative
6 legally responsible for the patient's support in the manner
7 provided by law for the collection of expenses in the last illness
8 of a deceased person.

9 (e) If there is a dispute relating to an individual's
10 ability to pay or if the district administrator has any doubt
11 concerning an individual's ability to pay, the board shall:

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

15 (f) The final order of the board may be appealed to a
16 district court in Sutton County. The substantial evidence rule
17 applies to the appeal. (Acts 68th Leg., R.S., Ch. 1047, Sec. 4.09.)

18 Source Law

19 Sec. 4.09. (a) If an individual residing in the
20 district is admitted as a patient to a facility of the
21 district, the administrator may have an inquiry made
22 as to the patient's financial circumstances and as to
23 financial circumstances of a relative of the patient
24 who is legally responsible for the patient's support.

25 (b) On finding that the patient or a relative of
26 the patient legally responsible for the patient's
27 support can pay for all or any part of the care and
28 treatment provided by the district, the administrator
29 shall report that finding to the board, and the board
30 shall issue an order directing the patient or the
31 relative to pay the district a specified sum each week
32 based on the individual's ability to pay.

33 (c) The administrator may collect money owed to
34 the district from the estate of the patient or from
35 that of a relative who was legally responsible for the
36 patient's support in the manner provided by law for
37 collection of expenses in the last illness of a
38 deceased person.

39 (d) To the extent that a patient or a relative of
40 the patient legally responsible for the patient's
41 support cannot pay for care and treatment provided by
42 the district, the district shall supply that care and
43 treatment without charging the patient or the
44 patient's relative.

45 (e) If there is a dispute relating to an
46 individual's ability to pay or if the administrator has
47 any doubt concerning an individual's ability to pay,
48 the board shall call witnesses, hear and resolve the
49 question, and issue a final order. An appeal from a
50 final order of the board must be made to a district

1 court in the county in which the district is located
2 and the substantial evidence rule applies.

3 Revisor's Note

4 Section 4.09(e), Chapter 1047, Acts of the 68th
5 Legislature, Regular Session, 1983, authorizes the
6 appeal of a final order to be made to the district
7 court "in the county in which the district is located."
8 The revised law substitutes "Sutton County" for the
9 quoted language because Sutton County is the county in
10 which the district is located.

11 Revised Law

12 Sec. 1101.113. REIMBURSEMENT FOR SERVICES. (a) The board
13 shall require a county or municipality located outside the district
14 to reimburse the district for the district's care and treatment of a
15 sick or injured person of that county or municipality.

16 (b) The board shall require the sheriff of Sutton County to
17 reimburse the district for the district's care and treatment of a
18 person confined in a jail facility of Sutton County who is not a
19 district resident.

20 (c) On behalf of the district, the board may contract with
21 the state or federal government for that government to reimburse
22 the district for treatment of a sick or injured person. (Acts 68th
23 Leg., R.S., Ch. 1047, Sec. 4.10.)

24 Source Law

25 Sec. 4.10. (a) The board shall require
26 reimbursement from a county or a city located outside
27 the boundaries of the district for the district's care
28 and treatment of a sick, diseased, or injured person of
29 that county or city.

30 (b) The board shall require reimbursement from
31 the sheriff of Sutton County for the district's care
32 and treatment of a person confined in a jail facility
33 of Sutton County who is not a resident of the district.

34 (c) On behalf of the district, the board may
35 contract with the state or federal government for the
36 state or federal government to reimburse the district
37 for treatment of a sick, diseased, or injured person.

38 Revisor's Note

39 (1) Section 4.10(a), Chapter 1047, Acts of the
40 68th Legislature, Regular Session, 1983, refers to a
41 "city." The revised law substitutes "municipality"

1 for "city" because in this context the terms are
2 synonymous, and "municipality" is the term used in the
3 Local Government Code.

4 (2) Sections 4.10(a) and (c), Chapter 1047, Acts
5 of the 68th Legislature, Regular Session, 1983, refer
6 to a "sick, diseased, or injured person." The revised
7 law omits "diseased" because it is included in the
8 meaning of "sick."

9 Revised Law

10 Sec. 1101.114. AUTHORITY TO SUE AND BE SUED. The board may
11 sue and be sued on behalf of the district. (Acts 68th Leg., R.S.,
12 Ch. 1047, Sec. 4.13.)

13 Source Law

14 Sec. 4.13. The board may sue and be sued on
15 behalf of the district.

16 [Sections 1101.115-1101.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Revised Law

19 Sec. 1101.151. BUDGET. (a) The district administrator
20 shall prepare a proposed annual budget for the district.

21 (b) The proposed budget must contain a complete financial
22 statement, including a statement of:

23 (1) the outstanding obligations of the district;

24 (2) the amount of cash on hand to the credit of each
25 district fund;

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

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

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

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

34 (7) the estimated tax rate required. (Acts 68th Leg.,
35 R.S., Ch. 1047, Sec. 5.04.)

1 Source Law

2 Sec. 5.04. (a) The administrator of the
3 district shall prepare a proposed annual budget for
4 the district.

5 (b) The proposed budget must contain a complete
6 financial statement, including a statement of:

7 (1) the outstanding obligations of the
8 district;

9 (2) the amount of cash on hand to the
10 credit of each fund of the district;

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

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

15 (5) the amount of the balances expected at
16 the end of the year in which the budget is being
17 prepared;

18 (6) the estimated amount of revenues and
19 balances available to cover the proposed budget; and

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

22 Revised Law

23 Sec. 1101.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

24 The board shall hold a public hearing on the proposed annual budget.

25 (b) The board shall publish notice of the hearing in a
26 newspaper with general circulation in the district not later than
27 the 10th day before the date of the hearing.

28 (c) Any district resident is entitled to be present and
29 participate at the hearing.

30 (d) At the conclusion of the hearing, the board shall adopt
31 a budget by acting on the budget proposed by the district
32 administrator. The board may make any changes in the proposed
33 budget that the board judges to be in the interests of the
34 taxpayers.

35 (e) The budget is effective only after adoption by the
36 board. (Acts 68th Leg., R.S., Ch. 1047, Sec. 5.05.)

37 Source Law

38 Sec. 5.05. (a) The board shall hold a public
39 hearing on the proposed annual budget.

40 (b) The board shall publish notice of the
41 hearing in a newspaper of general circulation in the
42 district not later than the 10th day before the date of
43 the hearing.

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

46 (d) At the conclusion of the hearing, the board
47 shall adopt a budget by acting on the budget proposed
48 by the administrator. The board may make any changes in
49 the proposed budget that in its judgment the interests
50 of the taxpayers demand.

1 (e) The budget is effective only after adoption
2 by the board.

3 Revised Law

4 Sec. 1101.153. AMENDMENTS TO BUDGET. After the annual
5 budget is adopted, the budget may be amended on the board's
6 approval. (Acts 68th Leg., R.S., Ch. 1047, Sec. 5.06.)

7 Source Law

8 Sec. 5.06. After adoption, the annual budget
9 may be amended on the board's approval.

10 Revised Law

11 Sec. 1101.154. RESTRICTION ON EXPENDITURES. Money may be
12 spent only for an expense included in the annual budget or an
13 amendment to the budget. (Acts 68th Leg., R.S., Ch. 1047, Sec.
14 5.07.)

15 Source Law

16 Sec. 5.07. Money may not be spent for an expense
17 not included in the annual budget or an amendment to
18 it.

19 Revised Law

20 Sec. 1101.155. FISCAL YEAR. The district operates
21 according to a fiscal year established by the board. (Acts 68th
22 Leg., R.S., Ch. 1047, Sec. 5.01.)

23 Source Law

24 Sec. 5.01. The district is operated on the basis
25 of a fiscal year established by the board.

26 Revised Law

27 Sec. 1101.156. ANNUAL AUDIT. The board annually shall have
28 an audit made of the district's financial condition. (Acts 68th
29 Leg., R.S., Ch. 1047, Sec. 5.02.)

30 Source Law

31 Sec. 5.02. Annually, the board shall have an
32 audit made of the financial condition of the district.

33 Revised Law

34 Sec. 1101.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
35 RECORDS. The annual audit and other district records shall be open
36 to inspection during regular business hours at the district's
37 principal office. (Acts 68th Leg., R.S., Ch. 1047, Sec. 5.03.)

1 Revisor's Note

2 Section 5.10(c), Chapter 1047, Acts of the 68th
3 Legislature, Regular Session, 1983, requires a bank to
4 provide a specified amount of collateral to ensure the
5 security of district funds deposited at the bank. The
6 revised law omits the provision as superseded by
7 Subchapter B, Chapter 2257, Government Code (enacted
8 in 1989 as Article 2529d, Vernon's Texas Civil
9 Statutes), and specifically by Sections 2257.021 and
10 2257.022 of that subchapter, which establish the
11 amount of collateral required for a deposit of public
12 funds. Subchapter B, Chapter 2257, Government Code,
13 applies to the security for district funds under
14 Sections 2257.002 and 2257.004, Government Code. The
15 omitted law reads:

16 (c) Before the district deposits
17 funds in a bank in an amount that exceeds
18 the maximum amount secured by the Federal
19 Deposit Insurance Corporation, the bank
20 must execute a bond or other security in an
21 amount sufficient to secure from loss the
22 district funds that exceed the amount
23 secured by the Federal Deposit Insurance
24 Corporation.

25 Revised Law

26 Sec. 1101.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
27 Except as provided by Sections 1101.109, 1101.201, 1101.204, and
28 1101.205, the district may not incur a debt payable from district
29 revenue other than the revenue on hand or to be on hand in the
30 current and immediately following district fiscal years.

31 (b) The board may invest operating, depreciation, or
32 building reserves only in funds or securities specified by Chapter
33 2256, Government Code. (Acts 68th Leg., R.S., Ch. 1047, Sec. 5.09.)

34 Source Law

35 Sec. 5.09. (a) Except as provided by Sections
36 4.07(a), 6.01, 6.04, and 6.05 of this Act, the district
37 may not incur a debt payable from revenues of the
38 district other than the revenues on hand or to be on
39 hand in the current and immediately following fiscal
40 year of the district.

41 (b) The board may not invest operating,
42 depreciation, or building reserves in funds or

1 securities other than those specified by Article 836
2 or 837, Revised Statutes.

3 Revisor's Note

4 Section 5.09(b), Chapter 1047, Acts of the 68th
5 Legislature, Regular Session, 1983, refers to Articles
6 836 and 837, Revised Statutes. Those articles were
7 impliedly repealed by the enactment of the Public
8 Funds Investment Act of 1987 (Article 842a-2, Vernon's
9 Texas Civil Statutes), which was revised in 1993 as
10 Chapter 2256, Government Code. Chapter 2256,
11 Government Code, defines "local government" to include
12 hospital districts and applies to the district by its
13 own terms. The revised law therefore substitutes a
14 reference to Chapter 2256, Government Code, for the
15 reference to Articles 836 and 837.

16 Revised Law

17 Sec. 1101.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
18 The board may borrow money at a rate not to exceed the maximum
19 annual percentage rate allowed by law for district obligations at
20 the time the loan is made.

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

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

24 (2) a district tax to be imposed by the district in the
25 12-month period following the date of the pledge that is not pledged
26 to pay the principal of or interest on district bonds; or

27 (3) a district bond that has been authorized but not
28 sold.

29 (c) A loan for which taxes or bonds are pledged must mature
30 not later than the first anniversary of the date the loan is made. A
31 loan for which district revenue is pledged must mature not later
32 than the fifth anniversary of the date the loan is made. (Acts 68th
33 Leg., R.S., Ch. 1047, Sec. 5.11.)

34 Source Law

35 Sec. 5.11. (a) The board may borrow money at a
36 rate not to exceed the maximum annual percentage rate

1 allowed by law for district obligations at the time the
2 loan is made.

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

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

6 (2) a district tax to be imposed by the
7 district in the next 12-month period following the
8 date of the pledge that is not pledged to pay the
9 principal of or interest on district bonds; or

10 (3) a district bond that has been
11 authorized but not sold.

12 (c) A loan for which taxes or bonds are pledged
13 must mature not later than the first anniversary of the
14 date the loan is made. A loan for which district
15 revenue is pledged must mature not later than the fifth
16 anniversary of the date the loan is made.

17 [Sections 1101.162-1101.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Revised Law

20 Sec. 1101.201. GENERAL OBLIGATION BONDS. If authorized by
21 an election, the board may issue and sell general obligation bonds
22 in the name and on the faith and credit of the district to:

23 (1) purchase, construct, acquire, repair, or renovate
24 buildings or improvements;

25 (2) equip buildings or improvements for hospital
26 purposes; or

27 (3) acquire and operate a mobile emergency medical
28 service. (Acts 68th Leg., R.S., Ch. 1047, Sec. 6.01.)

29 Source Law

30 Sec. 6.01. If authorized by an election, the
31 board may issue and sell bonds in the name and on the
32 faith and credit of the hospital district to:

33 (1) purchase, construct, acquire, repair,
34 or renovate buildings or improvements;

35 (2) equip buildings or improvements for
36 hospital purposes; or

37 (3) acquire and operate a mobile emergency
38 medical service.

39 Revisor's Note

40 Section 6.01, Chapter 1047, Acts of the 68th
41 Legislature, Regular Session, 1983, provides that the
42 board may issue and sell bonds in the name and on the
43 faith and credit of the district. Because the type of
44 bonds described by Section 6.01 are known as "general
45 obligation bonds," the revised law is drafted
46 accordingly.

1 Revised Law

2 Sec. 1101.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
3 the time general obligation bonds are issued by the district, the
4 board shall impose an ad valorem tax at a rate sufficient to create
5 an interest and sinking fund to pay the principal of and interest on
6 the bonds as the bonds mature.

7 (b) The tax required by this section together with any other
8 ad valorem tax the district imposes may not in any year exceed the
9 limit approved by the voters at the election authorizing the
10 imposition of the tax. (Acts 68th Leg., R.S., Ch. 1047, Sec. 6.02.)

11 Source Law

12 Sec. 6.02. (a) At the time the bonds are issued
13 by the district, the board shall levy a tax.

14 (b) The tax must be sufficient to create an
15 interest and sinking fund to pay the principal of and
16 interest on the bonds as they mature.

17 (c) In any year, the tax together with any other
18 tax the district levies may not exceed the limit
19 approved by the voters at the election authorizing the
20 levy of taxes.

21 Revisor's Note

22 Section 6.02, Chapter 1047, Acts of the 68th
23 Legislature, Regular Session, 1983, 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. Section
28 1(b), Article VIII, Texas Constitution, requires all
29 property that is taxed to be taxed in proportion to its
30 value, and accordingly "ad valorem" is the term most
31 commonly used in Texas law to refer to a property tax.

32 Revised Law

33 Sec. 1101.203. 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 board may order a bond election.

37 (c) The order calling the election must specify:

38 (1) the nature and date of the election;

- 1 (2) the hours during which the polls will be open;
- 2 (3) the location of the polling places;
- 3 (4) the amount of the bonds to be authorized; and
- 4 (5) the maximum maturity of the bonds.

5 (d) Notice of a bond election shall be given as provided by
6 Section 1251.003, Government Code.

7 (e) The board shall declare the results of the election.
8 (Acts 68th Leg., R.S., Ch. 1047, Sec. 6.03.)

9 Source Law

10 Sec. 6.03. (a) The district may not issue
11 general obligation bonds until the bonds are
12 authorized by a majority of the qualified voters of the
13 district.

14 (b) The board may order a bond election. The
15 order calling the election must state the nature and
16 date of the election, the hours during which the polls
17 will be open, the location of the polling places, the
18 amount of bonds to be authorized, and the maximum
19 maturity of the bonds.

20 (c) Notice of a bond election shall be given as
21 provided by Article 704, Revised Statutes.

22 (d) The board shall canvass the returns and
23 declare the results of the election.

24 Revisor's Note

25 (1) Section 6.03(a), Chapter 1047, Acts of the
26 68th Legislature, Regular Session, 1983, refers to a
27 majority vote of the "qualified" voters of the
28 district. The revised law omits "qualified" as
29 unnecessary in this context because Chapter 11,
30 Election Code, governs eligibility to vote in an
31 election in this state and allows only "qualified"
32 voters who are residents of the territory covered by
33 the election to vote in an election.

34 (2) Section 6.03(c), Chapter 1047, Acts of the
35 68th Legislature, Regular Session, 1983, refers to
36 Article 704, Revised Statutes, which specifies certain
37 notice requirements for a bond election. That
38 provision was codified in 1999 as Section 1251.003,
39 Government Code. The revised law is drafted
40 accordingly.

41 (3) Section 6.03(d), Chapter 1047, Acts of the

1 68th Legislature, Regular Session, 1983, provides that
2 "[t]he board shall canvass the returns" of a bond
3 election. The revised law omits this requirement
4 because it duplicates Section 67.002, Election Code,
5 which requires the governing body of a political
6 subdivision that orders an election to canvass the
7 election returns.

8 Revised Law

9 Sec. 1101.204. REVENUE BONDS. (a) The board may issue
10 revenue bonds to:

11 (1) purchase, construct, acquire, repair, equip, or
12 renovate buildings or improvements for hospital purposes;

13 (2) acquire sites to be used for hospital purposes; or

14 (3) acquire and operate a mobile emergency medical
15 service to assist the district in carrying out its hospital
16 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 hospital system.

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 provided by
23 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
24 Health and Safety Code, for issuance of revenue bonds by a county
25 hospital authority. (Acts 68th Leg., R.S., Ch. 1047, Sec. 6.04.)

26 Source Law

27 Sec. 6.04. (a) The board may issue revenue
28 bonds to:

29 (1) purchase, construct, acquire, repair,
30 equip, or renovate buildings or improvements for
31 hospital purposes;

32 (2) acquire sites to be used for hospital
33 purposes; or

34 (3) acquire and operate a mobile emergency
35 medical service to assist the district in carrying out
36 its hospital purposes.

37 (b) The bonds must be payable from and secured
38 by a pledge of all or part of the revenues derived from
39 the operation of the district's hospital system. The
40 bonds may be additionally secured by a mortgage or deed
41 of trust lien on all or part of district property.

42 (c) The bonds must be issued in the manner

1 provided by Sections 8, 10, 11, 12, and 13, Chapter
2 122, Acts of the 58th Legislature, Regular Session,
3 1963 (Article 4494r, Vernon's Texas Civil Statutes),
4 for issuance of revenue bonds by county hospital
5 authorities.

6 Revisor's Note

7 Section 6.04(c), Chapter 1047, Acts of the 68th
8 Legislature, Regular Session, 1983, refers to Sections
9 8, 10, 11, 12, and 13, Chapter 122, Acts of the 58th
10 Legislature, Regular Session, 1963, as amended
11 (Article 4494r, Vernon's Texas Civil Statutes). Those
12 provisions were codified in 1989 as Sections 264.042,
13 264.043, 264.046, 264.047, 264.048, and 264.049,
14 Health and Safety Code. The revised law is drafted
15 accordingly.

16 Revised Law

17 Sec. 1101.205. REFUNDING BONDS. (a) District refunding
18 bonds may be issued to refund outstanding indebtedness issued or
19 assumed by the district.

20 (b) A refunding bond may be:

21 (1) sold, with the proceeds of the refunding bond
22 applied to the payment of outstanding indebtedness; or

23 (2) exchanged wholly or partly for not less than a
24 similar principal amount of outstanding indebtedness. (Acts 68th
25 Leg., R.S., Ch. 1047, Secs. 6.05(a), (c) (part).)

26 Source Law

27 Sec. 6.05. (a) Refunding bonds of the district
28 may be issued to refund and pay off an outstanding
29 indebtedness the district has issued or assumed.

30 (c) The refunding bonds may be sold and the
31 proceeds applied to the payment of outstanding
32 indebtedness or may be exchanged in whole or in part
33 for not less than a similar principal amount of
34 outstanding indebtedness. . . .

35 Revisor's Note

36 Sections 6.05(b) and (c), Chapter 1047, Acts of
37 the 68th Legislature, Regular Session, 1983, require
38 the district to issue refunding bonds in the manner
39 prescribed by Chapter 784, Acts of the 61st
40 Legislature, Regular Session, 1969 (Article 717k-3,

1 Vernon's Texas Civil Statutes), and, for refunding
2 bonds that will be sold, to issue the bonds and to make
3 payments on the bonds in the manner prescribed by
4 Chapter 503, Acts of the 54th Legislature, Regular
5 Session, 1955 (Article 717k, Vernon's Texas Civil
6 Statutes). Articles 717k and 717k-3 were codified in
7 1999 as Chapter 1207, Government Code. The revised law
8 omits the provisions because Chapter 1207, Government
9 Code, applies to the district by its own terms under
10 Section 1207.001, Government Code. The omitted law
11 reads:

12 (b) The bonds must be issued in the
13 manner provided by Chapter 784, Acts of the
14 61st Legislature, Regular Session, 1969
15 (Article 717k-3, Vernon's Texas Civil
16 Statutes).

17 (c) . . . If the refunding bonds are
18 to be sold and the proceeds applied to the
19 payment of outstanding indebtedness, the
20 refunding bonds must be issued and payments
21 made in the manner provided by Chapter 503,
22 Acts of the 54th Legislature, Regular
23 Session, 1955 (Article 717k, Vernon's Texas
24 Civil Statutes).

25 Revised Law

26 Sec. 1101.206. MATURITY OF BONDS. District bonds must
27 mature not later than 50 years after the date of issuance. (Acts
28 68th Leg., R.S., Ch. 1047, Sec. 6.06 (part).)

29 Source Law

30 Sec. 6.06. District bonds must mature not more
31 than 50 years after the date of their issuance and
32

33 Revisor's Note

34 Section 6.06, Chapter 1047, Acts of the 68th
35 Legislature, Regular Session, 1983, provides that
36 district bonds must bear interest at a rate that does
37 not exceed the rate provided by Chapter 3, Acts of the
38 61st Legislature, Regular Session, 1969 (Article
39 717k-2, Vernon's Texas Civil Statutes). The revised
40 law omits the provision because the maximum interest
41 rate noted in Chapter 3 was revised in 1999 as Section

1 1204.006, Government Code, and Section 1204.006
2 applies to the district by its terms under Section
3 1204.001, Government Code. The omitted law reads:

4 Sec. 6.06. [District bonds] . . .
5 must bear interest at a rate not to exceed
6 that provided by Chapter 3, Acts of the 61st
7 Legislature, Regular Session, 1969 (Article
8 717k-2, Vernon's Texas Civil Statutes).

9 Revised Law

10 Sec. 1101.207. EXECUTION OF BONDS. The board president
11 shall execute the district's bonds in the district's name, and the
12 board secretary shall countersign the bonds in the manner provided
13 by Chapter 618, Government Code. (Acts 68th Leg., R.S., Ch. 1047,
14 Sec. 6.07.)

15 Source Law

16 Sec. 6.07. The president of the board shall
17 execute the bonds in the name of the district, and the
18 secretary of the board shall countersign the bonds in
19 the manner provided by Chapter 204, Acts of the 57th
20 Legislature, Regular Session, 1961 (Article 717j-1,
21 Vernon's Texas Civil Statutes).

22 Revisor's Note

23 Section 6.07, Chapter 1047, Acts of the 68th
24 Legislature, Regular Session, 1983, refers to Chapter
25 204, Acts of the 57th Legislature, Regular Session,
26 1961 (Article 717j-1, Vernon's Texas Civil Statutes).
27 That statute was codified in 1999 as Chapter 618,
28 Government Code, and the revised law is drafted
29 accordingly.

30 Revised Law

31 Sec. 1101.208. ADDITIONAL MEANS OF SECURING PAYMENT OF
32 BONDS. In addition to the authority to issue general obligation
33 bonds and revenue bonds under this subchapter, the board may
34 provide for the security and payment of district bonds from a pledge
35 of a combination of ad valorem taxes as authorized by Section
36 1101.202 and revenue and other sources authorized by Section
37 1101.204. (Acts 68th Leg., R.S., Ch. 1047, Sec. 6.12.)

38 Source Law

39 Sec. 6.12. In addition to the authority to issue

1 general obligation bonds and revenue bonds under this
2 article, the board may provide for the security and
3 payment of district bonds from a pledge of a
4 combination of ad valorem taxes as authorized by
5 Section 6.02 of this Act and revenue and other sources
6 authorized by Section 6.04 of this Act.

7 Revised Law

8 Sec. 1101.209. USE OF BOND PROCEEDS. The district may use
9 the proceeds of bonds issued under this subchapter to pay:

10 (1) any expense the board determines is reasonable and
11 necessary to issue, sell, and deliver the bonds;

12 (2) interest payments on the bonds during a period of
13 acquisition or construction of a project or facility to be provided
14 through the bonds, not to exceed five years;

15 (3) costs related to the operation and maintenance of
16 a project or facility to be provided through the bonds:

17 (A) during an estimated period of acquisition or
18 construction, not to exceed five years; and

19 (B) for one year after the project or facility is
20 acquired or constructed;

21 (4) costs related to the financing of the bond funds,
22 including debt service reserve and contingency funds;

23 (5) costs related to the bond issuance;

24 (6) costs related to the acquisition of land or
25 interests in land for a project or facility to be provided through
26 the bonds; and

27 (7) costs of construction of a project or facility to
28 be provided through the bonds, including the payment of related
29 professional services and expenses. (Acts 68th Leg., R.S., Ch.
30 1047, Sec. 6.13.)

31 Source Law

32 Sec. 6.13. The district may use the proceeds of
33 bonds issued under this article to pay:

34 (1) any expense the board determines is
35 reasonable and necessary to issue, sell, and deliver
36 the bonds;

37 (2) interest payments on the bonds during
38 a period of acquisition or construction of a project or
39 facility to be provided through the bonds, not to
40 exceed five years;

41 (3) costs related to the operation and
42 maintenance of a project or facility to be provided
43 through the bonds:

1 (A) during an estimated period of
2 acquisition or construction, not to exceed five years;
3 and

4 (B) for one year after the project or
5 facility is acquired or constructed;

6 (4) costs related to the financing of the
7 bond funds, including debt service reserve and
8 contingency funds;

9 (5) costs related to the bond issuance;

10 (6) costs related to the acquisition of
11 land or interests in land for a project or facility to
12 be provided through the bonds; and

13 (7) costs of construction of a project or
14 facility to be provided through the bonds, including
15 the payment of related professional services and
16 expenses.

17 Revised Law

18 Sec. 1101.210. BONDS EXEMPT FROM TAXATION. The following
19 are exempt from taxation by this state or a political subdivision of
20 this state:

21 (1) bonds issued by the district;

22 (2) any transaction relating to the bonds; and

23 (3) profits made in the sale of the bonds. (Acts 68th
24 Leg., R.S., Ch. 1047, Sec. 6.11 (part).)

25 Source Law

26 Sec. 6.11. . . . bonds issued by the district,
27 any transaction relating to the bonds, and profits
28 made in the sale of the bonds are free from taxation by
29 the state or by any city, county, special district, or
30 other political subdivision of the state.

31 Revisor's Note

32 (End of Subchapter)

33 (1) Section 6.08, Chapter 1047, Acts of the 68th
34 Legislature, Regular Session, 1983, provides that
35 district bonds are subject to the laws governing
36 counties that relate to bond approval by the attorney
37 general and registration of the bonds by the
38 comptroller. Section 6.08 also provides that after
39 approval and registration the bonds are "incontestable
40 for any cause." The revised law omits these provisions
41 because they duplicate, in substance, Chapter 1202,
42 Government Code. Section 1202.003(a), Government
43 Code, requires that bonds be submitted to the attorney
44 general. Section 1202.003(b), Government Code,
45 provides for approval of the bonds by the attorney

1 general and requires the attorney general to submit
2 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. 6.08. (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 6.09, Chapter 1047, Acts of the 68th
23 Legislature, Regular Session, 1983, provides that
24 district bonds and indebtedness assumed by the
25 district are legal and authorized investments for
26 certain entities. The revised law omits that
27 provision as unnecessary. As to several of the
28 entities listed, Section 6.09 has been superseded and
29 impliedly repealed or it duplicates existing law.
30 Investments in securities by banks are regulated by
31 Section 34.101, Finance Code (enacted in 1995 as
32 Section 5.101, Texas Banking Act (Article 342-5.101,
33 Vernon's Texas Civil Statutes)). Investments in
34 securities by savings banks are regulated by Section
35 93.001(c)(10), Finance Code (enacted in 1993 as
36 Section 7.15(10), Texas Savings Bank Act (Article
37 489e, Vernon's Texas Civil Statutes)). Investments in
38 securities by trust companies are regulated by Section
39 184.101, Finance Code (enacted in 1997 as Section

1 5.101, Texas Trust Company Act (Article 342a-5.101,
2 Vernon's Texas Civil Statutes)). Investments in
3 securities by savings and loan associations are
4 regulated by Sections 63.002 and 64.001, Finance Code.
5 As to the remaining entities listed, Section 6.09
6 duplicates Section 1201.041, Government Code (enacted
7 as Section 9, Bond Procedures Act of 1981 (Article
8 717k-6, Vernon's Texas Civil Statutes)). While
9 Section 6.09 lists "guardians" and Section 1201.041
10 does not, the latter statute includes "a fiduciary,"
11 and a guardian is a fiduciary. Section 1201.041,
12 Government Code, applies to district bonds by
13 application of Section 1201.002, Government Code. The
14 revised law omits the reference to public funds of this
15 state because it has been superseded by Section
16 404.024, Government Code (enacted in 1985 as Section
17 2.014, Treasury Act (Article 4393-1, Vernon's Texas
18 Civil Statutes), and last amended in 2007), which
19 governs the investment of state funds. Section
20 404.024(b)(10), Government Code, authorizes the
21 investment of state funds in obligations of political
22 subdivisions, including hospital districts. The
23 revised law omits the reference to public funds of
24 political subdivisions or public agencies of the state
25 because it has been superseded by Chapter 2256,
26 Government Code (enacted in 1987 as the Public Funds
27 Investment Act of 1987 (Article 842a-2, Vernon's Texas
28 Civil Statutes)), which governs the investment of
29 local funds. The omitted law reads:

30 Sec. 6.09. District bonds and
31 indebtedness assumed by the district are
32 legal and authorized investments for:
33 (1) banks;
34 (2) savings banks;
35 (3) trust companies;
36 (4) savings and loan
37 associations;
38 (5) insurance companies;
39 (6) fiduciaries;

1 (7) trustees;
2 (8) guardians; and
3 (9) sinking funds of cities,
4 counties, school districts, and other
5 political subdivisions of the state and
6 other public funds of the state and its
7 agencies, including the permanent school
8 fund.

9 (3) Section 6.10, Chapter 1047, Acts of the 68th
10 Legislature, Regular Session, 1983, provides that
11 district bonds may secure deposits of public funds of
12 this state or political subdivisions of this state.
13 The revised law omits the provisions relating to
14 deposits of state funds as impliedly repealed by
15 Section 404.0221, Government Code (enacted in 1995),
16 which lists eligible collateral for deposits of state
17 funds by the comptroller. As to deposits of other
18 funds, this provision duplicates Chapter 2257,
19 Government Code, which governs eligible collateral for
20 deposits of funds of other public agencies, including
21 political subdivisions, and permits those deposits to
22 be secured by obligations issued by hospital
23 districts. The omitted law reads:

24 Sec. 6.10. District bonds are
25 eligible to secure deposits of public funds
26 of the state and of cities, counties, school
27 districts, and other political subdivisions
28 of the state. The bonds are lawful and
29 sufficient security for deposits to the
30 extent of their value if accompanied by all
31 unmatured coupons.

32 [Sections 1101.211-1101.250 reserved for expansion]

33 SUBCHAPTER F. TAXES

34 Revised Law

35 Sec. 1101.251. IMPOSITION OF AD VALOREM TAX. (a) The board
36 may impose a tax on all property in the district subject to district
37 taxation.

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

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

40 and

41 (2) district maintenance and operating expenses.

42 (c) The district may not impose a tax to pay the principal of

1 or interest on revenue bonds issued under this chapter. (Acts 68th
2 Leg., R.S., Ch. 1047, Secs. 7.01(a) (part), (c), (d), 7.02(b).)

3 Source Law

4 Sec. 7.01. (a) The board may annually levy
5 taxes

6 (c) The taxes may be used to pay:
7 (1) the indebtedness issued or assumed by
8 the district; and

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

11 (d) The district may not levy taxes to pay the
12 principal of or interest on revenue bonds issued under
13 this Act.

14 [Sec. 7.02]

15 (b) The board shall levy taxes on all property
16 in the district subject to hospital district taxation.

17 Revised Law

18 Sec. 1101.252. TAX RATE. (a) The board may impose the tax
19 at a rate not to exceed the limit approved by the voters at the
20 election authorizing the imposition of the tax.

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

23 (c) In setting the tax rate, the board shall consider the
24 income of the district from sources other than taxation. (Acts 68th
25 Leg., R.S., Ch. 1047, Secs. 7.01(a) (part), (b), 7.03 (part).)

26 Source Law

27 Sec. 7.01. (a) [The board may annually levy
28 taxes] in an amount not to exceed the limit approved by
29 the voters at the election authorizing the levy of
30 taxes.

31 (b) The tax rate for all purposes may not exceed
32 75 cents on each \$100 valuation of all taxable property
33 in the district.

34 Sec. 7.03. In setting the tax rate, the board
35 shall take into consideration the income of the
36 district from sources other than taxation. . . .

37 Revisor's Note

38 Section 7.03, Chapter 1047, Acts of the 68th
39 Legislature, Regular Session, 1983, requires the board
40 to levy the tax and to certify the tax rate to the tax
41 assessor-collector. The revised law omits that
42 provision because Section 26.05(a), Tax Code, requires
43 the governing body of a taxing unit to adopt a tax rate

1 for the current tax year and to notify the tax assessor
2 for the unit of that rate. The omitted law reads:

3 Sec. 7.03. . . . On determination of
4 the amount of tax required to be levied, the
5 board shall make the levy and certify it to
6 the tax assessor-collector.

7 Revised Law

8 Sec. 1101.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)

9 The board may order an election to increase the district's maximum
10 tax rate to 75 cents on each \$100 valuation of taxable property in
11 the district. The board shall order the election if the board
12 receives a petition requesting an election that is signed by at
13 least 15 percent of the registered voters in the district.

14 (b) The ballot for the election shall be printed to permit
15 voting for or against the proposition: "The imposition of annual
16 taxes by the district for hospital purposes at a rate not to exceed
17 75 cents on the \$100 valuation of all taxable property in the
18 district."

19 (c) If a majority of the votes favor the proposition, the
20 board may impose taxes as authorized by the proposition, subject to
21 Section 1101.254. If a majority of the votes do not favor the
22 proposition, another election on the question of increasing the
23 district's maximum tax rate may not be held before the first
24 anniversary of the date of the most recent election at which voters
25 disapproved the proposition.

26 (d) Section 41.001(a), Election Code, does not apply to an
27 election ordered under this section. (Acts 68th Leg., R.S., Ch.
28 1047, Secs. 7.05(a), (b) (part), (c) (part), (d) (part).)

29 Source Law

30 Sec. 7.05. (a) The board may order an election
31 on the question of increasing the district's maximum
32 tax rate to 75 cents on each \$100 of valuation on all
33 taxable property in the district. The board shall
34 order an election on this question if the board
35 receives a petition requesting an election that is
36 signed by at least 15 percent of the registered voters
37 in the district.

38 (b) . . . Section 41.001(a), Election Code,
39 does not apply to an election ordered under this
40 section.

41 (c) The ballot for the election shall be printed
42 to permit voting for or against the proposition: "The

1 levy of annual taxes by the district for hospital
2 purposes at a rate not to exceed 75 cents on the \$100
3 valuation of all taxable property in the district."

4 . . .
5 (d) . . . If a majority of the votes favor the
6 proposition, the board may levy taxes as authorized by
7 the proposition, subject to Section 7.06 of this Act.
8 If a majority of the votes do not favor the
9 proposition, another election on the question of
10 raising the district's maximum tax rate may not be held
11 before the first anniversary of the most recent
12 election at which voters disapproved the proposition.

13 Revisor's Note

14 (1) Section 7.05(b), Chapter 1047, Acts of the
15 68th Legislature, Regular Session, 1983, provides that
16 an election must be held not later than the 60th day
17 after the date the election is ordered. The revised
18 law omits the provision as superseded by Section
19 3.005, Election Code, applicable to the district under
20 Section 1.002, Election Code. Section 3.005, as
21 amended by Chapter 925, Acts of the 78th Legislature,
22 Regular Session, 2003, requires an election order
23 issued by the authority of a political subdivision to
24 be issued not later than the 62nd, 71st, or 78th day
25 before election day, depending on when the election is
26 held, and provides that Section 3.005 supersedes a law
27 outside the Election Code to the extent of any
28 conflict. The omitted law reads:

29 (b) The election shall be held not
30 later than the 60th day after the date on
31 which the election is ordered. . . .

32 (2) Section 7.05(c), Chapter 1047, Acts of the
33 68th Legislature, Regular Session, 1983, provides
34 that the Election Code governs an election held under
35 that section. The revised law omits the provision
36 because Section 1.002, Election Code, provides that
37 the Election Code applies to all elections held in this
38 state. The omitted law reads:

39 (c) . . . The election shall be held
40 in accordance with the applicable
41 provisions of the Election Code.

42 (3) Section 7.05(d), Chapter 1047, Acts of the

1 68th Legislature, Regular Session, 1983, requires the
2 board to meet and canvass the election returns. The
3 revised law omits this requirement for the reason
4 stated in Revisor's Note (3) to Section 1101.203. The
5 omitted law reads:

6 (d) The board shall meet and canvass
7 the election returns. . . .

8 Revised Law

9 Sec. 1101.254. LIMIT ON ANNUAL INCREASE IN TAX RATE. (a)
10 Notwithstanding Section 1101.253, the board may not in any year
11 increase the tax rate by five cents or more on each \$100 valuation
12 above the tax rate imposed in the preceding year unless the increase
13 is approved at an election held under this section.

14 (b) The board may order an election to increase the
15 district's tax rate by five cents or more on each \$100 of valuation
16 above the rate imposed in the preceding year. The board shall order
17 the election if the board receives a petition requesting an
18 election that is signed by at least 15 percent of the registered
19 voters in the district.

20 (c) The ballot for the election shall be printed to permit
21 voting for or against the proposition: "The imposition of the
22 (insert year) annual tax by the district for hospital purposes at a
23 rate not to exceed (insert rate) cents on the \$100 valuation of all
24 taxable property in the district."

25 (d) If a majority of the votes favor the proposition, the
26 board may impose taxes as authorized by the proposition. If a
27 majority of the votes do not favor the proposition, the board may
28 not increase the tax rate for that year by five cents or more on each
29 \$100 valuation above the tax rate imposed in the preceding year.

30 (e) This section does not authorize the board to impose
31 taxes in an amount that exceeds the maximum amount approved by the
32 voters under Section 1101.253.

33 (f) This section does not affect any rights district voters
34 may have to petition for an election under Section 26.07, Tax Code,
35 except that if district voters approve a tax rate increase under

1 this section, the voters may not petition for an election under
2 Section 26.07, Tax Code, as to the tax rate for that year.

3 (g) Section 41.001(a), Election Code, does not apply to an
4 election ordered under this section. (Acts 68th Leg., R.S., Ch.
5 1047, Secs. 7.06(a), (b), (c) (part), (d) (part), (e) (part), (f),
6 (g).)

7 Source Law

8 Sec. 7.06. (a) Notwithstanding Section 7.05 of
9 this Act, the board may not in any year increase the
10 tax rate by five cents or more per \$100 valuation above
11 the tax rate levied in the previous year unless the
12 increase is approved at an election called and held
13 under this section.

14 (b) The board may order an election on the
15 question of increasing the district's tax rate by five
16 cents or more per \$100 of valuation above the rate
17 levied in the previous year. The board shall order an
18 election on this question if the board receives a
19 petition requesting an election that is signed by at
20 least 15 percent of the registered voters in the
21 district.

22 (c) . . . Section 41.001(a), Election Code,
23 does not apply to an election ordered under this
24 section.

25 (d) The ballot for the election shall be printed
26 to permit voting for or against the proposition: "The
27 levy of the (insert year) annual tax by the district
28 for hospital purposes at a rate not to exceed (insert
29 rate) cents on the \$100 valuation on all taxable
30 property in the district." . . .

31 (e) . . . If a majority of the votes favor the
32 proposition, the board may levy taxes as authorized by
33 the proposition. If a majority of the votes do not
34 favor the proposition, the board may not increase the
35 tax rate for that year by five cents or more per \$100
36 valuation above the tax rate levied in the previous
37 year.

38 (f) This section does not authorize the board to
39 levy taxes in an amount that exceeds the amount
40 approved by the voters under Section 2.06 or 7.05 of
41 this Act, as applicable.

42 (g) This section does not affect any rights the
43 voters of the district may have to petition for an
44 election under Section 26.07, Tax Code, except that if
45 the voters of the district approve a tax rate increase
46 under this section, the voters may not petition for an
47 election under Section 26.07, Tax Code, as to the tax
48 rate for that year.

49 Revisor's Note

50 (1) Section 7.06(a), Chapter 1047, Acts of the
51 68th Legislature, Regular Session, 1983, refers to an
52 election "called and held." The revised law omits the
53 reference to "calling" an election because, in this
54 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 (2) Section 7.06(c), Chapter 1047, Acts of the
5 68th Legislature, Regular Session, 1983, provides that
6 the election must be held not earlier than the 45th day
7 or later than the 60th day after the date the election
8 is ordered. The revised law omits the provision for
9 the reason stated in Revisor's Note (1) to Section
10 1101.253. The omitted law reads:

11 (c) The election shall be held not
12 earlier than the 45th day or later than the
13 60th day after the date on which the
14 election is ordered. . . .

15 (3) Section 7.06(d), Chapter 1047, Acts of the
16 68th Legislature, Regular Session, 1983, provides that
17 the Election Code governs an election held under
18 Section 7.06. The revised law omits the provision for
19 the reason stated in Revisor's Note (1) to Section
20 1101.253. The omitted law reads:

21 (d) . . . The election shall be held
22 in accordance with the applicable
23 provisions of the Election Code.

24 (4) Section 7.06(e), Chapter 1047, Acts of the
25 68th Legislature, Regular Session, 1983, requires the
26 board to meet and canvass the election returns. The
27 revised law omits this requirement for the reason
28 stated in Revisor's Note (3) to Section 1101.203. The
29 omitted law reads:

30 (e) The board shall meet and canvass
31 the election returns. . . .

32 (5) Section 7.06(f), Chapter 1047, Acts of the
33 68th Legislature, Regular Session, 1983, provides that
34 Section 7.06 does not authorize the board to impose
35 taxes in an amount that exceeds the amount approved by
36 the voters under "Section 2.06 or 7.05 of this Act, as
37 applicable." The revised law omits the reference to

1 Section 2.06 as executed and obsolete. See the
2 revisor's note at the end of Subchapter A of this
3 chapter.

4 Section 2.06, as enacted by Chapter 1047, Acts of
5 the 68th Legislature, Regular Session, 1983, provided
6 for a maximum tax rate of 10 cents on each \$100
7 valuation of property in the district. Section 7.05,
8 Chapter 1047, Acts of the 68th Legislature, Regular
9 Session, 1983, as added by Chapter 521, Acts of the
10 72nd Legislature, Regular Session, 1991, authorized
11 the board to hold an election to increase the maximum
12 tax rate to 20 cents. Section 7.05 was amended in 1997
13 by Chapter 737, Acts of the 75th Legislature, Regular
14 Session, to authorize a maximum tax rate of 35 cents
15 and further amended in 2001 by Chapter 460, Acts of the
16 77th Legislature, Regular Session, to authorize a
17 maximum tax rate of 75 cents. In context, it is
18 evident that the 10 cent maximum tax rate referenced in
19 Section 2.06 is obsolete.

20 Revised Law

21 Sec. 1101.255. TAX ASSESSOR-COLLECTOR. The board may
22 provide for the appointment of a tax assessor-collector for the
23 district or may contract for the assessment and collection of taxes
24 as provided by the Tax Code. (Acts 68th Leg., R.S., Ch. 1047, Sec.
25 7.04(b).)

26 Source Law

27 (b) The board may provide for the appointment of
28 a tax assessor-collector for the district or may
29 contract for the assessment and collection of taxes as
30 provided by the Tax Code.

31 Revisor's Note

32 Section 7.04(a), Chapter 1047, Acts of the 68th
33 Legislature, Regular Session, 1983, provides that the
34 Tax Code governs the appraisal, assessment, and
35 collection of district taxes. The revised law omits
36 this provision as unnecessary because Title 1, Tax

1 Code, governs the appraisal of property for and the
2 assessment and collection of an ad valorem tax by all
3 taxing units in this state, including hospital
4 districts. See Section 1.02, Tax Code. The omitted
5 law reads:

6 Sec. 7.04. (a) The Tax Code governs
7 the appraisal, assessment, and collection
8 of district taxes.

9 Revisor's Note
10 (End of Subchapter)

11 Section 7.02(a), Chapter 1047, Acts of the 68th
12 Legislature, Regular Session, 1983, provides that the
13 board may levy taxes for the entire year in which the
14 district is created. The revised law omits that
15 provision as executed. The omitted law reads:

16 Sec. 7.02. (a) The board may levy
17 taxes for the entire year in which the
18 district is created.

19 [Sections 1101.256-1101.300 reserved for expansion]

20 SUBCHAPTER G. DISSOLUTION

21 Revised Law

22 Sec. 1101.301. DISSOLUTION; ELECTION. (a) The district
23 may be dissolved as provided by this subchapter.

24 (b) The board may order an election on the question of
25 dissolving the district and disposing of the district's assets and
26 obligations.

27 (c) The board shall order an election if the board receives
28 a petition requesting an election that is signed by at least 15
29 percent of registered voters in the district.

30 (d) Section 41.001(a), Election Code, does not apply to an
31 election ordered under this section. (Acts 68th Leg., R.S., Ch.
32 1047, Secs. 7.21(a), (b), (c) (part).)

33 Source Law

34 Sec. 7.21. (a) The district may be dissolved as
35 provided by this section.

36 (b) The board of directors may order an election
37 on the question of dissolving the district and
38 disposing of the district's assets and obligations.
39 The board shall order an election if the board receives
40 a petition requesting an election that is signed by at

1 least 15 percent of the registered voters in the
2 district.

3 (c) . . . Section 41.001(a), Election Code,
4 does not apply to an election ordered under this
5 section.

6 Revisor's Note

7 (1) Section 7.21(c), Chapter 1047, Acts of the
8 68th Legislature, Regular Session, 1983, provides that
9 an election must be held not later than the 60th day
10 after the date the election is ordered. The revised
11 law omits the provision for the reason stated in
12 Revisor's Note (1) to Section 1101.253. The omitted
13 law reads:

14 (c) The election shall be held not
15 later than the 60th day after the date on
16 which the election is ordered. . . .

17 (2) Section 7.21(d), Chapter 1047, Acts of the
18 68th Legislature, Regular Session, 1983, provides that
19 the Election Code governs an election held under
20 Section 7.21. The revised law omits the provision for
21 the reason stated in Revisor's Note (1) to Section
22 1101.253. The omitted law reads:

23 (d) . . . The election shall be held
24 in accordance with the applicable
25 provisions of the Election Code.

26 Revised Law

27 Sec. 1101.302. BALLOT. The ballot for an election under
28 this subchapter must be printed to permit voting for or against the
29 proposition: "The dissolution of the Sutton County Hospital
30 District." (Acts 68th Leg., R.S., Ch. 1047, Sec. 7.21(d) (part).)

31 Source Law

32 (d) The ballot for the election shall be printed
33 to permit voting for or against the proposition: "The
34 dissolution of the Sutton County Hospital
35 District." . . .

36 Revised Law

37 Sec. 1101.303. ELECTION RESULTS. (a) If a majority of the
38 votes in an election under this subchapter favor dissolution, the
39 board shall find that the district is dissolved.

40 (b) If a majority of the votes in the election do not favor

1 dissolution, the board shall continue to administer the district
2 and another election on the question of dissolution may not be held
3 before the first anniversary of the date of the most recent election
4 to dissolve the district. (Acts 68th Leg., R.S., Ch. 1047, Sec.
5 7.21(e).)

6 Source Law

7 (e) If a majority of the votes in the election
8 favor dissolution, the board shall find that the
9 district is dissolved. If a majority of the votes in
10 the election do not favor dissolution, the board shall
11 continue to administer the district and another
12 election on the question of dissolution may not be held
13 before the first anniversary of the most recent
14 election to dissolve the district.

15 Revised Law

16 Sec. 1101.304. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
17 If a majority of the votes in an election under this subchapter
18 favor dissolution, the board shall:

19 (1) transfer to Sutton County the land, buildings,
20 improvements, equipment, and other assets that belong to the
21 district; or

22 (2) administer the property, assets, and debts in
23 accordance with Sections 1101.305, 1101.306, and 1101.307.

24 (b) If the board makes the transfer under Subsection (a)(1),
25 Sutton County assumes all debts and obligations of the district at
26 the time of the transfer, and the district is dissolved. (Acts 68th
27 Leg., R.S., Ch. 1047, Sec. 7.21(f).)

28 Source Law

29 (f) If a majority of the votes in the election
30 favor dissolution, the board shall transfer the land,
31 buildings, improvements, equipment, and other assets
32 that belong to the district to Sutton County or shall
33 administer the property, assets, and debts in
34 accordance with Section 7.22 of this Act. If the
35 district transfers the land, buildings, improvements,
36 equipment, and other assets to Sutton County, the
37 county assumes all debts and obligations of the
38 district at the time of the transfer, and the district
39 is dissolved.

40 Revised Law

41 Sec. 1101.305. BOARD MANAGEMENT OF ASSETS ON DISSOLUTION;
42 IMPOSITION OF TAX. (a) If the district does not transfer the land,
43 buildings, improvements, equipment, and other assets to Sutton

1 County under Section 1101.304, the board shall continue to control
2 and administer the property, assets, and debts of the district
3 until all money has been disposed of and all district debts have
4 been paid or settled.

5 (b) After the board finds that the district is dissolved,
6 the board shall:

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

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

11 (c) The board may institute a suit to enforce payment of
12 taxes and to foreclose liens to secure the payment of taxes due the
13 district. (Acts 68th Leg., R.S., Ch. 1047, Secs. 7.22(a), (b),
14 (c).)

15 Source Law

16 Sec. 7.22. (a) If the district does not
17 transfer the land, buildings, improvements,
18 equipment, and other assets to Sutton County, the
19 board shall continue to control and administer the
20 property, debts, and assets of the district until all
21 funds have been disposed of and all district debts have
22 been paid or settled.

23 (b) After the board finds that the district is
24 dissolved, the board shall:

25 (1) determine the debt owed by the
26 district; and

27 (2) impose on the property included in the
28 district's tax rolls a tax that is in proportion of the
29 debt to the property value.

30 (c) The board may institute a suit to enforce
31 payment of taxes and to foreclose liens to secure the
32 payment of taxes due the district.

33 Revised Law

34 Sec. 1101.306. RETURN OF SURPLUS TAXES. (a) On the payment
35 of all outstanding debts and obligations of the district in
36 accordance with Section 1101.305, the board shall order the board
37 secretary to return to each district taxpayer the pro rata share of
38 all unused tax money.

39 (b) A taxpayer may request that the taxpayer's share of
40 surplus tax money be credited to the taxpayer's county taxes. If a
41 taxpayer requests the credit, the board shall direct the board
42 secretary to transmit the money to the county tax

1 assessor-collector. (Acts 68th Leg., R.S., Ch. 1047, Sec.
2 7.22(d).)

3 Source Law

4 (d) When all outstanding debts and obligations
5 of the district are paid, the board shall order the
6 secretary to return the pro rata share of all unused
7 tax money to each district taxpayer. A taxpayer may
8 request that the taxpayer's share of surplus tax money
9 be credited to the taxpayer's county taxes. If a
10 taxpayer requests the credit, the board shall direct
11 the secretary to transmit the funds to the county tax
12 assessor-collector.

13 Revised Law

14 Sec. 1101.307. REPORT; DISSOLUTION ORDER. (a) After the
15 district has paid all district debts and has disposed of all
16 district money and other assets as prescribed by this subchapter,
17 the board shall file a written report with the commissioners court
18 summarizing the board's actions in dissolving the district.

19 (b) Not later than the 10th day after the date the
20 commissioners court receives the report and determines that the
21 requirements of this subchapter have been fulfilled, the
22 commissioners court shall enter an order dissolving the district.
23 (Acts 68th Leg., R.S., Ch. 1047, Sec. 7.22(e).)

24 Source Law

25 (e) After the district has paid all its debts
26 and has disposed of all its assets and funds as
27 prescribed by this section, the board shall file a
28 written report with the Commissioners Court of Sutton
29 County setting forth a summary of the board's actions
30 in dissolving the district. Not later than the 10th
31 day after it receives the report and determines that
32 the requirements of this section have been fulfilled,
33 the commissioners court shall enter an order
34 dissolving the district.

35 Revisor's Note
36 (End of Chapter)

37 Section 4.02(2), Chapter 1047, Acts of the 68th
38 Legislature, Regular Session, 1983, provides for the
39 assumption of certain debt by the district on creation
40 of the district. The revised law omits the provision
41 as executed. The omitted law reads:

42 Sec. 4.02. [On creation of the
43 district, the district:]
44 . . .
45 (2) assumes any outstanding

1 indebtedness incurred by Sutton County in
2 providing hospital care for residents of
3 the territory of the district before the
4 district's creation; and
5 . . .

6 CHAPTER 1102. SWEENEY HOSPITAL DISTRICT

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6 CHAPTER 1102. SWEENEY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 1102.001. 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 Sweeny Hospital District.

14 (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. 1102.002. AUTHORITY FOR OPERATION. The Sweeny
22 Hospital District operates in accordance with Section 9, Article
23 IX, Texas Constitution. (Acts 58th Leg., R.S., Ch. 135, Sec. 1
24 (part).)

25 Source Law

26 Sec. 1. In accordance with the provisions of
27 Article IX, Section 9, Constitution of the State of
28 Texas, this Act shall be operative so as to authorize
29 the creation, establishment, maintenance and
30 operation of a hospital district within the State of
31 Texas, to be known as the Sweeny Hospital
32 District

33 Revisor's Note

34 Section 1, Chapter 135, Acts of the 58th
35 Legislature, Regular Session, 1963, authorizes the
36 "creation, establishment, maintenance and operation"
37 of the district. The revised law omits "creation" and

1 "establishment" as executed. The revised law omits
2 "maintenance" because, in this context, the meaning of
3 that term is included in the meaning of "operation."

4 Revised Law

5 Sec. 1102.003. POLITICAL SUBDIVISION. The district is a
6 political subdivision of this state. (Acts 58th Leg., R.S., Ch.
7 135, Sec. 16 (part).)

8 Source Law

9 Sec. 16. The hospital district created under
10 the provisions of this Act shall be and is declared to
11 be a political subdivision of the State of Texas, and
12

13 Revised Law

14 Sec. 1102.004. DISTRICT TERRITORY. The boundaries of the
15 district are coextensive with the boundaries of the Sweeny
16 Independent School District as those boundaries existed on May 10,
17 1963. (Acts 58th Leg., R.S., Ch. 135, Sec. 1 (part).)

18 Source Law

19 Sec. 1. . . . [hospital district] . . . with
20 boundaries coextensive with the boundaries of the
21 Sweeny Independent School District.

22 Revisor's Note

23 Section 1, Chapter 135, Acts of the 58th
24 Legislature, Regular Session, 1963, provides that the
25 boundaries of the district are coextensive with the
26 boundaries of the Sweeny Independent School District.
27 Under Chapter 13, Education Code, a school district's
28 boundaries may be changed.

29 However, the general rules of statutory
30 construction provide that the delineation of a
31 political subdivision's boundary by reference to that
32 of another political subdivision refers to the
33 boundary as it existed at the time of the delineation.
34 See Op. Tex. Att'y Gen. No. DM-186 (1992) (Hamilton
35 County Hospital District boundaries do not change when
36 commissioners precinct boundaries change). Changing
37 the hospital district boundaries based on changes in

1 the school district boundaries would cause some
2 territory to be included in the district and subject to
3 an ad valorem tax for which an election was not held
4 under Section 9, Article IX, Texas Constitution, or
5 cause some territory subject to the tax to be removed
6 from the district, possibly resulting in an
7 unconstitutional impairment of the contract under
8 which district bonds issued were supported by an ad
9 valorem tax imposed on district property.

10 Had the legislature intended this result, it
11 could have provided in the statute a method by which
12 the changes in district boundaries could have been
13 made to avoid these constitutional issues.
14 Accordingly, the revised law defines the hospital
15 district boundaries as of the effective date of the act
16 that made the boundaries coextensive with those of the
17 school district.

18 Revised Law

19 Sec. 1102.005. CORRECTION OF INVALID PROCEDURES. If a
20 court holds that any procedure under this chapter violates the
21 constitution of this state or of the United States, the district by
22 resolution may provide an alternative procedure that conforms with
23 the constitution. (Acts 58th Leg., R.S., Ch. 135, Sec. 17 (part).)

24 Source Law

25 Sec. 17. . . . [Federal or State
26 Constitutions] Where any procedure hereunder
27 may be held by any court to be violative of either of
28 such constitutions, the district shall have the power
29 by resolution to provide an alternative procedure
30 conformable with such constitutions. . . .

31 Revisor's Note

32 Section 17, Chapter 135, Acts of the 58th
33 Legislature, Regular Session, 1963, provides that the
34 act may not be construed to violate the federal or
35 state constitution and requires that action under the
36 act comply with the constitutions. The revised law
37 omits the reference to the federal constitution

1 because, under the Supremacy Clause of the United
2 States Constitution (Clause 2, Article VI), federal
3 law always takes precedence over a state statute. The
4 revised law also omits the reference to the state
5 constitution because the state legislature cannot
6 modify constitutional provisions by statute. The
7 omitted law reads:

8 Sec. 17. 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 [Sections 1102.006-1102.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Revised Law

17 Sec. 1102.051. BOARD ELECTION; TERM. (a) The board
18 consists of seven elected directors.

19 (b) Unless four-year terms are established under Section
20 285.081, Health and Safety Code:

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

22 (2) an election shall be held annually on the May
23 uniform election date under Section 41.001, Election Code. (Acts
24 58th Leg., R.S., Ch. 135, Secs. 3(a) (part), (c) (part).)

25 Source Law

26 Sec. 3. (a) The board of directors of the
27 district consists of seven persons elected as provided
28 by this section. Directors shall serve for a period of
29 two (2) years and until their successor has been duly
30 elected or appointed and qualified. . . .

31 (c) A regular election of directors shall be
32 held on the May uniform election date under Section
33 41.001, Election Code, each year. . . .

34 Revisor's Note

35 (1) Section 3(a), Chapter 135, Acts of the 58th
36 Legislature, Regular Session, 1963, provides that
37 directors serve two-year terms. Section 285.081,
38 Health and Safety Code, applicable to this district,
39 provides a mechanism by which the governing board of a
40 hospital district, on its own motion, may order that

1 the members are to be elected in even-numbered years to
2 serve staggered four-year terms. The revised law is
3 drafted accordingly and adds a reference to Section
4 285.081, Health and Safety Code, for the convenience
5 of the reader.

6 (2) Section 3(a), Chapter 135, Acts of the 58th
7 Legislature, Regular Session, 1963, provides that a
8 director serves "until their successor has been duly
9 elected or appointed and qualified." The revised law
10 omits that provision because it duplicates Section 17,
11 Article XVI, Texas Constitution, which provides that
12 an officer in this state is to continue to perform the
13 officer's official duties until a successor has
14 qualified.

15 Revised Law

16 Sec. 1102.052. NOTICE OF ELECTION. Notice of a directors'
17 election shall be published in a newspaper of general circulation
18 in Brazoria County in accordance with Section 4.003, Election Code.
19 (Acts 58th Leg., R.S., Ch. 135, Sec. 3(c) (part).)

20 Source Law

21 (c) . . . Notice of the election shall be
22 published in a newspaper of general circulation in the
23 county in accordance with Section 4.003, Election
24 Code. . . .

25 Revisor's Note

26 Section 3(c), Chapter 135, Acts of the 58th
27 Legislature, Regular Session, 1963, refers to "the
28 county." Throughout this chapter, the revised law
29 substitutes Brazoria County for the quoted language
30 because that is the county in which the district is
31 located.

32 Revised Law

33 Sec. 1102.053. 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; and
36 (2) at least 18 years of age.

1 (b) A district employee may not serve as a director. (Acts
2 58th Leg., R.S., Ch. 135, Sec. 3(a) (part).)

3 Source Law

4 (a) . . . No person shall be appointed or
5 elected as a director unless the person is a resident
6 of the district and at least 18 years of age. An
7 employee of the district may not serve as a
8 director. . . .

9 Revised Law

10 Sec. 1102.054. BOND; RECORD OF BOND AND OATH. (a) Each
11 director shall execute a good and sufficient bond for \$1,000 that
12 is:

13 (1) payable to the district; and

14 (2) conditioned on the faithful performance of the
15 director's duties.

16 (b) Each director's bond and the constitutional oath of
17 office must be deposited with the district's depository bank for
18 safekeeping. (Acts 58th Leg., R.S., Ch. 135, Sec. 3(a) (part).)

19 Source Law

20 (a) . . . Each director . . . shall execute a
21 good and sufficient bond for One Thousand Dollars
22 (\$1,000) payable to said district conditioned upon the
23 faithful performance of the director's duties, and
24 such oaths and bonds shall be deposited with the
25 depository bank of the district for safekeeping.

26 Revisor's Note

27 Section 3(a), Chapter 135, Acts of the 58th
28 Legislature, Regular Session, 1963, requires each
29 director to take the constitutional oath of office.
30 The revised law omits that provision because Section
31 1, Article XVI, Texas Constitution, requires an
32 officer of this state to take the constitutional oath
33 (or affirmation) before assuming office. The omitted
34 law reads:

35 (a) . . . [Each director] shall
36 qualify by executing the constitutional
37 oath of office and

38 Revised Law

39 Sec. 1102.055. BOARD VACANCY. (a) If a vacancy occurs in
40 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 four
3 for any reason, the remaining directors shall immediately call a
4 special election to fill the vacancies. If the remaining directors
5 do not call the election, a district court, on application of a
6 district voter or taxpayer, may order the directors to hold the
7 election. (Acts 58th Leg., R.S., Ch. 135, Sec. 3(b) (part).)

8 Source Law

9 (b) . . . All vacancies in the office of
10 director shall be filled for the unexpired term by
11 appointment of the remainder of the board of
12 directors. In the event the number of directors shall
13 be reduced to less than four (4) for any reason, the
14 remaining directors shall immediately call a special
15 election to fill said vacancies, and upon failure to do
16 so a district court may, upon application of any voter
17 or taxpayer of the district, issue a mandate requiring
18 that such election be ordered by the remaining
19 directors.

20 Revisor's Note

21 Section 3(b), Chapter 135, Acts of the 58th
22 Legislature, Regular Session, 1963, provides that if
23 there are fewer than four directors, a district court
24 may "issue a mandate requiring that such election [to
25 fill vacancies in directors' offices] be ordered by the
26 remaining directors." The revised law substitutes
27 "order the directors to hold the election" for the
28 quoted language because a mandate requiring directors
29 to order an election is necessarily an order for
30 directors to hold the election. See generally Titles 1
31 and 4 through 7, Election Code, providing that the
32 authority ordering an election is the authority
33 responsible for holding the election.

34 Revised Law

35 Sec. 1102.056. OFFICERS. (a) The board shall elect from
36 among its members a president and secretary.

37 (b) The board may elect or appoint other officers as the
38 board determines necessary.

39 (c) The board shall prescribe the powers and duties of an

1 officer position created under Subsection (b) in addition to the
2 positions of president and secretary. (Acts 58th Leg., R.S., Ch.
3 135, Sec. 3(b) (part).)

4 Source Law

5 (b) The board of directors shall organize by
6 electing one (1) of their number as president and one
7 (1) of their number as secretary. The board may elect
8 or appoint other officers as the board determines are
9 necessary. The board shall prescribe the powers and
10 duties of any officer position created under this
11 subsection in addition to the positions of president
12 and secretary. . . .

13 Revised Law

14 Sec. 1102.057. COMPENSATION; EXPENSES. A director serves
15 without compensation but may be reimbursed for actual expenses
16 incurred in the performance of official duties on approval of the
17 expenses by the entire board. (Acts 58th Leg., R.S., Ch. 135, Sec. 4
18 (part).)

19 Source Law

20 Sec. 4. . . . the board of directors of the
21 district who shall serve without compensation but may
22 be reimbursed for actual expenses incurred in the
23 performance of their official duties upon the approval
24 of such expenses by the entire board of directors.

25 Revised Law

26 Sec. 1102.058. VOTING REQUIREMENT. A concurrence of four
27 directors is sufficient in any matter relating to district
28 business. (Acts 58th Leg., R.S., Ch. 135, Sec. 3(b) (part).)

29 Source Law

30 (b) . . . [members of the board of directors]
31 . . . a concurrence of four (4) shall be sufficient in
32 all matters pertaining to the business of the
33 district. . . .

34 Revisor's Note

35 Section 3(b), Chapter 135, Acts of the 58th
36 Legislature, Regular Session, 1963, provides that four
37 directors constitute a quorum. The revised law omits
38 that provision because it duplicates Section 311.013,
39 Government Code (Code Construction Act), which
40 provides that a quorum of a public body is a majority
41 of the number of members fixed by statute. The omitted

1 law reads:

2 (b) . . . Any four (4) members of the
3 board of directors shall constitute a
4 quorum and

5 Revised Law

6 Sec. 1102.059. APPOINTMENT AND RECRUITMENT OF STAFF AND
7 EMPLOYEES. (a) The board may employ a general manager, an attorney,
8 a bookkeeper, an architect, and other employees considered
9 necessary for the efficient operation of the district.

10 (b) The board may spend district money, enter into
11 agreements, and take other necessary action to recruit physicians
12 as independent contractors to serve as medical staff members and to
13 recruit other persons to serve as district employees, including:

14 (1) advertising and marketing;

15 (2) paying travel, recruitment, and relocation
16 expenses;

17 (3) providing a loan or scholarship to:

18 (A) a physician who:

19 (i) is currently enrolled in health care
20 education courses at an institution of higher education; and

21 (ii) contractually agrees to serve as an
22 independent contractor on the district's medical staff; or

23 (B) a person who is not a physician who:

24 (i) is currently enrolled in health care
25 education courses at an institution of higher education; and

26 (ii) contractually agrees to become a
27 district employee;

28 (4) paying the tuition or other expenses of a
29 full-time medical student 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 serve as an
33 independent contractor on the district's medical staff in return
34 for that assistance; or

35 (5) paying the tuition or other expenses of a

1 full-time student in a health occupation who:

2 (A) is not a medical student;

3 (B) is enrolled in and is in good standing at an
4 accredited medical school, college, or university; and

5 (C) contractually agrees to serve as an employee
6 or independent contractor for the district in return for that
7 assistance. (Acts 58th Leg., R.S., Ch. 135, Secs. 7(a) (part),
8 (d).)

9 Source Law

10 Sec. 7. (a) The board of directors . . . may
11 employ a general manager, attorney, bookkeeper,
12 architect, and any other employees deemed necessary
13 for the efficient operation of the hospital district.

14 (d) The board of directors may spend district
15 funds, enter into agreements, and take other necessary
16 action to recruit physicians as independent
17 contractors to serve as medical staff members and to
18 recruit other persons to serve as employees of the
19 district, including:

20 (1) advertising and marketing;

21 (2) paying travel, recruitment, and
22 relocation expenses;

23 (3) providing a loan or scholarship to:

24 (A) a physician currently enrolled in
25 health care education courses at an institution of
26 higher education who contractually agrees to serve as
27 an independent contractor on the medical staff of the
28 district; or

29 (B) a person, other than a physician,
30 currently enrolled in health care education courses at
31 an institution of higher education who contractually
32 agrees to become a district employee;

33 (4) contracting with one or more full-time
34 medical students each of whom must be enrolled and in
35 good standing at an accredited medical school,
36 college, or university, to pay the student's tuition or
37 other expenses in consideration of the student's
38 agreement to serve as an independent contractor on the
39 medical staff of the district; or

40 (5) contracting with one or more full-time
41 students, other than medical students, in a health
42 occupation each of whom must be enrolled and in good
43 standing at an accredited medical school, college, or
44 university, to pay the student's tuition or other
45 expenses in consideration of the student's agreement
46 to serve as an employee or independent contractor for
47 the district.

48 Revised Law

49 Sec. 1102.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
50 Except as provided by Section 1102.054, all district records,
51 including books, accounts, notices, and minutes, and all other
52 matters of the district and the operation of its facilities, shall

1 be:

- 2 (1) maintained at the district office; and
 - 3 (2) open to public inspection at the district office
- 4 at all reasonable hours. (Acts 58th Leg., R.S., Ch. 135, Sec.
- 5 7(b).)

6 Source Law

7 (b) All books, records, accounts, notices and
8 minutes and all other matters of the district and the
9 operation of its facilities shall, except as herein
10 provided, be maintained at the office of the district
11 and there be open to public inspection at all
12 reasonable hours.

13 Revisor's Note

14 Section 7(b), Chapter 135, Acts of the 58th
15 Legislature, Regular Session, 1963, provides that the
16 records shall be maintained at the district office
17 "except as herein provided." For the convenience of
18 the reader, the revised law substitutes a reference to
19 Section 1102.054, which revises Section 3(a), Chapter
20 135, and is the only exception provided in Chapter 135.

21 Revised Law

22 Sec. 1102.061. SEAL. The board may adopt a seal for the
23 district. (Acts 58th Leg., R.S., Ch. 135, Sec. 7(a) (part).)

24 Source Law

25 (a) [The board of directors] . . . shall have
26 the power to adopt a seal for such district; and
27

28 Revisor's Note
29 (End of Subchapter)

30 Section 3(c), Chapter 135, Acts of the 58th
31 Legislature, Regular Session, 1963, provides that a
32 person must file a ballot application with the board
33 secretary to be a candidate for director in accordance
34 with Chapter 144, Election Code. The revised law omits
35 the requirement to file the application in accordance
36 with Chapter 144, Election Code, because that chapter
37 applies to the district under Section 1.002, Election
38 Code, which provides that the Election Code applies to

1 all elections held in this state. The omitted law
2 reads:

3 (c) . . . Any person desiring the
4 person's name to be printed on the ballot as
5 a candidate for director shall file an
6 application with the secretary of the board
7 of directors of the district in accordance
8 with Chapter 144, Election Code.

9 [Sections 1102.062-1102.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Revised Law

12 Sec. 1102.101. DISTRICT RESPONSIBILITY. The district has
13 full responsibility for providing medical and hospital care for the
14 district's needy inhabitants and needy and indigent residents.
15 (Acts 58th Leg., R.S., Ch. 135, Secs. 2 (part), 12 (part).)

16 Source Law

17 Sec. 2. . . . Such district shall assume full
18 responsibility for providing medical and hospital care
19 for its needy inhabitants.

20 Sec. 12. . . . such hospital district shall
21 assume full responsibility for the furnishing of
22 medical and hospital care for the needy and indigent
23 persons residing in said hospital district from the
24 date that taxes are collected for the hospital
25 district.

26 Revisor's Note

27 Section 2, Chapter 135, Acts of the 58th
28 Legislature, Regular Session, 1963, provides that the
29 district "shall assume" full responsibility for
30 providing medical and hospital care for the district's
31 needy inhabitants, and Section 12 provides that the
32 district shall assume responsibility for providing
33 that care for the district's needy and indigent
34 residents "from the date that taxes are collected for
35 the hospital district." The revised law substitutes
36 "has" for "shall assume" because the duty to assume the
37 responsibility is executed. The revised law omits
38 "from the date that taxes are collected for the
39 hospital district" as executed.

1 Revised Law

2 Sec. 1102.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION.
3 Brazoria County or a municipality in the district may not impose a
4 tax on property in the district for hospital purposes. (Acts 58th
5 Leg., R.S., Ch. 135, Sec. 12 (part).)

6 Source Law

7 Sec. 12. Except as herein provided, Brazoria
8 County, or any city or town within the hospital
9 district, shall not levy any tax against any property
10 within the hospital district for hospital purposes;
11 and

12 Revisor's Note

13 (1) Section 12, Chapter 135, Acts of the 58th
14 Legislature, Regular Session, 1963, states that
15 "[e]xcept as herein provided," certain political
16 subdivisions may not levy a tax for hospital purposes.
17 The revised law omits the quoted language because the
18 act does not provide an exception. In addition,
19 throughout this chapter, the revised law substitutes
20 "impose" for "levy" because, in the context of
21 taxation, the terms are synonymous and "impose" is
22 more commonly used.

23 (2) Section 12, Chapter 135, Acts of the 58th
24 Legislature, Regular Session, 1963, refers to a "city
25 or town." The revised law substitutes "municipality"
26 for "city or town" to conform to the terminology of the
27 Local Government Code.

28 Revised Law

29 Sec. 1102.103. MANAGEMENT AND CONTROL OF DISTRICT. The
30 management and control of the district is vested in the board.
31 (Acts 58th Leg., R.S., Ch. 135, Sec. 4 (part).)

32 Source Law

33 Sec. 4. The management and control of the
34 district is hereby vested in the board of directors of
35 the district

36 Revised Law

37 Sec. 1102.104. HOSPITAL SYSTEM. The district shall provide

1 for:

2 (1) the establishment of a hospital system to provide
3 medical and hospital care to district residents by:

4 (A) purchasing, constructing, acquiring,
5 repairing, or renovating buildings and improvements; and

6 (B) equipping the buildings and improvements;
7 and

8 (2) the administration of the hospital system for
9 hospital purposes. (Acts 58th Leg., R.S., Ch. 135, Sec. 2 (part).)

10 Source Law

11 Sec. 2. The hospital district herein authorized
12 to be created, shall provide for the establishment of a
13 hospital system to furnish medical and hospital care
14 to persons residing in said hospital district by the
15 purchase, construction, acquisition, repair, or
16 renovation of buildings and improvements; and the
17 equipping of same and the administration thereof for
18 hospital purposes. . . .

19 Revised Law

20 Sec. 1102.105. NURSING HOME FACILITIES. The district may
21 provide outpatient care for the aged or infirm residing in the
22 district in nursing home facilities by purchasing, constructing,
23 acquiring, repairing, renovating, or leasing land, buildings, and
24 improvements. The district may equip the facilities and administer
25 the facilities for appropriate purposes. (Acts 58th Leg., R.S.,
26 Ch. 135, Sec. 2a.)

27 Source Law

28 Sec. 2a. The hospital district herein
29 authorized to be created, may provide out-patient care
30 for the aged and infirm residing in the district in
31 nursing home facilities by the purchase, construction,
32 acquisition, repair, renovation or lease of buildings,
33 lands and improvements. The district may equip the
34 facilities and administer them for appropriate
35 purposes.

36 Revised Law

37 Sec. 1102.106. RULES. (a) The board may adopt rules
38 governing the operation of the district and district facilities.

39 (b) The rules, on approval by the board, may be published in
40 booklet form at district expense and may be made available to any
41 taxpayer on request. (Acts 58th Leg., R.S., Ch. 135, Sec. 7(c).)

1 (2) the method of purchasing necessary supplies,
2 materials, and equipment. (Acts 58th Leg., R.S., Ch. 135, Sec. 7(a)
3 (part).)

4 Source Law

5 Sec. 7. (a) The board of directors shall have
6 the power to prescribe the method and manner of making
7 purchases and expenditures by and for such hospital
8 district, and also shall prescribe all accounting and
9 control procedures; the method of purchasing necessary
10 supplies, materials and equipment; and

11 Revised Law

12 Sec. 1102.108. 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, real, personal, or mixed,
15 located in district territory, if the interest is necessary or
16 convenient to exercise a right, power, privilege, or function
17 conferred on the district by this chapter.

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

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

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

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

28 (3) provide a bond for costs or a supersedeas bond on
29 an appeal or petition for review. (Acts 58th Leg., R.S., Ch. 135,
30 Sec. 9.)

31 Source Law

32 Sec. 9. The district shall have the right and
33 power of eminent domain for the purpose of acquiring by
34 condemnation any and all property of any kind or
35 character, real, personal or mixed, or any interest
36 therein, including outright ownership of such property
37 in fee simple absolute, within the boundaries of the
38 said district, necessary or convenient to the exercise
39 of the rights, power, privileges and functions
40 conferred upon it by this Act. The district must
41 exercise the power of eminent domain in the manner
42 provided by Chapter 21, Property Code, but the

1 district is not required to deposit in the trial court
2 money or a bond as provided by Section 21.021(a),
3 Property Code. In condemnation proceedings being
4 prosecuted by the said district, the district shall
5 not be required to pay in advance or to give bond or
6 other security for costs in the trial court, nor to
7 give any bond otherwise required for the issuance of a
8 temporary restraining order or a temporary injunction
9 relating to a condemnation proceeding, nor to give
10 bond for costs or for supersedeas on any appeal or writ
11 of error proceeding to any Court of Civil Appeals, or
12 to the Supreme Court.

13 Revisor's Note

14 (1) Section 9, Chapter 135, 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 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 9, Chapter 135, Acts of the 58th
24 Legislature, Regular Session, 1963, provides that the
25 district is not required to provide bond on any appeal
26 or "writ of error proceeding" to "any Court of Civil
27 Appeals, or to the Supreme Court." The revised law
28 substitutes "petition for review" for "writ of error"
29 because, effective September 1, 1997, the Texas
30 Supreme Court replaced the writ of error procedure
31 with the petition for review procedure. See Rule 53.1,
32 Texas Rules of Appellate Procedure. The revised law
33 omits the references to the court of civil appeals (now
34 the court of appeals) and the supreme court because
35 those courts are the only courts to which the district
36 may appeal or with which the district may file a
37 petition for review.

38 Revised Law

39 Sec. 1102.109. GIFTS AND ENDOWMENTS. The board may accept
40 for the district a gift or endowment to be held in trust and

1 administered by the board for the purposes and under the
2 directions, limitations, or other provisions prescribed in writing
3 by the donor that are not inconsistent with the proper management
4 and objectives of the district. (Acts 58th Leg., R.S., Ch. 135,
5 Sec. 14.)

6 Source Law

7 Sec. 14. Said board of directors of the hospital
8 district is authorized on behalf of said hospital
9 district to accept donations, gifts and endowments for
10 the hospital district to be held in trust and
11 administered by the board of directors for such
12 purposes and under such direction, limitations, and
13 provisions as may be prescribed in writing by donor,
14 not inconsistent with proper management and objects of
15 the hospital district.

16 Revisor's Note

17 Section 14, Chapter 135, Acts of the 58th
18 Legislature, Regular Session, 1963, refers to
19 "donations" and "gifts." The revised law omits
20 "donations" because "donations" is included in the
21 meaning of "gifts."

22 Revised Law

23 Sec. 1102.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)
24 When a patient who resides in the district is admitted to a district
25 facility, the board shall have an inquiry made into the
26 circumstances of:

- 27 (1) the patient; and
28 (2) the patient's relatives legally liable for the
29 patient's support.

30 (b) If an agent designated by the district to handle the
31 inquiry determines that the patient or those relatives cannot pay
32 for all or part of the patient's care and treatment in the hospital,
33 the amount that cannot be paid becomes a charge against the
34 district.

35 (c) If the board determines that the patient or those
36 relatives are liable to pay for all or part of the patient's care
37 and treatment, the patient or those relatives shall be ordered to
38 pay to the district's treasurer a specified amount each week for the

1 patient's support. The amount ordered must be proportionate to
2 their financial ability and may not exceed the actual per capita
3 cost of maintenance.

4 (d) The district may collect the amount from the patient's
5 estate, or from the patient's relatives legally liable for the
6 patient's support, in the manner provided by law for the collection
7 of expenses of the last illness of a deceased person.

8 (e) If there is a dispute as to the ability to pay, or doubt
9 in the mind of the district's designated agent, the board shall hold
10 a hearing and, after calling witnesses, shall:

11 (1) resolve the dispute or doubt; and

12 (2) issue any appropriate order.

13 (f) Either party to the dispute may appeal the order to the
14 district court. (Acts 58th Leg., R.S., Ch. 135, Sec. 13.)

15 Source Law

16 Sec. 13. Whenever a patient residing in the
17 hospital district has been admitted to the facilities
18 of the hospital district, the directors shall cause
19 inquiry to be made as to his circumstances, and of the
20 relatives of such patient legally liable for his
21 support. If they find that such patient or said
22 relatives are liable to pay for his care and treatment
23 in whole or in part, an order shall be made directing
24 such patient, or said relatives, to pay to the
25 treasurer of the hospital district for the support of
26 such patient a specified sum per week, in proportion to
27 their financial ability, but such sum shall not exceed
28 the actual per capita cost of maintenance. The
29 district shall have power and authority to collect
30 such sum from the estate of the patient, or his
31 relatives legally liable for his support, in the
32 manner provided by law for the collection of expenses
33 of the last illness of a deceased person. If the agent
34 designated by the district to handle such affairs
35 finds that such patient or said relatives are not able
36 to pay, either in whole or in part, for his care and
37 treatment in such hospital, the same shall become a
38 charge upon the hospital district. Should there be a
39 dispute as to the ability to pay, or doubt in the mind
40 of the person designated as aforesaid, the district's
41 directors shall hear and determine same, after calling
42 witnesses, and shall make such order as may be proper,
43 from which appeal shall lie to the district court by
44 either party to the dispute.

45 Revised Law

46 Sec. 1102.111. NONPROFIT CORPORATION. (a) The district
47 may create and sponsor a nonprofit corporation under the Business
48 Organizations Code and may contribute money to or solicit money for

1 the corporation.

2 (b) The corporation may use money contributed by the
3 district only to provide health care or other services the district
4 is authorized to provide under this chapter.

5 (c) The corporation may invest the corporation's money in
6 any manner in which the district may invest the district's money,
7 including investing money as authorized by Chapter 2256, Government
8 Code.

9 (d) The board shall establish controls to ensure that the
10 corporation uses its money as required by this section. (Acts 58th
11 Leg., R.S., Ch. 135, Sec. 7A.)

12 Source Law

13 Sec. 7A. (a) The district may create and
14 sponsor a nonprofit corporation under the Business
15 Organizations Code and may contribute money to or
16 solicit money for the corporation.

17 (b) A corporation created under this section may
18 use money contributed by the district only to provide
19 health care or other services the district is
20 authorized to provide under this Act.

21 (c) The corporation may invest the corporation's
22 money in any manner in which the district may invest
23 the district's money, including investing money as
24 authorized by Chapter 2256, Government Code.

25 (d) The board shall establish controls to ensure
26 that the corporation uses its money as required by this
27 section.

28 Revised Law

29 Sec. 1102.112. AUTHORITY TO SUE AND BE SUED. As a
30 governmental agency, the district may sue and be sued in its own
31 name in any court of this state. (Acts 58th Leg., R.S., Ch. 135,
32 Sec. 16 (part).)

33 Source Law

34 Sec. 16. [The hospital district created under
35 the provisions of this Act] . . . as a governmental
36 agency may sue and be sued in any and all courts of this
37 state in the name of such district.

38 Revisor's Note
39 (End of Subchapter)

40 Section 11, Chapter 135, Acts of the 58th
41 Legislature, Regular Session, 1963, provides
42 authority for the "State Board of Health or any State
43 Board of Charities (or Public Welfare) that may

1 hereafter be created" to inspect district facilities
2 and records. The revised law omits Section 11 because
3 various state laws, including Chapters 222 and 241,
4 Health and Safety Code, provide the necessary
5 inspection authority to appropriate state agencies.
6 The omitted law reads:

7 Sec. 11. The hospital district
8 established or maintained under provisions
9 of this Act shall be subject to inspection
10 by any duly authorized representative of
11 the State Board of Health or any State Board
12 of Charities (or Public Welfare) that may
13 hereafter be created, and resident officers
14 shall admit such representatives into all
15 hospital district facilities and give them
16 access on demand to all records, reports,
17 books, papers and accounts pertaining to
18 the hospital district.

19 [Sections 1102.113-1102.150 reserved for expansion]

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Revised Law

22 Sec. 1102.151. BUDGET. The board annually shall have a
23 budget prepared for the next fiscal year that includes:

- 24 (1) proposed expenditures and disbursements;
25 (2) estimated receipts and collections; and
26 (3) the amount of taxes required to be imposed for the
27 year. (Acts 58th Leg., R.S., Ch. 135, Sec. 8(c) (part).)

28 Source Law

29 (c) The board of directors shall each year cause
30 a budget to be prepared showing the proposed
31 expenditures and disbursements and the estimated
32 receipts and collections for the following fiscal year
33 and The proposed budget shall also show the
34 amount of taxes required to be levied and collected
35 during such fiscal year and

36 Revisor's Note

37 Section 8(c), Chapter 135, Acts of the 58th
38 Legislature, Regular Session, 1963, refers to the levy
39 and collection of a tax. The revised law substitutes
40 "imposed" for "levied and collected" because "imposed"
41 is the term generally used in Title 1, Tax Code, and
42 includes the levying and collection of an ad valorem
43 tax.

1 Revised Law

2 Sec. 1102.152. PROPOSED BUDGET; NOTICE AND HEARING. (a)

3 The board shall hold a public hearing on the proposed budget.

4 (b) Notice of the hearing must be published at least once in
5 a newspaper of general circulation in Brazoria County not later
6 than the 10th day before the date of the hearing.

7 (c) Any district resident is entitled to:

8 (1) appear at the time and place designated in the
9 notice; and

10 (2) be heard regarding any item included in the
11 proposed budget. (Acts 58th Leg., R.S., Ch. 135, Sec. 8(c) (part).)

12 Source Law

13 (c) [The board of directors] . . . shall hold a
14 public hearing on the proposed budget after
15 publication of a notice of hearing in a newspaper of
16 general circulation in the county at least once not
17 less than ten (10) days prior to the date set for the
18 hearing. Any person who is a resident of the district
19 shall have the right to appear at the time and place
20 designated in the notice and be heard with reference to
21 any item shown in the proposed budget. . . .

22 Revised Law

23 Sec. 1102.153. FISCAL YEAR. (a) The district operates
24 according to a fiscal year established by the board.

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

26 (1) if revenue bonds of the district are outstanding;
27 or

28 (2) more than once in a 24-month period. (Acts 58th
29 Leg., R.S., Ch. 135, Sec. 8(a).)

30 Source Law

31 Sec. 8. (a) The district operates on the
32 fiscal year established by the board of directors. The
33 fiscal year may not be changed if revenue bonds of the
34 district are outstanding or more than once in a
35 24-month period.

36 Revised Law

37 Sec. 1102.154. ANNUAL AUDIT. The board annually shall have
38 an independent audit made of the district's books and records.
39 (Acts 58th Leg., R.S., Ch. 135, Sec. 8(b).)

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

4 (c) A loan for which taxes or bonds are pledged must mature
5 not later than the first anniversary of the date the loan is made. A
6 loan for which district revenue is pledged must mature not later
7 than the fifth anniversary of the date the loan is made. (Acts 58th
8 Leg., R.S., Ch. 135, Sec. 7B.)

9 Source Law

10 Sec. 7B. (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 the
13 loan is made.

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

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

17 (2) a district tax to be imposed by the
18 district during the 12-month period following the date
19 of the pledge that is not pledged to pay the principal
20 of or interest on district bonds; or

21 (3) a district bond that has been
22 authorized but not sold.

23 (c) A loan for which taxes or bonds are pledged
24 must mature not later than the first anniversary of the
25 date the loan is made. A loan for which district
26 revenue is pledged must mature not later than the fifth
27 anniversary of the date the loan is made.

28 [Sections 1102.157-1102.200 reserved for expansion]

29 SUBCHAPTER E. BONDS

30 Revised Law

31 Sec. 1102.201. GENERAL OBLIGATION BONDS. The board may
32 issue and sell general obligation bonds in the name and on the faith
33 and credit of the district to purchase, construct, acquire, repair,
34 or renovate buildings or improvements and equip buildings or
35 improvements for hospital purposes. (Acts 58th Leg., R.S., Ch.
36 135, Sec. 6(a) (part).)

37 Source Law

38 Sec. 6. (a) The board of directors shall have
39 the power and authority to issue and sell general
40 obligation bonds in the name and upon the faith and
41 credit of the district for the purchase, construction,
42 acquisition, repair, or renovation of buildings and
43 improvements and equipping the same for hospital
44 purposes;

45 Revised Law

46 Sec. 1102.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)

1 The board shall impose an ad valorem tax at a rate sufficient to
2 create an interest and sinking fund to pay the principal of and
3 interest on general obligation bonds issued under Section 1102.201
4 as the bonds mature.

5 (b) The tax required by this section together with any other
6 ad valorem tax imposed for the district may not in any year exceed
7 75 cents on each \$100 valuation of taxable property in the district.
8 (Acts 58th Leg., R.S., Ch. 135, Secs. 5(a) (part), 6(a) (part).)

9 Source Law

10 Sec. 5. (a) . . . [the board of directors
11 shall . . . levy . . . a tax] of not to exceed
12 seventy-five cents (75¢) on the One Hundred Dollar
13 (\$100) valuation of all taxable property within the
14 hospital district,

15 Sec. 6. (a) . . . provided, that a sufficient
16 tax shall be levied to create an interest and sinking
17 fund to pay the interest and principal as same matures
18 providing said tax together with any other taxes
19 levied for said district shall not exceed 75 cents on
20 each \$100 valuation in any year.

21 Revisor's Note

22 Section 6(a), Chapter 135, Acts of the 58th
23 Legislature, Regular Session, 1963, 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. Section
28 1(b), Article VIII, Texas Constitution, requires all
29 property that is taxed to be taxed in proportion to its
30 value, and accordingly "ad valorem" tax is the term
31 most commonly used in Texas law to refer to a tax on
32 property.

33 Revised Law

34 Sec. 1102.203. GENERAL OBLIGATION BOND ELECTION. (a) The
35 district may issue general obligation bonds only if the bonds are
36 authorized by a majority of the district voters voting at an
37 election held for that purpose.

38 (b) The board may order a bond election in accordance with
39 Chapter 1251, Government Code.

1 (c) Notice of a bond election shall be given as provided by
2 Chapter 1251, Government Code. (Acts 58th Leg., R.S., Ch. 135, Sec.
3 6(c) (part).)

4 Source Law

5 (c) General obligation bonds may not be issued
6 by the district until authorized by a majority of the
7 qualified voters of the district voting at an election
8 called and held for that purpose. Such election may be
9 ordered by the board of directors in accordance with
10 Chapter 1251, Government Code. Notice of election
11 shall be given as provided by Chapter 1251, Government
12 Code. . . .

13 Revisor's Note

14 (1) Section 6(c), Chapter 135, Acts of the 58th
15 Legislature, Regular Session, 1963, refers to a
16 majority vote of the "qualified" voters of the
17 district. The revised law omits "qualified" as
18 unnecessary in this context because Chapter 11,
19 Election Code, governs eligibility to vote in an
20 election in this state and allows only "qualified"
21 voters who are residents of the territory covered by
22 the election to vote in an election.

23 (2) Section 6(c), Chapter 135, Acts of the 58th
24 Legislature, Regular Session, 1963, refers to an
25 election "called and held." The revised law omits the
26 reference to "calling" an election because, in this
27 context, "calling" an election is included in the
28 meaning of "holding" an election. Under Chapter 3,
29 Election Code, all elections must be ordered (called)
30 before they may be held.

31 (3) Section 6(c), Chapter 135, Acts of the 58th
32 Legislature, Regular Session, 1963, requires the
33 district to pay the costs of elections. The revised
34 law omits the provision because it duplicates Section
35 1.014, Election Code, applicable to the district under
36 Section 1.002 of that code. The omitted law reads:

37 (c) . . . The cost of such election
38 shall be paid by the hospital district.

1 Revised Law

2 Sec. 1102.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
3 The board president shall execute district general obligation bonds
4 in the district's name.

5 (b) The board secretary shall countersign the bonds. (Acts
6 58th Leg., R.S., Ch. 135, Sec. 6(b) (part).)

7 Source Law

8 (b) Such bonds shall be executed in the name of
9 the hospital district and on its behalf by the
10 president of the board of directors, and countersigned
11 by the secretary of the board of directors, and

12 Revised Law

13 Sec. 1102.205. REVENUE BONDS. (a) The board may issue
14 revenue bonds to purchase, construct, acquire, repair, renovate, or
15 equip buildings, sites, 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 lien on all or part of district property.

21 (d) The bonds must be issued in the manner provided by
22 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
23 Health and Safety Code. (Acts 58th Leg., R.S., Ch. 135, Sec. 6(e).)

24 Source Law

25 (e) The board of directors may issue revenue
26 bonds to purchase, construct, acquire, repair,
27 renovate, or equip buildings, sites, or improvements
28 for district purposes. The bonds must be payable from
29 and secured by a pledge of all or part of the revenues
30 derived from the operation of the district's hospital
31 system. Revenue bonds issued under this subsection may
32 be additionally secured by a mortgage or deed of trust
33 lien on all or part of the district property. The
34 revenue bonds must be issued in the manner provided by
35 Sections 264.042, 264.043, 264.046, 264.047, 264.048,
36 and 264.049, Health and Safety Code.

37 Revised Law

38 Sec. 1102.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF
39 BONDS. In addition to the authority to issue general obligation
40 bonds and revenue bonds under this subchapter, the board may
41 provide for the security and payment of district bonds from a pledge

1 of a combination of ad valorem taxes as authorized by Section
2 1102.202 and revenue and other sources as authorized by Section
3 1102.205. (Acts 58th Leg., R.S., Ch. 135, Sec. 6A.)

4 Source Law

5 Sec. 6A. In addition to the authority to issue
6 general obligation bonds and revenue bonds under this
7 Act, the board may provide for the security and payment
8 of district bonds from a pledge of a combination of ad
9 valorem taxes as authorized by Section 6(a) of this Act
10 and revenue and other sources as authorized by Section
11 6(e) of this Act.

12 Revised Law

13 Sec. 1102.207. USE OF BOND PROCEEDS. The district may use
14 the proceeds of bonds issued under this subchapter to pay:

15 (1) any expense the board determines is reasonable and
16 necessary to issue, sell, and deliver the bonds;

17 (2) interest payments on the bonds during a period of
18 acquisition or construction of a project or facility to be provided
19 through the bonds, not to exceed five years;

20 (3) costs related to the operation and maintenance of
21 a project or facility to be provided through the bonds:

22 (A) during an estimated period of acquisition or
23 construction, not to exceed five years; and

24 (B) for one year after the project or facility is
25 acquired or constructed;

26 (4) costs related to the financing of the bond funds,
27 including debt service reserve and contingency funds;

28 (5) costs related to the bond issuance;

29 (6) costs related to the acquisition of land or
30 interests in land for a project or facility to be provided through
31 the bonds; and

32 (7) construction costs of a project or facility to be
33 provided through the bonds, including the payment of related
34 professional services and expenses. (Acts 58th Leg., R.S., Ch.
35 135, Sec. 6B.)

36 Source Law

37 Sec. 6B. The district may use the proceeds of
38 bonds issued under this Act to pay:

1 (1) any expense the board determines is
2 reasonable and necessary to issue, sell, and deliver
3 the bonds;

4 (2) interest payments on the bonds during
5 a period of acquisition or construction of a project or
6 facility to be provided through the bonds, not to
7 exceed five years;

8 (3) costs related to the operation and
9 maintenance of a project or facility to be provided
10 through the bonds:

11 (A) during an estimated period of
12 acquisition or construction, not to exceed five years;
13 and

14 (B) for one year after the project or
15 facility is acquired or constructed;

16 (4) costs related to the financing of the
17 bond funds, including debt service reserve and
18 contingency funds;

19 (5) costs related to the bond issuance;

20 (6) costs related to the acquisition of
21 land or interests in land for a project or facility to
22 be provided through the bonds; and

23 (7) costs of construction of a project or
24 facility to be provided through the bonds, including
25 the payment of related professional services and
26 expenses.

27 Revisor's Note
28 (End of Subchapter)

29 (1) Section 6(b), Chapter 135, Acts of the 58th
30 Legislature, Regular Session, 1963, provides that
31 district bonds are subject to the law governing
32 counties that relates to bond approval by the attorney
33 general and registration of the bonds by the
34 comptroller. Section 6(b) also provides that after
35 approval and registration the bonds are "incontestable
36 for any cause." The revised law omits those provisions
37 because they duplicate, in substance, Chapter 1202,
38 Government Code (enacted as Article 3, Chapter 53,
39 Acts of the 70th Legislature, 2nd Called Session,
40 1987). Section 1202.003(a), Government Code, requires
41 bonds to be submitted to the attorney general. Section
42 1202.003(b), Government Code, provides for approval of
43 the bonds by the attorney general and requires the
44 attorney general to submit the approved bonds to the
45 comptroller for registration. Section 1202.005,
46 Government Code, requires registration of the bonds by
47 the comptroller. Section 1202.006, Government Code,
48 provides that after approval and registration the

1 bonds are incontestable and binding obligations.
2 Chapter 1202, Government Code, applies to district
3 bonds by application of Section 1202.001, Government
4 Code. The omitted law reads:

5 (b) [Such bonds] . . . shall be
6 subject to the same requirements in the
7 matter of approval thereof by the Attorney
8 General of the State of Texas and the
9 registration thereof by the Comptroller of
10 Public Accounts of the State of Texas as are
11 by law provided for such approval and
12 registration of bonds of counties of this
13 state. Upon the approval of such bonds by
14 the Attorney General of Texas and
15 registration by the Comptroller the same
16 shall be incontestable for any cause.

17 (2) Section 6(d), Chapter 135, Acts of the 58th
18 Legislature, Regular Session, 1963, authorizes the
19 district to issue refunding bonds. The revised law
20 omits that provision because Chapter 1207, Government
21 Code, provides general authority for an issuer,
22 including a hospital district, to issue refunding
23 securities and prescribes procedures applicable to the
24 securities. The omitted law reads:

25 (d) The board of directors may issue
26 refunding bonds in accordance with Chapter
27 1207, Government Code, to refund any
28 outstanding bonds issued by the district.

29 (3) Section 15, Chapter 135, Acts of the 58th
30 Legislature, Regular Session, 1963, provides that
31 district bonds are legal and authorized investments
32 for certain entities. The revised law omits the
33 provision as unnecessary. As to several of the
34 entities listed, Section 15 has been superseded and
35 impliedly repealed or it duplicates existing law.
36 Investments in securities by banks are regulated by
37 Section 34.101, Finance Code (enacted in 1995 as
38 Section 5.101, Texas Banking Act (Article 342-5.101,
39 Vernon's Texas Civil Statutes)). Investments in
40 securities by savings banks are regulated by Section
41 93.001(c)(10), Finance Code (enacted in 1993 as

1 Section 7.15(10), Texas Savings Bank Act (Article
2 489e, Vernon's Texas Civil Statutes)). Investments in
3 securities by trust companies are regulated by Section
4 184.101, Finance Code (enacted in 1997 as Section
5 5.101, Texas Trust Company Act (Article 342a-5.101,
6 Vernon's Texas Civil Statutes)). Investments in
7 securities by building and loan associations (now
8 called savings and loan associations) are regulated by
9 Sections 63.002 and 64.001, Finance Code. As to the
10 remaining entities listed, Section 15 is superseded by
11 Section 1201.041, Government Code, enacted as Section
12 9, Bond Procedures Act of 1981 (Article 717k-6,
13 Vernon's Texas Civil Statutes). While Section 15 lists
14 "guardians" and Section 1201.041 does not, Section
15 1201.041 includes a "fiduciary" and a guardian is a
16 fiduciary. Section 1201.041, Government Code, applies
17 to district bonds by application of Section 1201.002,
18 Government Code. The revised law omits the reference
19 to public funds of political subdivisions or public
20 agencies of the state because it has been superseded by
21 Chapter 2256, Government Code (enacted in 1987 as the
22 Public Funds Investment Act of 1987 (Article 842a-2,
23 Vernon's Texas Civil Statutes)), which governs the
24 investment of local funds. The omitted law reads:

25 Sec. 15. All bonds issued by or
26 assumed by the districts authorized to be
27 established and created under the
28 provisions of this Act shall be and are
29 declared to be legal and authorized
30 investments for banks, savings banks, trust
31 companies, building and loan associations,
32 insurance companies, fiduciaries,
33 trustees, guardians, and for the sinking
34 funds of cities, towns, villages, counties,
35 school districts, or other political
36 corporations or subdivisions of the State
37 of Texas; and

38 (4) Section 15, Chapter 135, Acts of the 58th
39 Legislature, Regular Session, 1963, provides that
40 district bonds may secure certain deposits. Although

1 time taxes are levied for county purposes,
2 using the county values and the county tax
3 roll,

4 Revised Law

5 Sec. 1102.252. TAX RATE. The board may impose the tax at a
6 rate not to exceed 75 cents on each \$100 valuation of all taxable
7 property in the district. (Acts 58th Leg., R.S., Ch. 135, Sec. 5(a)
8 (part).)

9 Source Law

10 (a) [the board of directors shall
11 levy . . . a tax] of not to exceed seventy-five cents
12 (75¢) on the One Hundred Dollar (\$100) valuation of all
13 taxable property [within the hospital district,]
14

15 Revised Law

16 Sec. 1102.253. TAX ASSESSOR-COLLECTOR. The board may
17 provide for the appointment of a tax assessor-collector for the
18 district or may contract for the assessment and collection of taxes
19 as provided by the Tax Code. (Acts 58th Leg., R.S., Ch. 135, Sec.
20 5(c).)

21 Source Law

22 (c) The board of directors may provide for the
23 appointment of a tax assessor-collector for the
24 district or may contract for the assessment and
25 collection of taxes as provided by the Tax Code.

26 Revisor's Note

27 Section 8(c), Chapter 135, Acts of the 58th
28 Legislature, Regular Session, 1963, requires the board
29 to certify the tax rate to the "county tax assessor and
30 collector as provided in Section 5 hereof" and
31 provides that it is the duty of "the said" tax
32 assessor-collector to assess and collect the taxes.
33 The revised law omits the provision relating to
34 certifying the tax rate because Section 26.05(a), Tax
35 Code, requires the governing body of a taxing unit to
36 adopt a tax rate for the current tax year and to notify
37 the tax assessor of that rate. The revised law omits
38 the provision relating to the powers and duties of the
39 county tax assessor-collector as repealed by Chapter

1 227, Acts of the 79th Legislature, Regular Session,
2 2005. That act amended Section 5, Chapter 135, Acts of
3 the 58th Legislature, Regular Session, 1963, by
4 repealing the requirement that the district's taxes be
5 assessed and collected by the county tax
6 assessor-collector. That act also added Section 5(c),
7 codified in this section, which authorizes the
8 district to appoint a tax assessor-collector or
9 contract for the assessment and collection of district
10 taxes. The omitted law reads:

11 (c) [the board of directors
12 shall] . . . certify the tax rate for such
13 year to the county tax assessor and
14 collector as provided in Section 5 hereof,
15 and it shall be the duty of the said tax
16 assessor and collector to assess and
17 collect such tax.

18 Revisor's Note
19 (End of Subchapter)

20 Section 5(b), Chapter 135, Acts of the 58th
21 Legislature, Regular Session, 1963, provides that the
22 Tax Code governs the appraisal, assessment, and
23 collection of district taxes. The revised law omits
24 this provision as unnecessary because Title 1, Tax
25 Code, governs the appraisal of property for and the
26 assessment and collection of ad valorem taxes by all
27 taxing units in this state, including hospital
28 districts. See Section 1.02, Tax Code. The omitted
29 law reads:

30 (b) The Tax Code governs the
31 appraisal, assessment, and collection of
32 district taxes.

33 [Sections 1102.254-1102.300 reserved for expansion]

34 SUBCHAPTER G. DISSOLUTION

35 Revised Law

36 Sec. 1102.301. DISSOLUTION; ELECTION. (a) The district
37 may be dissolved only on approval of a majority of the registered
38 district voters voting in an election held for that purpose.

39 (b) The board may order an election on the question of

1 dissolving the district and disposing of the district's assets and
2 obligations.

3 (c) The board shall order an election if the board receives
4 a petition requesting an election that is signed by at least 15
5 percent of the registered district voters.

6 (d) The election shall be held not later than the 60th day
7 after the date the election is ordered.

8 (e) 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 (f) Section 41.001, Election Code, does not apply to an
15 election ordered under this section. (Acts 58th Leg., R.S., Ch.
16 135, Secs. 9A(a), (b), (c), (d).)

17 Source Law

18 Sec. 9A. (a) The district may be dissolved only
19 if the dissolution is approved by a majority of the
20 registered voters of the district voting in an
21 election held for that purpose.

22 (b) The board of directors may order an election
23 on the question of dissolving the district and
24 disposing of the district's assets and obligations.
25 The board shall order an election if the board receives
26 a petition requesting an election that is signed by a
27 number of registered voters of the district equal to at
28 least 15 percent of the registered voters in the
29 district.

30 (c) An election ordered under this section shall
31 be held not later than the 60th day after the date the
32 election is ordered. Section 41.001, Election Code,
33 does not apply to an election ordered under this
34 section.

35 (d) The order calling an election under this
36 section must state:

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

39 (2) the date of the election;

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

42 (4) the location of the polling places.

43 Revised Law

44 Sec. 1102.302. NOTICE OF ELECTION. (a) The board shall
45 give notice of an election under this subchapter by publishing once
46 a week for two consecutive weeks a substantial copy of the election

1 order in a newspaper with general circulation in the district.

2 (b) The first publication of notice must appear not later
3 than the 35th day before the date set for the election. (Acts 58th
4 Leg., R.S., Ch. 135, Sec. 9A(e).)

5 Source Law

6 (e) The board of directors shall give notice of
7 the election by publishing a substantial copy of the
8 election order in a newspaper with general circulation
9 in the district once a week for two consecutive weeks.
10 The first publication must appear not later than the
11 35th day before the date set for the election.

12 Revised Law

13 Sec. 1102.303. BALLOT. The ballot for an election under
14 this subchapter must be printed to permit voting for or against the
15 proposition: "The dissolution of the Sweeny Hospital District."
16 (Acts 58th Leg., R.S., Ch. 135, Sec. 9A(f).)

17 Source Law

18 (f) The ballot for the election must be printed
19 to permit voting for or against the proposition: "The
20 dissolution of the Sweeny Hospital District."

21 Revised Law

22 Sec. 1102.304. ELECTION RESULTS. (a) If a majority of the
23 votes in an election under this subchapter favor dissolution, the
24 board shall find that the district is dissolved.

25 (b) If a majority of the votes in the election do not favor
26 dissolution, the board shall continue to administer the district
27 and another election on the question of dissolution may not be held
28 before the first anniversary of the date of the most recent election
29 to dissolve the district. (Acts 58th Leg., R.S., Ch. 135, Sec.
30 9A(g).)

31 Source Law

32 (g) If a majority of the votes in the election
33 favor dissolution, the board of directors shall find
34 that the district is dissolved. If a majority of the
35 votes in the election do not favor dissolution, the
36 board shall continue to administer the district, and
37 another election on the question of dissolution may
38 not be held before the first anniversary of the most
39 recent election to dissolve the district.

40 Revised Law

41 Sec. 1102.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)

1 If a majority of the votes in the election held under this
2 subchapter favor dissolution, the board shall:

3 (1) transfer the land, buildings, improvements,
4 equipment, and other assets that belong to the district to Brazoria
5 County or another governmental entity in Brazoria County; or

6 (2) administer the property, assets, and debts until
7 all money has been disposed of and all district debts have been paid
8 or settled.

9 (b) If the district makes the transfer under Subsection
10 (a)(1), the county or entity assumes all debts and obligations of
11 the district at the time of the transfer, and the district is
12 dissolved.

13 (c) If the district does not make the transfer under
14 Subsection (a)(1) and the board administers the property, assets,
15 and debts of the district under Subsection (a)(2), the district is
16 dissolved when all the money has been disposed of and all district
17 debts have been paid or settled. (Acts 58th Leg., R.S., Ch. 135,
18 Secs. 9A(h), (i), (j).)

19 Source Law

20 (h) If a majority of the votes in the election
21 favor dissolution, the board of directors shall:

22 (1) transfer the land, buildings,
23 improvements, equipment, and other assets that belong
24 to the district to Brazoria County or another
25 governmental entity in Brazoria County; or

26 (2) administer the property, assets, and
27 debts until all money has been disposed of and all
28 district debts have been paid or settled.

29 (i) If the district transfers the land,
30 buildings, improvements, equipment, and other assets
31 to Brazoria County or another governmental entity, the
32 county or entity assumes all debts and obligations of
33 the district at the time of the transfer, and the
34 district is dissolved.

35 (j) If the district does not transfer the land,
36 buildings, improvements, equipment, and other assets
37 to a county or other governmental entity, the board of
38 directors shall administer the property, assets, and
39 debts of the district until all funds have been
40 disposed of and all district debts have been paid or
41 settled, at which time the district is dissolved.

42 Revised Law

43 Sec. 1102.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
44 TAXES. (a) After the board finds that the district is dissolved,
45 the board shall:

1 commissioners court shall enter an order dissolving the district
2 and releasing the board from any further duty or obligation. (Acts
3 58th Leg., R.S., Ch. 135, Secs. 9A(n), (o).)

4 Source Law

5 (n) After the district has paid all its debts
6 and disposed of all its assets and money as
7 prescribed by this section, the board of directors
8 shall file a written report with the Commissioners
9 Court of Brazoria County setting forth a summary of the
10 board's actions in dissolving the district.

11 (o) Not later than the 10th day after the date it
12 receives the report and determines that the
13 requirements of this section have been fulfilled, the
14 Commissioners Court of Brazoria County shall enter an
15 order dissolving the district and releasing the board
16 of directors of the district from any further duty or
17 obligation.

18 Revisor's Note
19 (End of Chapter)

20 Section 17, Chapter 135, 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. 17. . . . If any provision of
29 this Act should be invalid, such fact shall
30 not affect the authorization for the
31 creation of the district or the validity of
32 any other provisions of this Act, and the
33 Legislature hereby declares that it would
34 have created the district and enacted the
35 valid provisions of this Act
36 notwithstanding the invalidity of any other
37 provision or provisions hereof.

38 CHAPTER 1103. SWISHER MEMORIAL HOSPITAL DISTRICT

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24 CHAPTER 1103. SWISHER MEMORIAL HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Revised Law

27 Sec. 1103.001. DEFINITIONS. In this chapter:

28 (1) "Board" means the board of directors of the

29 district.

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

31 (3) "District" means the Swisher Memorial Hospital

32 District. (New.)

33 Revisor's Note

34 The definitions of "board," "director," and

1 "district" are added to the revised law for drafting
2 convenience and to eliminate frequent, unnecessary
3 repetition of the substance of the definitions.

4 Revised Law

5 Sec. 1103.002. AUTHORITY FOR CREATION. The Swisher
6 Memorial Hospital District is created under the authority of
7 Section 9, Article IX, Texas Constitution, and has the rights,
8 powers, and duties provided by this chapter. (Acts 59th Leg., R.S.,
9 Ch. 16, Sec. 1 (part).)

10 Source Law

11 Sec. 1. Pursuant to authority granted by the
12 provisions of Section 9, Article IX, Constitution of
13 the State of Texas, Swisher Memorial Hospital District
14 is hereby authorized to be created and . . . possess
15 such rights, powers and duties as are hereinafter
16 prescribed.

17 Revised Law

18 Sec. 1103.003. ESSENTIAL PUBLIC FUNCTION. The district
19 performs an essential public function in carrying out the purposes
20 of this chapter. (Acts 59th Leg., R.S., Ch. 16, Sec. 8 (part).)

21 Source Law

22 Sec. 8. In carrying out the purposes of this Act
23 the District will be performing an essential public
24 function and

25 Revised Law

26 Sec. 1103.004. DISTRICT TERRITORY. The boundaries of the
27 district are coextensive with the boundaries of Swisher County,
28 Texas. (Acts 59th Leg., R.S., Ch. 16, Sec. 1 (part).)

29 Source Law

30 Sec. 1. . . . [Swisher Memorial Hospital
31 District] . . . as created shall have boundaries
32 coextensive with the boundaries of Swisher County,
33 Texas, and

34 Revised Law

35 Sec. 1103.005. 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 59th
38 Leg., R.S., Ch. 16, Sec. 18 (part).)

1 the election. The failure of any such
2 election shall not operate to prohibit the
3 calling and holding of subsequent elections
4 for the same purpose. At said election
5 there shall be submitted to the qualified
6 property taxpaying electors of Swisher
7 County the proposition of whether or not
8 Swisher Memorial Hospital District shall be
9 created . . . a majority of the qualified
10 property taxpaying electors of the District
11 voting at said election in favor of the
12 proposition shall be sufficient for its
13 adoption. The ballots shall have printed
14 thereon the following:

15 "FOR the Creation of Swisher Memorial
16 Hospital District providing for the levy of
17 a tax not to exceed 75 cents on the one
18 hundred dollar valuation using Swisher
19 County values and Swisher County tax rolls,
20 and providing for the assumption by such
21 District of all outstanding bonds and
22 indebtedness heretofore issued to Swisher
23 County and by any city or town within said
24 County for hospital purposes."

25 "AGAINST the Creation of Swisher
26 Memorial Hospital District providing for
27 the levy of a tax not to exceed 75 cents on
28 the one hundred dollar valuation using
29 Swisher County values and Swisher County
30 tax rolls, and providing for the assumption
31 by such District of all outstanding bonds
32 and indebtedness heretofore issued to
33 Swisher County and by any city or town
34 within said County for hospital purposes."

35 Sec. 4. Within ten (10) days after
36 such election is held the Commissioners
37 Court of said County shall convene and
38 canvass the returns thereof and in the event
39 such election results favorably to the
40 proposition specified in Section 3 hereof,
41

42 [Sections 1103.007-1103.050 reserved for expansion]

43 SUBCHAPTER B. DISTRICT ADMINISTRATION

44 Revised Law

45 Sec. 1103.051. BOARD ELECTION; TERM. (a) The district is
46 governed by a board of five directors elected as follows:

47 (1) one director elected from each county
48 commissioners precinct; and

49 (2) one director elected from the county at large.

50 (b) Unless four-year terms are established under Section
51 285.081, Health and Safety Code, directors serve staggered two-year
52 terms, with the terms of two or three directors expiring each year,
53 as appropriate.

54 (c) An election shall be held on the uniform election date
55 in May of each year to elect the appropriate number of directors.

1 (Acts 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

2 Source Law

3 Sec. 4. . . . such District shall be governed by
4 a Board of Directors to consist of five (5) members.
5 . . . One Director shall represent the County at
6 large, and each of the four (4) remaining Directors
7 shall represent a Commissioner's precinct of the
8 County, and . . . five (5) Directors shall be elected.
9 The three (3) Directors receiving the highest vote at
10 such election shall serve for two (2) years, and the
11 other two Directors shall serve for one (1) year.
12 Thereafter, all Directors shall serve for a period of
13 two years and until their successors have been duly
14 elected or appointed and qualified. . . . The regular
15 election of Directors shall be held on the first
16 Saturday in April in each year and

17 Revisor's Note

18 (1) Section 4, Chapter 16, Acts of the 59th
19 Legislature, Regular Session, 1965, prescribes the
20 procedures for appointing the initial board. The
21 revised law omits the provision as executed. The
22 omitted law reads:

23 Sec. 4. . . . Upon creation of the
24 District as above provided, the
25 Commissioners Court shall appoint five
26 persons as Directors to serve until the
27 first Saturday in April of the year
28 succeeding the year of the District's
29 creation, at which time

30 (2) Section 4, Chapter 16, Acts of the 59th
31 Legislature, Regular Session, 1965, prescribes the
32 terms of the initial directors and the terms of the
33 directors elected at the expiration of the terms of the
34 initial directors. In doing so, the provision
35 establishes staggered two-year terms for the
36 directors. The revised law omits the specific
37 provision relating to the terms of those directors as
38 executed but codifies the provision that establishes
39 staggered two-year terms.

40 (3) Section 4, Chapter 16, Acts of the 59th
41 Legislature, Regular Session, 1965, provides that
42 directors serve two-year terms. Section 285.081,
43 Health and Safety Code, applicable to this district,
44 provides a mechanism by which the governing board of a

1 hospital district, on its own motion, may order that
2 directors are to be elected in even-numbered years to
3 serve staggered four-year terms. The revised law is
4 drafted accordingly and adds a reference to Section
5 285.081, Health and Safety Code, for the convenience
6 of the reader.

7 (4) Section 4, Chapter 16, Acts of the 59th
8 Legislature, Regular Session, 1965, provides that the
9 directors serve "until their successors have been duly
10 elected or appointed and qualified." The revised law
11 omits that provision because it duplicates Section 17,
12 Article XVI, Texas Constitution, which provides that
13 an officer in this state is to continue to perform the
14 officer's official duties until a successor has
15 qualified.

16 (5) Section 4, Chapter 16, Acts of the 59th
17 Legislature, Regular Session, 1965, provides for the
18 eligibility of voters to vote in a directors' election.
19 The revised law omits that provision because Chapter
20 11, Election Code, governs eligibility to vote in an
21 election in this state and allows only qualified
22 voters who are residents of the territory covered by
23 the election to vote in an election. The omitted law
24 reads:

25 Sec. 4. . . . All qualified electors
26 residing in Swisher County, Texas, and in
27 the Swisher Memorial Hospital District
28 shall be eligible to vote for all
29 Directors. . . .

30 (6) Section 4, Chapter 16, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that
32 directors' elections are held "on the first Saturday in
33 April in each year." The revised law substitutes "on
34 the uniform election date in May of each year" because
35 Chapter 14, Acts of the 69th Legislature, 3rd Called
36 Session, 1986, amended Section 41.001, Election Code,

1 to prescribe certain uniform election dates. Section
2 37 of that act required a political subdivision that
3 held its general election of officers on the first
4 Saturday in April to hold that election on a uniform
5 election date in May or to choose a different uniform
6 election day on which to hold the election. The
7 district selected the uniform election day in May and
8 the revised law is drafted accordingly. The attorneys
9 for the district requested that the revised law
10 reflect the district's actual practice.

11 Revised Law

12 Sec. 1103.052. NOTICE OF ELECTION. At least 10 days before
13 the date of a directors' election, notice of the election must be
14 published one time in a newspaper of general circulation in Swisher
15 County. (Acts 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

16 Source Law

17 Sec. 4. . . . notice of such election shall be
18 published in a newspaper of general circulation in
19 Swisher County one time at least ten (10) days prior to
20 the date of election. . . .

21 Revised Law

22 Sec. 1103.053. BALLOT PETITION. A person who wants to have
23 the person's name printed on the ballot as a candidate for director
24 must file a petition requesting that action. The petition must be:

- 25 (1) signed by not less than 25 registered voters; and
26 (2) filed by the deadline imposed by Section 144.005,
27 Election Code. (Acts 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

28 Source Law

29 Sec. 4. . . . Any person desiring to have his
30 name printed on the ballot as a candidate for director
31 shall file a petition signed by not less than
32 twenty-five (25) qualified voters to such effect, at
33 least twenty-five (25) days prior to the election.

34 Revisor's Note

35 (1) Section 4, Chapter 16, Acts of the 59th
36 Legislature, Regular Session, 1965, refers to a
37 petition signed by "qualified voters." The revised
38 law substitutes "registered voters" for the quoted

1 language because in the context of eligibility to sign
2 a petition, Section 277.0021, Election Code, provides
3 that "qualified voter" means "registered voter."

4 (2) Section 4, Chapter 16, Acts of the 59th
5 Legislature, Regular Session, 1965, requires a
6 candidate for director to file a petition signed by at
7 least 25 voters at least 25 days before the date of the
8 election to have the candidate's name appear on the
9 ballot. Under Section 144.003, Election Code
10 (applicable to the district under Section 144.001,
11 Election Code), a candidate for office must submit an
12 application for a place on the ballot. The application
13 must be filed by the deadline imposed by Section
14 144.005, Election Code, which is either 71 or 78 days
15 before the date of the election, depending on when the
16 election is held. Because the petition serves as an
17 additional requirement for a candidate to appear on
18 the ballot, the revised law conforms the date the
19 petition must be filed to the date the application must
20 be filed.

21 Revised Law

22 Sec. 1103.054. QUALIFICATIONS FOR OFFICE. (a) A person
23 must at the time of election or appointment as director:

24 (1) own property subject to taxation in the district;
25 and

26 (2) be at least 18 years of age.

27 (b) A director must reside in the area the director
28 represents. (Acts 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

29 Source Law

30 Sec. 4. . . . Each such Director must at the
31 time of his election or appointment hereunder own
32 property subject to taxation within the district and
33 be more than twenty-one (21) years of age. . . . each
34 Director must reside in the area he represents. . . .

35 Revisor's Note

36 Section 4, Chapter 16, Acts of the 59th

1 Legislature, Regular Session, 1965, states that a
2 person must be "more than twenty-one (21) years of age"
3 at the time of election or appointment as a director.
4 The revised law substitutes "at least 18 years of age"
5 for the quoted language because 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 Revised Law

12 Sec. 1103.055. BOARD VACANCY. (a) If a vacancy occurs in
13 the office of director, the remaining directors shall appoint a
14 director for the unexpired term.

15 (b) If the number of directors is reduced to fewer than
16 three for any reason, the remaining directors shall immediately
17 call a special election to fill the vacancies. If the remaining
18 directors do not call the election, the county judge of Swisher
19 County may fill the vacancies by appointment. (Acts 59th Leg.,
20 R.S., Ch. 16, Sec. 4 (part).)

21 Source Law

22 Sec. 4. . . . All vacancies in the office of
23 Director shall be filled for the unexpired term by
24 appointment by the remainder of the Board, however in
25 event the number of Directors shall be reduced at any
26 one time to less than three (3) for any reason, the
27 remaining Directors shall immediately call a special
28 election to fill said vacancies and upon failure to do
29 so such vacancies may be filled by appointment of the
30 County Judge of Swisher County. . . .

31 Revised Law

32 Sec. 1103.056. OFFICERS. The board shall elect from among
33 its members a president, a vice president, and a secretary. (Acts
34 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

35 Source Law

36 Sec. 4. . . . The Board of Directors shall
37 organize by electing one of their number as President,
38 one as Vice President, and one as Secretary. . . .

1 Revised Law

2 Sec. 1103.057. COMPENSATION. A director is entitled to
3 compensation at a rate determined by the board. The rate may not
4 exceed \$10 for each board meeting. (Acts 59th Leg., R.S., Ch. 16,
5 Sec. 4 (part).)

6 Source Law

7 Sec. 4. . . . Directors shall be entitled to
8 compensation at a rate to be determined by the Board,
9 provided that in no event shall the rate of
10 compensation exceed Ten Dollars (\$10) for each meeting
11 of the Board of Directors. . . .

12 Revised Law

13 Sec. 1103.058. VOTING REQUIREMENT. A concurrence of three
14 directors is sufficient in any matter relating to district
15 business. (Acts 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

16 Source Law

17 Sec. 4. . . . [Board of Directors] . . . a
18 concurrence of three shall be sufficient in all
19 matters pertaining to the business of the District.
20 . . .

21 Revisor's Note

22 Section 4, Chapter 16, Acts of the 59th
23 Legislature, Regular Session, 1965, provides that
24 three directors constitute a quorum. The revised law
25 omits that provision because it duplicates Section
26 311.013, Government Code (Code Construction Act),
27 which provides that a quorum of a public body is a
28 majority of the number of members fixed by statute.
29 The omitted law reads:

30 Sec. 4. . . . Any three members of
31 the Board shall constitute a quorum and
32

33 Revised Law

34 Sec. 1103.059. DISTRICT ADMINISTRATOR; ASSISTANT
35 ADMINISTRATOR. (a) The board shall appoint a qualified person as
36 district administrator.

37 (b) The board may appoint an assistant administrator.

38 (c) The district administrator and any assistant
39 administrator serve at the will of the board and receive the

1 compensation determined by the board.

2 (d) On assuming the duties of district administrator, the
3 administrator shall execute a bond payable to the district in an
4 amount set by the board of not less than \$10,000 that:

5 (1) is conditioned on the administrator performing the
6 administrator's duties; and

7 (2) contains any other condition the board requires.

8 (Acts 59th Leg., R.S., Ch. 16, Sec. 5 (part).)

9 Source Law

10 Sec. 5. . . . The Board of Directors shall
11 appoint a qualified person to be known as the
12 Administrator or Manager of the Hospital District and
13 may in its discretion appoint an Assistant to the
14 Administrator or Manager. Such Administrator or
15 Manager, and Assistant Administrator or Assistant
16 Manager, if any, shall serve at the will of the Board
17 and shall receive such compensation as may be fixed by
18 the Board. The Administrator or Manager shall, upon
19 assuming his duties, execute a bond payable to the
20 Hospital District in an amount to be set by the Board
21 of Directors in no event less than Ten Thousand Dollars
22 (\$10,000), conditioned that he shall perform the
23 duties required of him and containing such other
24 conditions as the Board may require. . . .

25 Revisor's Note

26 Section 5, Chapter 16, Acts of the 59th
27 Legislature, Regular Session, 1965, provides that the
28 board shall appoint a person as the "Administrator or
29 Manager" of the district and may appoint an "Assistant
30 to the Administrator or Manager." Throughout this
31 chapter, the revised law omits "manager" because, in
32 context, "manager" is included in the meaning of
33 "administrator" and "administrator" is the term used
34 by the district.

35 Revised Law

36 Sec. 1103.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
37 Subject to any limitations prescribed by the board, the district
38 administrator shall:

39 (1) supervise the work and activities of the district;
40 and

41 (2) direct the affairs of the district. (Acts 59th

1 Leg., R.S., Ch. 16, Sec. 5 (part).)

2 Source Law

3 Sec. 5. . . . The Administrator or Manager
4 shall supervise all the work and activities of the
5 District and shall have general direction of the
6 affairs of the District subject to such limitations as
7 may be prescribed by the Board. . . .

8 Revised Law

9 Sec. 1103.061. EMPLOYEES. The board may employ any
10 doctors, technicians, nurses, and other employees as considered
11 necessary for the efficient operation of the district or may
12 provide that the district administrator has the authority to employ
13 those persons. (Acts 59th Leg., R.S., Ch. 16, Sec. 5 (part).)

14 Source Law

15 Sec. 5. . . . The Board of Directors shall have
16 the authority to employ such doctors, technicians,
17 nurses and other employees of every kind and character
18 as may be deemed necessary for the efficient operation
19 of the District or may provide that the Administrator
20 or Manager shall have the authority to employ such
21 persons. . . .

22 Revised Law

23 Sec. 1103.062. RETIREMENT PROGRAM. The board may enter
24 into any contract or agreement with this state or the federal
25 government as required to establish or continue a retirement
26 program for the benefit of the district's employees. (Acts 59th
27 Leg., R.S., Ch. 16, Sec. 5 (part).)

28 Source Law

29 Sec. 5. . . . The Board of Directors is also
30 authorized to enter into such contracts or agreements
31 with the State of Texas or the federal government as
32 may be required to establish or continue a retirement
33 program for the benefit of the District's employees.

34 Revised Law

35 Sec. 1103.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

36 (a) The board shall:

37 (1) keep an accurate account of board meetings and
38 proceedings; and

39 (2) maintain at the district's principal office all
40 district records and accounts, including contracts, notices,
41 duplicate vouchers, and duplicate receipts.

1 (b) The information described by Subsection (a) shall be
2 open to public inspection at the district's principal office at all
3 reasonable times. (Acts 59th Leg., R.S., Ch. 16, Sec. 4 (part).)

4 Source Law

5 Sec. 4. . . . The Board shall require the
6 keeping of a true account of all their meetings and
7 proceedings and shall preserve all contracts, records,
8 notices, duplicate vouchers, duplicate receipts and
9 all accounts and records of the District at its
10 principal office where same shall be open to public
11 inspection at all reasonable times. . . .

12 Revisor's Note
13 (End of Subchapter)

14 Section 4, Chapter 16, Acts of the 59th
15 Legislature, Regular Session, 1965, 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 an
19 officer of this state to take the constitutional oath
20 (or affirmation) before assuming office. The omitted
21 law reads:

22 Sec. 4. . . . Each member of the
23 Board of Directors shall qualify for his
24 office by executing the Constitutional oath
25 of office to be filed in the office of the
26 District. . . .

27 [Sections 1103.064-1103.100 reserved for expansion]

28 SUBCHAPTER C. POWERS AND DUTIES

29 Revised Law

30 Sec. 1103.101. DISTRICT RESPONSIBILITY. The district has
31 full responsibility for:

32 (1) operating all hospital facilities for providing
33 medical and hospital care of indigent persons; and

34 (2) providing medical and hospital care for the
35 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 16, Secs.
36 2 (part), 17 (part).)

37 Source Law

38 Sec. 2. . . . Such District shall assume full
39 responsibility for providing medical and hospital care
40 for its needy inhabitants and

41 Sec. 17. . . . the said Swisher Memorial

1 Hospital District shall assume full responsibility for
2 the operation of all hospital facilities for the
3 furnishing of medical and hospital care of indigent
4 persons.

5 Revisor's Note

6 Sections 2 and 17, Chapter 16, Acts of the 59th
7 Legislature, Regular Session, 1965, provide that the
8 district "shall assume" full responsibility for
9 providing medical and hospital care for the district's
10 needy inhabitants and for the operation of hospital
11 facilities for the indigent. The revised law
12 substitutes "has" for the quoted language because the
13 duty to assume the responsibility is executed.

14 Revised Law

15 Sec. 1103.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION
16 AND DEBT. Swisher County or a municipality in Swisher County may
17 not impose a tax or issue bonds or other obligations for hospital
18 purposes or for medical care. (Acts 59th Leg., R.S., Ch. 16, Sec.
19 17 (part).)

20 Source Law

21 Sec. 17. After creation of Swisher Memorial
22 Hospital District neither Swisher County, Texas, nor
23 any city or town therein shall thereafter issue bonds
24 or other evidences of indebtedness or levy taxes for
25 hospital purposes or for medical care and

26 Revisor's Note

27 (1) Section 17, Chapter 16, Acts of the 59th
28 Legislature, Regular Session, 1965, provides that
29 "[a]fter creation of Swisher Memorial Hospital
30 District" certain political subdivisions may not issue
31 certain bonds or levy certain taxes. The revised law
32 omits the quoted language as executed. In addition,
33 throughout this chapter, the revised law substitutes
34 "impose" for "levy" because, in the context of
35 taxation, the terms are synonymous and "impose" is
36 more commonly used.

37 (2) Section 17, Chapter 16, Acts of the 59th
38 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 (3) Section 17, Chapter 16, Acts of the 59th
5 Legislature, Regular Session, 1965, provides that
6 Swisher County or a municipality located in Swisher
7 County may not issue bonds or other "evidences of
8 indebtedness" for hospital purposes or medical care.
9 The revised law substitutes "obligations" for
10 "evidences of indebtedness" because, in context, the
11 terms are synonymous and "obligations" is more
12 commonly used.

13 Revised Law

14 Sec. 1103.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
15 The board shall manage, control, and administer the district's
16 hospitals and hospital system. (Acts 59th Leg., R.S., Ch. 16, Sec.
17 5 (part).)

18 Source Law

19 Sec. 5. The Board of Directors shall manage,
20 control and administer the hospitals and hospital
21 system of the District. . . .

22 Revised Law

23 Sec. 1103.104. HOSPITAL SYSTEM. The district shall provide
24 for:

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

26 (A) purchasing, constructing, acquiring,
27 repairing, or renovating buildings and equipment; and

28 (B) equipping the buildings; and

29 (2) the administration of the hospital system for
30 hospital purposes. (Acts 59th Leg., R.S., Ch. 16, Sec. 2 (part).)

31 Source Law

32 Sec. 2. . . . thereafter the District shall
33 provide for the establishment of a hospital system by
34 the purchase, construction, acquisition, repair or
35 renovations of buildings and equipment and equipping
36 the same and the administration thereof for hospital
37 purposes. . . .

1 Revised Law

2 Sec. 1103.105. RULES. The board may adopt rules for the
3 operation of the district and as required to administer this
4 chapter. (Acts 59th Leg., R.S., Ch. 16, Secs. 5 (part), 9 (part).)

5 Source Law

6 Sec. 5. . . . The District through its Board of
7 Directors shall have the power and authority . . . to
8 promulgate rules and regulations for the operation of
9 the District. . . .

10 Sec. 9. The Board of Directors of such District
11 shall have the power . . . to make such rules and
12 regulations as may be required to carry out the
13 provisions of this Act.

14 Revisor's Note

15 Sections 5 and 9, Chapter 16, Acts of the 59th
16 Legislature, Regular Session, 1965, provide that the
17 board may "promulgate rules and regulations" to govern
18 the district and "make such rules and regulations" to
19 carry out the act. The revised law substitutes "adopt"
20 for "promulgate" and "make" because the terms are
21 synonymous and "adopt" is more commonly used. The
22 revised law also omits "regulations" because under
23 Section 311.005(5), Government Code (Code
24 Construction Act), a rule is defined to include a
25 regulation.

26 Revised Law

27 Sec. 1103.106. PURCHASING AND ACCOUNTING PROCEDURES. The
28 board may prescribe:

29 (1) the method and manner of making purchases and
30 expenditures by and for the district; and

31 (2) all accounting and control procedures. (Acts 59th
32 Leg., R.S., Ch. 16, Sec. 9 (part).)

33 Source Law

34 Sec. 9. [The Board of Directors of such District
35 shall have the power] to prescribe the method and
36 manner of making purchases and expenditures, by and
37 for such Hospital District, and also shall be
38 authorized to prescribe all accounting and control
39 procedures and

1 Revised Law

2 Sec. 1103.107. 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 to a power,
6 right, or privilege conferred by this chapter.

7 (b) The district must exercise the power of eminent domain
8 in the manner provided by Chapter 21, Property Code. (Acts 59th
9 Leg., R.S., Ch. 16, Sec. 12.)

10 Source Law

11 Sec. 12. Swisher Memorial Hospital District
12 created hereunder shall have the right and power of
13 eminent domain for the purpose of acquiring by
14 condemnation any and all property of any kind and
15 character in fee simple, or any lesser interest
16 therein, within the boundaries of the District,
17 necessary or convenient to the powers, rights and
18 privileges conferred by this Act, in the manner
19 provided by General Law with respect to condemnation.

20 Revisor's Note

21 (1) Section 12, Chapter 16, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that the
23 district has the "right and power of eminent domain for
24 the purpose of acquiring [property] by condemnation."
25 The revised law substitutes for the quoted phrase "may
26 exercise the power of eminent domain to acquire
27 [property]" because the phrases have the same meaning
28 and the latter phrase is consistent with modern usage
29 in laws relating to eminent domain.

30 (2) Section 12, Chapter 16, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that the
32 district must exercise the power of eminent domain in
33 the manner provided by "General Law with respect to
34 condemnation." The revised law substitutes for the
35 quoted language a reference to Chapter 21, Property
36 Code, because that is the general law governing
37 eminent domain for governmental entities.

1 Revised Law

2 Sec. 1103.108. 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 any
5 directions, limitations, or other provisions prescribed in writing
6 by the donor that are not inconsistent with the proper management
7 and objectives of the district. (Acts 59th Leg., R.S., Ch. 16, Sec.
8 15.)

9 Source Law

10 Sec. 15. 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 15, Chapter 16, Acts of the 59th
20 Legislature, Regular Session, 1965, refers to
21 "donations" and "gifts." The revised law omits
22 "donations" because "donations" is included in the
23 meaning of "gifts."

24 Revised Law

25 Sec. 1103.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
26 CARE AND TREATMENT. (a) The board may contract with a county or
27 municipality located outside Swisher County 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 59th Leg.,
33 R.S., Ch. 16, 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 Swisher County 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 16, Acts of the 59th
5 Legislature, Regular Session, 1965, refers to an
6 "incorporated" municipality. The revised law omits
7 "incorporated" because under the Local Government Code
8 all municipalities must be incorporated.

9 (2) Section 5, Chapter 16, Acts of the 59th
10 Legislature, Regular Session, 1965, refers to the
11 treatment of a "sick, diseased or injured" person. The
12 revised law omits "diseased" because "diseased" is
13 included in the meaning of "sick."

14 Revised Law

15 Sec. 1103.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)
16 When a patient who resides in the district is admitted to a district
17 facility, the district administrator shall have an inquiry made
18 into the circumstances of:

19 (1) the patient; and

20 (2) the patient's relatives legally liable for the
21 patient's support.

22 (b) If the district administrator determines that the
23 patient or those relatives cannot pay for all or part of the
24 patient's care and treatment in the hospital, the amount that
25 cannot be paid becomes a charge against the district.

26 (c) If the district administrator determines that the
27 patient or those relatives can pay for all or part of the patient's
28 care and treatment, the patient or those relatives shall be ordered
29 to pay the district a specified amount each week for the patient's
30 support. The amount ordered must be proportionate to their
31 financial ability and may not exceed the actual per capita cost of
32 maintenance.

33 (d) The district administrator may collect the amount from
34 the patient's estate, or from those relatives legally liable for
35 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 order.

7 (f) A party to the dispute who is not satisfied with the
8 order may appeal to the district court. The appeal shall be by
9 trial de novo as that term is used in an appeal from a justice court
10 to the county court. (Acts 59th Leg., R.S., Ch. 16, Sec. 14.)

11 Source Law

12 Sec. 14. Whenever a patient residing within the
13 District has been admitted to the facilities thereof,
14 the Administrator or Manager, shall cause inquiry to
15 be made as to his circumstances and those of the
16 relatives of such patient legally liable for his
17 support. If he finds that such patient or said
18 relatives are able to pay for his care and treatment,
19 in whole or in part, an order shall be made directing
20 such patient, or said relatives, to pay to the Hospital
21 District for the support of such patient a specified
22 sum per week in proportion to their financial ability,
23 but such sum shall not exceed the actual per capita
24 cost of maintenance. The Administrator or Manager
25 shall have power and authority to collect such sums
26 from the estate of the patient or his relatives legally
27 liable for his support in the manner provided by law
28 for the collection of expenses in the last illness of a
29 deceased person. If the Administrator or Manager
30 finds that such patient or said relatives are not able
31 to pay, either in whole or in part, for his care and
32 treatment in such hospital, same shall become a charge
33 upon the Hospital District as to the amount of the
34 inability to pay. Should there be any dispute as to
35 the ability to pay or doubt in the mind of the
36 Administrator or Manager, the Board of Directors shall
37 hear and determine same, after calling witnesses, and
38 shall make such order or orders as may be proper. A
39 party to the dispute who is not satisfied with the
40 order may appeal to the district court on a trial de
41 novo as that term is used in appeals from the justice
42 court to the county court.

43 Revised Law

44 Sec. 1103.111. AUTHORITY TO SUE AND BE SUED. The district,
45 through the board, may sue and be sued. (Acts 59th Leg., R.S., Ch.
46 16, Sec. 5 (part).)

47 Source Law

48 Sec. 5. . . . The District through its Board of
49 Directors shall have the power and authority to sue and
50 be sued and

1 [Sections 1103.112-1103.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Revised Law

4 Sec. 1103.151. BUDGET. (a) The district administrator
5 shall prepare for approval by the board an annual budget that
6 corresponds to the district's fiscal year.

7 (b) Not later than August 31 of each year, the board shall
8 publish notice of a public hearing on the proposed budget. The
9 notice must be published in a newspaper of general circulation in
10 Swisher County at least 10 days before the date of the hearing.
11 (Acts 59th Leg., R.S., Ch. 16, Secs. 6 (part), 16.)

12 Source Law

13 Sec. 6. . . . In addition the Administrator or
14 Manager shall prepare an annual budget for approval by
15 the Board of Directors of said District. . . .

16 Sec. 16. The Board of Directors of said Hospital
17 District shall cause to be prepared an annual budget
18 based upon the fiscal year of the Hospital District in
19 accordance with the provisions of Section 6 hereof and
20 prior to September 1st of each year shall give notice
21 of the public hearing on the proposed budget. Such
22 notice shall be published in a newspaper of general
23 circulation in the County at least ten (10) days prior
24 to the date set for the hearing.

25 Revisor's Note

26 Section 16, Chapter 16, Acts of the 59th
27 Legislature, Regular Session, 1965, requires an annual
28 budget to be prepared "in accordance with the
29 provisions of Section 6 hereof." The revised law omits
30 the quoted language because the provisions are
31 applicable by their own terms.

32 Revised Law

33 Sec. 1103.152. FISCAL YEAR. The district shall operate on a
34 fiscal year that begins on October 1 and ends on September 30.
35 (Acts 59th Leg., R.S., Ch. 16, Sec. 6 (part).)

36 Source Law

37 Sec. 6. The District shall be operated on a
38 fiscal year commencing on October 1 of each year and
39 ending on September 30 of the succeeding year and
40

1 county funds.

2 (d) Membership on the district's board of an officer or
3 director of a bank does not disqualify the bank from being
4 designated as depository. (Acts 59th Leg., R.S., Ch. 16, Sec. 10.)

5 Source Law

6 Sec. 10. The Board of Directors of the District
7 shall name one or more banks within Swisher County to
8 serve as depository for the funds of the District. All
9 such funds shall, as derived and collected, be
10 immediately deposited with such depository bank or
11 banks except that sufficient funds shall be remitted
12 to the bank or banks for the payment of principal of
13 and interest on the outstanding bonds of the District
14 or other obligations assumed by it and in time that
15 such money may be received by said bank or banks of
16 payment on or prior to the date of maturity of such
17 principal and interest so to be paid. To the extent
18 that funds in the depository bank or banks are not
19 insured by the Federal Deposit Insurance Corporation,
20 they shall be secured in the manner provided by law for
21 security of county funds. Membership on the Board of
22 Directors of an officer or director of a bank shall not
23 disqualify such bank from being designated as
24 depository.

25 Revisor's Note

26 Section 10, Chapter 16, Acts of the 59th
27 Legislature, Regular Session, 1965, refers to money
28 "derived and collected." The revised law substitutes
29 "on receipt" for the quoted language because the terms
30 are synonymous and "on receipt" is more commonly used.

31 [Sections 1103.156-1103.200 reserved for expansion]

32 SUBCHAPTER E. BONDS

33 Revised Law

34 Sec. 1103.201. GENERAL OBLIGATION BONDS. The board may
35 issue and sell general obligation bonds in the name and on the faith
36 and credit of the district for any purpose related to the purchase,
37 construction, acquisition, repair, or renovation of buildings or
38 improvements, and equipping buildings or improvements for a
39 hospital and the hospital system, as determined by the board. (Acts
40 59th Leg., R.S., Ch. 16, Sec. 7 (part).)

41 Source Law

42 Sec. 7. The Board of Directors of the Hospital
43 District shall have the power and authority to issue
44 and sell its bonds in the name and upon the faith and
45 credit of such Hospital District for the purchase,

1 construction, acquisition, repair or renovation of
2 buildings and improvements and equipping the same for
3 hospitals and the hospital system, as determined by
4 the Board, and for any or all of such purposes. . . .

5 Revisor's Note

6 Section 7, Chapter 16, Acts of the 59th
7 Legislature, Regular Session, 1965, provides that the
8 board may issue and sell bonds in the name and on the
9 faith and credit of the district. Because the type of
10 bonds described by Section 7 are known as "general
11 obligation bonds," the revised law is drafted
12 accordingly.

13 Revised Law

14 Sec. 1103.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
15 the time general obligation bonds are issued by the district, the
16 board shall impose an ad valorem tax at a rate sufficient to create
17 an interest and sinking fund and to pay the principal of and
18 interest on the bonds as the bonds mature.

19 (b) The tax required by this section together with any other
20 ad valorem tax imposed for the district may not in any year exceed
21 75 cents on each \$100 valuation of taxable property in the district.
22 (Acts 59th Leg., R.S., Ch. 16, Sec. 7 (part).)

23 Source Law

24 Sec. 7. . . . At the time of the issuance of any
25 such bonds a tax shall be levied by the Board
26 sufficient to create an interest and sinking fund and
27 to pay the interest on and principal of said bonds as
28 same mature, providing such tax together with any
29 other taxes levied for said District shall not exceed
30 75 cents on each one hundred dollar valuation of
31 taxable property in any one year. . . .

32 Revisor's Note

33 Section 7, Chapter 16, 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. Section
39 1(b), Article VIII, Texas Constitution, requires all
40 property that is taxed to be taxed in proportion to its

1 value, and accordingly "ad valorem" tax is the term
2 most commonly used in Texas law to refer to a tax on
3 property.

4 Revised Law

5 Sec. 1103.203. GENERAL OBLIGATION BOND ELECTION. (a) The
6 district may issue general obligation bonds only if the bonds are
7 authorized by a majority of the district voters voting at an
8 election held for that purpose.

9 (b) The board shall call the election. The election must be
10 held in accordance with Chapter 1251, Government Code.

11 (c) The bond election order must specify:

- 12 (1) the date of the election;
- 13 (2) the location of the polling places;
- 14 (3) the presiding election officers;
- 15 (4) the amount of the bonds to be authorized;
- 16 (5) the maximum maturity of the bonds; and
- 17 (6) the maximum interest rate of the bonds. (Acts 59th
18 Leg., R.S., Ch. 16, Sec. 7 (part).)

19 Source Law

20 Sec. 7. . . . No bond shall be issued by such
21 hospital district . . . until authorized by a majority
22 of the qualified electors of the District who own
23 taxable property therein and who have duly rendered
24 the same for taxation, voting at an election called for
25 such purpose. Such election shall be called by the
26 Board of Directors and held in accordance with the
27 provisions of Chapter 1, Title 22, Revised Civil
28 Statutes of Texas, 1925, as amended, and except as
29 therein otherwise provided, shall be conducted in
30 accordance with the general laws of Texas pertaining
31 to elections. . . . The bond election order shall
32 specify the date of the election, the amount of bonds
33 to be authorized, the maximum maturity thereof, the
34 maximum rate of interest they are to bear, the place or
35 places where the election shall be held and the
36 presiding officers thereof.

37 . . .

38 Revisor's Note

39 (1) Section 7, Chapter 16, Acts of the 59th
40 Legislature, Regular Session, 1965, refers to a
41 majority vote of the qualified electors of the
42 district. The revised law omits "qualified" in this
43 context for the reason stated in Revisor's Note (5) to

1 Section 1103.051. The revised law substitutes "voter"
2 for "elector" because "voter" is the term used in the
3 Election Code.

4 (2) Section 7, Chapter 16, Acts of the 59th
5 Legislature, Regular Session, 1965, refers to electors
6 who "own taxable property therein and who have duly
7 rendered the same for taxation." The revised law omits
8 the quoted language because in Hill v. Stone, 421 U.S.
9 289 (1975), the United States Supreme Court determined
10 that property ownership as a qualification for voting
11 is an unconstitutional denial of equal protection.

12 (3) Section 7, Chapter 16, Acts of the 59th
13 Legislature, Regular Session, 1965, provides that an
14 election must be "held in accordance with the
15 provisions of Chapter 1, Title 22, Revised Civil
16 Statutes of Texas, 1925, as amended, and except as
17 therein otherwise provided, shall be conducted in
18 accordance with the general laws of Texas pertaining
19 to 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 16, Acts of the 59th
33 Legislature, Regular Session, 1965, requires the
34 district to make provisions for defraying the costs of

1 Leg., R.S., Ch. 16, Sec. 7 (part).)

2 Source Law

3 Sec. 7. . . . [No bond shall be issued by such
4 hospital district] except refunding bonds, [until
5 authorized by a majority of the qualified electors of
6 the District]

7 The bonds of the District may be issued for the
8 purpose of refunding and paying off any bonds issued or
9 assumed by such District. Such refunding bonds may be
10 sold and the proceeds thereof applied to the payment of
11 outstanding bonds, or may be exchanged in whole or in
12 part for not less than a like principal amount of such
13 outstanding bonds

14 Revisor's Note

15 (1) Section 7, Chapter 16, Acts of the 59th
16 Legislature, Regular Session, 1965, limits the
17 interest rate for refunding bonds issued by the
18 district. The revised law omits that provision as
19 impliedly repealed by Section 2(a), Chapter 3, Acts of
20 the 61st Legislature, Regular Session, 1969 (Article
21 717k-2, Vernon's Texas Civil Statutes), which was
22 codified in 1999 as Section 1204.006(a), Government
23 Code. Section 1204.006(a), Government Code, permits a
24 public agency, including a hospital district, to issue
25 bonds at a net effective interest rate not to exceed 15
26 percent and applies to district bonds by application
27 of Section 1204.001, Government Code. The omitted law
28 reads:

29 Sec. 7. . . . provided that if
30 refunding bonds are to be exchanged for a
31 like amount of said outstanding bonds, such
32 refunding bonds shall bear interest at the
33 same or lower rate than borne by the bonds
34 refunded, unless it is shown mathematically
35 that a saving will result in the total
36 amount of interest to be paid on said
37 refunding bonds; and

38 (2) Section 7, Chapter 16, Acts of the 59th
39 Legislature, Regular Session, 1965, provides that
40 refunding bonds sold to pay outstanding bonds or other
41 refundable indebtedness must be issued and payments
42 made in the manner specified by "Chapter 503, Acts of
43 the 54th Legislature, 1955, as amended (Article 717k,

1 Vernon's Texas Civil Statutes)." Article 717k was
2 codified in 1999 as part of Chapter 1207, Government
3 Code. The revised law omits the provision because
4 Chapter 1207, Government Code, applies to the district
5 by its own terms under Section 1207.001, Government
6 Code. The omitted law reads:

7 Sec. 7. . . . 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 Chapter 503, Acts of the 54th
14 Legislature, 1955, as amended (Article
15 717k, Vernon's Texas Civil Statutes).

16 Revised Law

17 Sec. 1103.206. BONDS EXEMPT FROM TAXATION. The following
18 are exempt from taxation by this state or a political subdivision of
19 this state:

- 20 (1) any bonds issued by the district;
21 (2) the transfer and issuance of the bonds; and
22 (3) any profits made in the sale of the bonds. (Acts
23 59th Leg., R.S., Ch. 16, Sec. 8 (part).)

24 Source Law

25 Sec. 8. . . . any bonds issued by it and their
26 transfer and the issuance therefrom, including any
27 profits made in the sale thereof, shall at all times be
28 free from taxation by the State or any municipality or
29 political subdivision thereof.

30 Revisor's Note

31 Section 8, Chapter 16, Acts of the 59th
32 Legislature, Regular Session, 1965, refers to "any
33 municipality or political subdivision" of this state.
34 The revised law omits "municipality" when used in
35 conjunction with "political subdivision" because
36 "municipality" is included in the meaning of
37 "political subdivision."

38 Revised Law

39 Sec. 1103.207. ANTICIPATION NOTES AND CERTIFICATES OF
40 OBLIGATION. The board may issue:

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. 7. . . . [Such bonds] . . .
9 shall be subject to the same requirements in
10 the matter of the approval by the Attorney
11 General of Texas and registration by the
12 Comptroller of Public Accounts of the State
13 of Texas as are by law provided for approval
14 and registration of bonds issued by
15 counties. After approval of any such bonds
16 by the Attorney General and registration by
17 the Comptroller, said bonds shall be
18 incontestable. . . .

19 (2) Section 11, Chapter 16, 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 11 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
38 loan associations (now called savings and loan
39 associations) are regulated by Sections 63.002 and

1 64.001, Finance Code. As to the remaining entities
2 listed, Section 11 is superseded by Section 1201.041,
3 Government Code (enacted as Section 9, Bond Procedures
4 Act of 1981 (Article 717k-6, Vernon's Texas Civil
5 Statutes)). While Section 11 lists "guardians" and
6 Section 1201.041 does not, Section 1201.041 includes a
7 "fiduciary" and a guardian is a fiduciary. Section
8 1201.041, Government Code, applies to district bonds
9 by application of Section 1201.002, Government Code.
10 The revised law omits the reference to public funds of
11 this state because it has been superseded by Section
12 404.024, Government Code (enacted in 1985 as Section
13 2.014, Treasury Act (Article 4393-1, Vernon's Texas
14 Civil Statutes), and last amended in 2007), which
15 governs the investment of state funds. Section
16 404.024(b)(10), Government Code, authorizes the
17 investment of state funds in obligations of political
18 subdivisions, including hospital districts. The
19 revised law omits the reference to public funds of
20 political subdivisions or public agencies of the state
21 because it has been superseded by Chapter 2256,
22 Government Code (enacted in 1987 as the Public Funds
23 Investment Act of 1987 (Article 842a-2, Vernon's Texas
24 Civil Statutes)), which governs the investment of
25 local funds. The omitted law reads:

26 Sec. 11. All bonds of the District
27 shall be and are hereby declared to be legal
28 and authorized investments of banks,
29 savings banks, trust companies, building
30 and loan associations, savings and loan
31 associations, insurance companies,
32 fiduciaries, trustees, guardians, and
33 sinking funds of cities, towns, villages,
34 counties, school districts, or other
35 political subdivisions of the State of
36 Texas, and for all public funds of the State
37 of Texas or its agencies, including the
38 State Permanent School Fund. . . .

39 (3) Section 11, Chapter 16, Acts of the 59th
40 Legislature, Regular Session, 1965, effectively

1 provides that district bonds may secure deposits of
2 public funds of this state or political subdivisions
3 of this state. The revised law omits the provision as
4 impliedly repealed by Section 404.0221, Government
5 Code (enacted in 1995), which lists eligible
6 collateral for deposits of state funds by the
7 comptroller, and by Chapter 2257, Government Code
8 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
9 Statutes), which governs eligible collateral for
10 deposits of funds of other public agencies, including
11 political subdivisions, and permits those deposits to
12 be secured by obligations issued by hospital
13 districts. The omitted law reads:

14 Sec. 11. . . . Such bonds shall be
15 eligible to secure deposit of public funds
16 of the State of Texas and public funds of
17 cities, towns, villages, counties, school
18 districts or other political subdivisions
19 or corporations of the State of Texas; and
20 such bonds shall be lawful and sufficient
21 security for said deposits to the extent of
22 their value when accompanied by all
23 unmatured coupons appurtenant thereto.

24 [Sections 1103.208-1103.250 reserved for expansion]

25 SUBCHAPTER F. GENERAL TAX PROVISIONS

26 Revised Law

27 Sec. 1103.251. IMPOSITION OF AD VALOREM TAX. (a) The
28 district may impose a tax on all taxable property in the district
29 subject to district taxation.

30 (b) The tax may be used to meet the requirements of:

- 31 (1) district bonds;
32 (2) indebtedness assumed by the district; and
33 (3) district maintenance and operating expenses.

34 (Acts 59th Leg., R.S., Ch. 16, Secs. 3 (part), 13 (part).)

35 Source Law

36 Sec. 3. . . . [Swisher Memorial Hospital
37 District shall be created] with authority to levy
38 annual taxes . . . [on] . . . taxable property within
39 such District for the purpose of meeting the
40 requirements of the District's bonds, indebtedness
41 assumed by it, and its maintenance and operating
42 expenses and

1 revised law omits that provision because it was
2 repealed by Section 6(b), Chapter 841, Acts of the 66th
3 Legislature, Regular Session, 1979, which repealed all
4 "general, local, and special laws" that conflicted
5 with that act. The 1979 act enacted the Property Tax
6 Code (Title 1, Tax Code), a comprehensive, substantive
7 codification of all property tax law. Section
8 6.27(b), Tax Code, provides for the compensation of a
9 county tax assessor-collector assessing and
10 collecting taxes for another taxing unit. The omitted
11 law reads:

12 Sec. 13. . . . For his services the
13 County Tax Assessor-Collector shall be
14 allowed such compensation as may be
15 provided for by contract with the District
16 but not to exceed the amount allowed for
17 assessment and collection of County taxes.
18 . . .

19 (3) Section 13, Chapter 16, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that the
21 bond of the county tax assessor-collector is security
22 for the performance of district duties unless the
23 board determines that an additional bond is necessary.
24 The revised law omits that provision because it
25 duplicates Section 6.29(b), Tax Code, which authorizes
26 a taxing unit for which the county tax
27 assessor-collector collects a tax to require that
28 collector to post an additional bond. The omitted law
29 reads:

30 Sec. 13. . . . The bond of the County
31 Tax Assessor-Collector shall stand as
32 security for the proper performance of his
33 duties as Assessor-Collector of the
34 District, or, if in the judgment of the
35 District Board of Directors, it is
36 necessary that additional bond payable to
37 the District may be required. . . .

38 (4) Section 13, Chapter 16, Acts of the 59th
39 Legislature, Regular Session, 1965, provides that the
40 county tax assessor-collector may act in accordance
41 with state law relating to the assessment, collection,

1 and enforcement of state and county taxes. The revised
2 law omits that provision as unnecessary because Title
3 1, Tax Code, governs the appraisal of property for and
4 the assessment and collection of ad valorem taxes by
5 all taxing units in this state, including hospital
6 districts. See Section 1.02, Tax Code. The omitted
7 law reads:

8 Sec. 13. . . . In all matters
9 pertaining to the assessment, collection
10 and enforcement of taxes for the District,
11 the County Tax Assessor-Collector shall be
12 authorized to act in all respects according
13 to the laws of the State of Texas relating
14 to State and County taxes.

15 Revisor's Note
16 (End of Subchapter)

17 Section 13, Chapter 16, Acts of the 59th
18 Legislature, Regular Session, 1965, requires the
19 district to impose taxes in a certain manner. The
20 revised law omits that provision because it was
21 repealed by Section 6(b), Chapter 841, Acts of the 66th
22 Legislature, Regular Session, 1979. See Revisor's
23 Note (2) to Section 1103.253. Title 1, Tax Code,
24 provides the exclusive procedures for the imposition
25 and collection of ad valorem taxes by a taxing unit,
26 including a hospital district. The omitted law reads:

27 Sec. 13. [District taxes shall be
28 assessed and collected] in the same manner
29 as provided by law with relation to county
30 taxes,

31 Revisor's Note
32 (End of Chapter)

33 (1) Section 2, Chapter 16, Acts of the 59th
34 Legislature, Regular Session, 1965, provides for the
35 transfer of certain land, buildings, improvements, and
36 equipment to the district after the district is
37 created and provides for the assumption of certain
38 debt by the district on creation. The revised law
39 omits the provisions as executed. The omitted law
40 reads:

1 Sec. 2. The District herein
2 authorized to be created shall take over and
3 there shall be transferred to it title to
4 all lands, buildings, improvements and
5 equipment in anywise pertaining to the
6 hospital or hospital system owned by
7 Swisher County and any city or town within
8 such county and [Such District]
9 . . . shall assume the outstanding
10 indebtedness which shall have been incurred
11 by any city or town or by Swisher County for
12 hospital purposes prior to the creation of
13 said District.

14 (2) Section 18a, Chapter 16, Acts of the 59th
15 Legislature, Regular Session, 1965, describes the
16 election held in 1964 to create the district and
17 provides for the ratification, validation, and
18 confirmation of the election and any event related to
19 the election. The revised law omits that provision as
20 executed. The omitted law reads:

21 Sec. 18a. The Legislature of the
22 State of Texas now finds that an election
23 was ordered by the Commissioners Court of
24 Swisher County, Texas, on the 22nd day of
25 September, 1964, on the proposition
26 specified in Section 3 of this Act; that
27 notice of said election was given for the
28 length of time and in the manner, as
29 required by this Act; that said election was
30 held on the 3rd day of November, 1964, and
31 returns thereof duly and properly made to
32 the Commissioners Court of Swisher County,
33 Texas; that on the 9th day of November,
34 1964, the Commissioners Court of Swisher
35 County duly adopted an order canvassing the
36 returns of said election and declaring the
37 result in favor of the proposition
38 submitted; that only voters duly qualified
39 under the terms of this Act and Article IX,
40 Section 9, of the Constitution of Texas were
41 permitted to vote; that said election was
42 duly called and held as required by Article
43 IX, Section 9, of the Constitution of Texas;
44 and that all of the proceedings had in
45 connection with the calling, holding,
46 canvassing the returns, and declaring the
47 result of said election by the
48 Commissioners Court of Swisher County,
49 Texas, were as provided by the terms and
50 conditions of this Act. All actions of the
51 Commissioners Court of Swisher County,
52 Texas, in ordering and providing for said
53 election and giving notice thereof, in the
54 canvassing of the returns and declaring the
55 result thereof, and in appointing directors
56 for the District, and such election and
57 proceedings incident thereto are hereby in
58 all things ratified, confirmed and
59 validated, and said Hospital District is
60 hereby declared to be an existing political

1 subdivision of this State with all the
2 rights, privileges, powers, duties and
3 responsibilities imposed by the aforesaid
4 Constitutional provision and this Act.

5 (3) Section 19, Chapter 16, Acts of the 59th
6 Legislature, Regular Session, 1965, provides that the
7 act is severable. The revised law omits that provision
8 because it duplicates Section 311.032, Government Code
9 (Code Construction Act), which provides that a
10 provision of a statute is severable from each other
11 provision of the statute that can be given effect. The
12 omitted law reads:

13 Sec. 19. If any of the provisions of
14 this Act or the application thereof to any
15 person or circumstances is held invalid,
16 such invalidity shall not affect other
17 provisions or applications of the Act which
18 can be given effect without the invalid
19 provision or application, and to this end
20 the provisions of this Act are declared to
21 be severable.

22 (4) Section 20, Chapter 16, Acts of the 59th
23 Legislature, Regular Session, 1965, states that public
24 notice of the enactment of the statute was provided in
25 a manner that satisfies the requirements of the Texas
26 Constitution. The revised law omits that section as
27 executed. The omitted law reads:

28 Sec. 20. Proof of publication of the
29 notice required in the enactment hereof
30 under the provisions of Article IX, Section
31 9, Constitution of the State of Texas, has
32 been made in the manner and form provided by
33 law pertaining to the enactment of local and
34 special laws and such notice is hereby found
35 and declared proper and sufficient to
36 satisfy such requirement.

37 CHAPTER 1104. TEAGUE HOSPITAL DISTRICT

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14 CHAPTER 1104. TEAGUE HOSPITAL DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 1104.001. 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 Teague Hospital District.

22 (Acts 68th Leg., R.S., Ch. 1055, Sec. 1.01.)

23 Source Law

24 Sec. 1.01. In this Act:

- 25 (1) "District" means the Teague Hospital
- 26 District.
- 27 (2) "Board" means the board of directors
- 28 of the district.
- 29 (3) "Director" means a member of the
- 30 board.

31 Revised Law

32 Sec. 1104.002. AUTHORITY FOR OPERATION. The Teague
33 Hospital District operates and is financed as provided by Section
34 9, Article IX, Texas Constitution, and by this chapter. (Acts 68th
35 Leg., R.S., Ch. 1055, Sec. 1.02.)

36 Source Law

37 Sec. 1.02. The Teague Hospital District may be
38 created and established and, if created, must be

1 maintained, operated, and financed in the manner
2 provided by Article IX, Section 9, of the Texas
3 Constitution and by this Act.

4 Revisor's Note

5 Section 1.02, Chapter 1055, Acts of the 68th
6 Legislature, Regular Session, 1983, provides that the
7 district "may be created and established and, if
8 created, must be maintained, operated, and financed"
9 in the manner provided by the Texas Constitution and
10 the act. The revised law omits references to the
11 establishment and creation of the district as
12 executed. The revised law omits "maintained" because,
13 in this context, the meaning of that term is included
14 in the meaning of "operated."

15 Revised Law

16 Sec. 1104.003. ESSENTIAL PUBLIC FUNCTION. The district is
17 a public entity performing an essential public function. (Acts
18 68th Leg., R.S., Ch. 1055, Sec. 7.11 (part).)

19 Source Law

20 Sec. 7.11. Since the district created under
21 this Act is a public entity performing an essential
22 public function,

23 Revised Law

24 Sec. 1104.004. DISTRICT TERRITORY. The boundaries of the
25 district are coextensive with the boundaries of the Teague
26 Independent School District as those boundaries existed on June 19,
27 1983. (Acts 68th Leg., R.S., Ch. 1055, Sec. 1.03.)

28 Source Law

29 Sec. 1.03. The boundaries of the district are
30 coextensive with the boundaries of the Teague
31 Independent School District.

32 Revisor's Note

33 Section 1.03, Chapter 1055, Acts of the 68th
34 Legislature, Regular Session, 1983, provides that the
35 boundaries of the district are coextensive with the
36 Teague Independent School District. Under Chapter 13,
37 Education Code, a school district's boundaries may be
38 changed.

1 created under this Act,

2 Revised Law

3 Sec. 1104.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

4 The legislature may not make a direct appropriation for the
5 construction, maintenance, or improvement of a district facility.
6 (Acts 68th Leg., R.S., Ch. 1055, Sec. 10.01 (part).)

7 Source Law

8 Sec. 10.01. . . . nor may the legislature make a
9 direct appropriation for the construction,
10 maintenance, or improvement of a facility of the
11 district.

12 Revisor's Note
13 (End of Subchapter)

14 Article 3, Chapter 1055, Acts of the 68th
15 Legislature, Regular Session, 1983, provides
16 procedures for holding an election on creation of the
17 district and the imposition of an ad valorem tax.
18 Because the election has been held, the revised law
19 omits Article 3 as executed. The omitted law reads:

20 Sec. 3.01. The district may be
21 created and a tax may be authorized only if
22 the creation and the tax are approved by a
23 majority of the qualified voters of the
24 territory of the proposed district voting
25 at an election called and held for that
26 purpose.

27 Sec. 3.02. (a) A majority of the
28 temporary directors of the district may
29 order a creation election to be held.

30 (b) On presentation of a petition for
31 a creation election signed by at least 10
32 percent of the registered voters of the
33 territory of the proposed district,
34 according to the most recent official lists
35 of registered voters, the temporary
36 directors shall order an election to be
37 held. The election shall be called not
38 later than the 60th day after the date the
39 petition is presented to the district.

40 Sec. 3.03. The order calling the
41 election must state:

- 42 (1) the nature of the election,
43 including the proposition that is to appear
44 on the ballot;
- 45 (2) the date of the election;
- 46 (3) the hours during which the
47 polls will be open; and
- 48 (4) the location of the polling
49 places.

50 Sec. 3.04. The temporary directors
51 shall give notice of the election by
52 publishing a substantial copy of the
53 election order in a newspaper with general
54 circulation in the proposed district once a

1 week for two consecutive weeks. The first
2 publication must appear at least 35 days
3 before the date set for the election.

4 Sec. 3.05. (a) The election shall
5 be held not less than 35 days nor more than
6 60 days after the date on which the election
7 is ordered.

8 (b) A general law requiring elections
9 to be held on uniform or specified election
10 dates does not apply to an election ordered
11 under this article.

12 Sec. 3.06. The ballot for an election
13 at which the issuance of bonds is not
14 proposed shall be printed to permit voting
15 for or against the proposition: "The
16 creation of the Teague Hospital District
17 and the levy of annual taxes for hospital
18 purposes at a rate not to exceed five cents
19 on each \$100 valuation of all taxable
20 property in the district."

21 Sec. 3.07. (a) Not later than the
22 10th day after the date of the election, the
23 temporary directors of the district shall
24 meet and canvass the returns of the
25 election.

26 (b) If the temporary directors find
27 that the election results are favorable to
28 the proposition to create the district,
29 they shall issue an order declaring the
30 district created.

31 (c) If the temporary directors find
32 that the election results are not favorable
33 to the proposition to create the district,
34 another creation election may not be held
35 within 12 months after the date of the
36 election at which voters disapproved the
37 proposition.

38 Sec. 3.08. If the creation of the
39 district is not approved at an election held
40 within 60 months after the effective date of
41 this Act, this Act expires.

42 [Sections 1104.007-1104.050 reserved for expansion]

43 SUBCHAPTER B. DISTRICT ADMINISTRATION

44 Revised Law

45 Sec. 1104.051. BOARD ELECTION; TERMS. (a) The district is
46 governed by a board of seven directors elected from the district at
47 large.

48 (b) Directors serve staggered two-year terms unless
49 four-year terms are established under Section 285.081, Health and
50 Safety Code. (Acts 68th Leg., R.S., Ch. 1055, Secs. 4.01(a),
51 4.03(a), (c).)

52 Source Law

53 Sec. 4.01. (a) The district is governed by a
54 board of seven directors.

55 Sec. 4.03. (a) Members of the board of
56 directors shall be elected from the district at large.

1 (c) After the initial election of directors, an
2 election shall be held on the first Saturday in April
3 each year, and the appropriate number of successor
4 directors shall be elected for two-year terms.

5 Revisor's Note

6 (1) Article 2 and Section 4.01(b), Chapter 1055,
7 Acts of the 68th Legislature, Regular Session, 1983,
8 provide for temporary directors to serve until elected
9 directors take office and provide for filling a
10 vacancy in the office of temporary director. The
11 revised law omits the provisions as executed. The
12 omitted law reads:

13 Sec. 2.01. On the effective date of
14 this Act, the following persons become
15 temporary directors of the district:

- 16 (1) H. D. Black, Jr.
17 (2) Bill D. Bowers
18 (3) Janice Ham
19 (4) A. L. Oakes
20 (5) Arzo Burnin
21 (6) Jean Terry; and
22 (7) Estes Goulding.

23 Sec. 2.02. A vacancy in the office of
24 temporary director shall be filled by
25 appointment by majority vote of the
26 remaining directors.

27 [Sec. 4.01]

28 (b) From the time the creation of the
29 district is approved until the elected
30 directors take office, the temporary
31 directors serve as directors of the
32 district.

33 (2) Sections 4.02 and 4.03(b), Chapter 1055,
34 Acts of the 68th Legislature, Regular Session, 1983,
35 prescribe the procedure for electing the initial
36 board. Section 4.03(b) also prescribes the terms of
37 the initial directors and, in doing so, establishes
38 staggered two-year terms for the directors. The
39 revised law omits those provisions as executed but
40 codifies the establishment of a board consisting of
41 seven directors serving staggered two-year terms. The
42 omitted law reads:

43 Sec. 4.02. Directors shall be
44 elected at an election to be held on the
45 first Saturday in April following the
46 creation of the district.

1 [Sec. 4.03]

2 (b) The seven candidates receiving
3 the highest number of votes at the initial
4 election of directors are directors for the
5 district. The four directors receiving the
6 highest number of votes at the initial
7 election serve for a term of two years. The
8 remaining directors serve for a term of one
9 year.

10 (3) Section 4.03(c), Chapter 1055, Acts of the
11 68th Legislature, Regular Session, 1983, provides that
12 "an election shall be held on the first Saturday in
13 April each year." The revised law omits that provision
14 as impliedly repealed by the amendment of Section
15 41.001, Election Code, by Chapter 14, Acts of the 69th
16 Legislature, 3rd Called Session, 1986, to prescribe
17 certain uniform election dates. Section 37 of that act
18 required a political subdivision that held its general
19 election of officers on the first Saturday in April to
20 hold that election on a uniform election date in May or
21 to choose a different uniform election date on which to
22 hold the election.

23 (4) Section 4.03(c), Chapter 1055, Acts of the
24 68th Legislature, Regular Session, 1983, provides that
25 directors serve two-year terms. Section 285.081,
26 Health and Safety Code, applicable to this district,
27 provides a mechanism by which the governing board of a
28 hospital district, on its own motion, may order that
29 the members are to be elected in even-numbered years to
30 serve staggered four-year terms. The revised law is
31 drafted accordingly and adds a reference to Section
32 285.081, Health and Safety Code, for the convenience
33 of the reader.

34 Revised Law

35 Sec. 1104.052. NOTICE OF ELECTION. At least 35 days before
36 the date of a directors' election, notice of the election must be
37 published one time in a newspaper with general circulation in the
38 district. (Acts 68th Leg., R.S., Ch. 1055, Sec. 4.04.)

1 Because the petition serves as an additional
2 requirement for a candidate to appear on the ballot,
3 the revised law conforms the date the petition must be
4 filed to the date the application must be filed.

5 Revised Law

6 Sec. 1104.054. QUALIFICATIONS FOR OFFICE. (a) To be
7 eligible to be a candidate for or to serve as a director, a person
8 must be:

9 (1) a resident of the district; and

10 (2) a qualified voter.

11 (b) A district employee may not serve as a director. (Acts
12 68th Leg., R.S., Ch. 1055, Sec. 4.06.)

13 Source Law

14 Sec. 4.06. (a) To be eligible to be a candidate
15 for or to serve as a director, a person must be:

16 (1) a resident of the district; and

17 (2) a qualified voter.

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

20 Revised Law

21 Sec. 1104.055. BOND. (a) Before assuming the duties of
22 office, each director must execute a bond for \$5,000 that is:

23 (1) payable to the district; and

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

26 (b) The board may pay for directors' bonds with district
27 money.

28 (c) Each director's bond shall be kept in the district's
29 permanent records. (Acts 68th Leg., R.S., Ch. 1055, Sec. 4.07.)

30 Source Law

31 Sec. 4.07. (a) Before assuming the duties of
32 the office, each director must execute a bond for
33 \$5,000 payable to the district, conditioned on the
34 faithful performance of the person's duties as
35 director.

36 (b) The bond shall be kept in the permanent
37 records of the district.

38 (c) The board may pay for directors' bonds with
39 district funds.

40 Revised Law

41 Sec. 1104.056. 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 68th Leg., R.S., Ch. 1055,
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. 1104.057. OFFICERS. (a) The board shall elect from
10 among its members a president, a vice president, and a secretary.

11 (b) Each officer of the board serves a one-year term.

12 (c) The board shall fill a vacancy in a board office for the
13 unexpired term. (Acts 68th Leg., R.S., Ch. 1055, Secs. 4.09, 4.10.)

14 Source Law

15 Sec. 4.09. The board shall elect from among its
16 members a president, a vice-president, and a
17 secretary.

18 Sec. 4.10. (a) Each officer of the board
19 serves for a term of one year.

20 (b) A vacancy in a board office shall be filled
21 for the unexpired term by the board.

22 Revised Law

23 Sec. 1104.058. COMPENSATION; EXPENSES. A director or
24 officer serves without compensation but may be reimbursed for
25 actual expenses incurred in the performance of official duties.
26 The expenses must be:

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

28 (2) approved by the board. (Acts 68th Leg., R.S., Ch.
29 1055, Sec. 4.11.)

30 Source Law

31 Sec. 4.11. Directors and officers serve without
32 compensation but may be reimbursed for actual expenses
33 incurred in the performance of official duties. Those
34 expenses must be reported in the district's minute book
35 or other district records and must be approved by the
36 board.

37 Revisor's Note

38 Section 4.11, Chapter 1055, Acts of the 68th
39 Legislature, Regular Session, 1983, requires that
40 expenses be reported in the "district's minute book or
41 other district records." The revised law omits the

1 reference to the "district's minute book" because the
2 minute book is a district record.

3 Revised Law

4 Sec. 1104.059. VOTING REQUIREMENT. A concurrence of a
5 majority of the directors voting is necessary in any matter
6 relating to district business. (Acts 68th Leg., R.S., Ch. 1055,
7 Sec. 4.12.)

8 Source Law

9 Sec. 4.12. A concurrence of a majority of the
10 members of the board voting is necessary in matters
11 relating to the business of the district.

12 Revised Law

13 Sec. 1104.060. DISTRICT ADMINISTRATOR. (a) The board may
14 appoint a qualified person as district administrator.

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

17 (c) Before assuming the duties of district administrator,
18 the administrator must execute a bond in an amount determined by the
19 board of not less than \$5,000 that is:

20 (1) payable to the district; and

21 (2) conditioned on the faithful performance of the
22 administrator's duties under this chapter.

23 (d) The board may pay for the bond with district money.
24 (Acts 68th Leg., R.S., Ch. 1055, Secs. 4.13(a) (part), (b) (part),
25 (c) (part), (d).)

26 Source Law

27 Sec. 4.13. (a) The board may appoint qualified
28 persons as administrator of the district,

29 (b) The administrator, . . . serve at the will
30 of the board.

31 (c) The administrator, . . . are entitled to
32 compensation as determined by the board.

33 (d) Before assuming his duties, the
34 administrator shall execute a bond payable to the
35 hospital district in the amount of not less than \$5,000
36 as determined by the board, conditioned on the
37 faithful performance of his duties under this Act. The
38 board may pay for the bond with district funds.

39 Revised Law

40 Sec. 1104.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
41 Subject to the limitations prescribed by the board, the district

1 administrator shall:

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

3 and

4 (2) direct the general affairs of the district. (Acts
5 68th Leg., R.S., Ch. 1055, Sec. 4.16.)

6 Source Law

7 Sec. 4.16. The administrator shall supervise
8 the work and activities of the district and shall
9 direct the general affairs of the district, subject to
10 the limitations prescribed by the board.

11 Revised Law

12 Sec. 1104.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

13 (a) The board may appoint qualified persons as:

14 (1) the assistant district administrator; and

15 (2) the attorney for the district.

16 (b) The assistant district administrator and the attorney
17 for the district serve at the will of the board and are entitled to
18 compensation as determined by the board. (Acts 68th Leg., R.S., Ch.
19 1055, Secs. 4.13(a) (part), (b) (part), (c) (part).)

20 Source Law

21 Sec. 4.13. (a) The board may appoint qualified
22 persons as . . . assistant to the administrator, and
23 attorney for the district.

24 (b) The . . . assistant administrator, and
25 attorney serve at the will of the board.

26 (c) The . . . assistant administrator, and
27 attorney are entitled to compensation as determined by
28 the board.

29 Revised Law

30 Sec. 1104.063. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
31 board may appoint to the staff any doctors the board considers
32 necessary for the efficient operation of the district and may make
33 temporary appointments as considered necessary.

34 (b) The district may employ technicians, nurses, fiscal
35 agents, accountants, architects, additional attorneys, and other
36 necessary employees.

37 (c) The board may delegate to the district administrator the
38 authority to employ persons for the district. (Acts 68th Leg.,
39 R.S., Ch. 1055, Secs. 4.14, 4.15.)

1 Revisor's Note

2 Section 5.02, Chapter 1055, Acts of the 68th
3 Legislature, Regular Session, 1983, provides that
4 "[o]n creation of the district," the district
5 "assumes" certain responsibilities. The revised law
6 omits "[o]n creation of the district," as executed.
7 The revised law substitutes "has" for "assumes"
8 because the obligation to assume the responsibilities
9 is executed.

10 Revised Law

11 Sec. 1104.102. RESTRICTION ON MUNICIPAL TAXATION AND DEBT.
12 The City of Teague may not impose a tax or issue bonds or other
13 obligations for hospital purposes or to provide medical care for
14 district residents. (Acts 68th Leg., R.S., Ch. 1055, Sec.
15 5.01(b).)

16 Source Law

17 (b) On or after creation of the district, the
18 city of Teague may not levy taxes or issue bonds or
19 other obligations for hospital purposes or for
20 providing medical care for the residents of the
21 district.

22 Revisor's Note

23 Section 5.01(b), Chapter 1055, Acts of the 68th
24 Legislature, Regular Session, 1983, provides that
25 "[o]n or after creation of the district," the City of
26 Teague may not levy certain taxes or issue certain
27 bonds. The revised law omits the quoted language
28 because the district has been created. In addition,
29 throughout this chapter, the revised law substitutes
30 "impose" for "levy" because, in the context of
31 taxation, the terms are synonymous and "impose" is
32 more commonly used.

33 Revised Law

34 Sec. 1104.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
35 The board shall manage, control, and administer the hospital system
36 and the district's money and resources. (Acts 68th Leg., R.S., Ch.

1 1055, Sec. 5.03.)

2 Source Law

3 Sec. 5.03. The board shall manage, control, and
4 administer the hospital system and the funds and
5 resources of the district.

6 Revised Law

7 Sec. 1104.104. RULES. The board may adopt rules governing:

8 (1) the operation of the hospital and hospital system;

9 and

10 (2) the duties, functions, and responsibilities of
11 district staff and employees. (Acts 68th Leg., R.S., Ch. 1055, Sec.
12 5.04.)

13 Source Law

14 Sec. 5.04. The board may adopt rules governing
15 the operation of the hospital and hospital system and
16 the duties, functions, and responsibilities of
17 district staff and employees.

18 Revised Law

19 Sec. 1104.105. PURCHASING AND ACCOUNTING PROCEDURES. The
20 board may prescribe:

21 (1) the method of making purchases and expenditures by
22 and for the district; and

23 (2) accounting and control procedures for the
24 district. (Acts 68th Leg., R.S., Ch. 1055, Sec. 5.05.)

25 Source Law

26 Sec. 5.05. (a) The board may prescribe the
27 method of making purchases and expenditures by and for
28 the district.

29 (b) The board may prescribe accounting and
30 control procedures for the district.

31 Revised Law

32 Sec. 1104.106. DISTRICT PROPERTY, FACILITIES, AND
33 EQUIPMENT. (a) The board shall determine:

34 (1) the type, number, and location of buildings
35 required to maintain an adequate hospital system; and

36 (2) the type of equipment necessary for hospital care.

37 (b) The board may:

38 (1) acquire property, including facilities and
39 equipment, for the district for use in the hospital system; and

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

3 (c) The board may lease hospital facilities for the
4 district.

5 (d) The board may sell or otherwise dispose of property,
6 including facilities or equipment, for the district. (Acts 68th
7 Leg., R.S., Ch. 1055, Sec. 5.06.)

8 Source Law

9 Sec. 5.06. (a) The board shall determine the
10 type, number, and location of buildings required to
11 establish and maintain an adequate hospital system and
12 the type of equipment necessary for hospital care.

13 (b) The board may acquire property, facilities,
14 and equipment for the district for use in the hospital
15 system and may mortgage or pledge the property,
16 facilities, or equipment acquired as security for the
17 payment of the purchase price.

18 (c) The board may lease hospital facilities on
19 behalf of the district.

20 (d) The board may sell or otherwise dispose of
21 property, facilities, or equipment on behalf of the
22 district.

23 Revisor's Note

24 Section 5.06(a), Chapter 1055, Acts of the 68th
25 Legislature, Regular Session, 1983, 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 Revised Law

31 Sec. 1104.107. EMINENT DOMAIN. (a) The district may
32 exercise the power of eminent domain to acquire a fee simple or
33 other interest in property located in district territory if the
34 interest is necessary to exercise a right or authority conferred by
35 this chapter.

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

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

1 68th Legislature, Regular Session, 1983, refers to a
2 "writ of error." The revised law substitutes "petition
3 for review" for "writ of error" because, effective
4 September 1, 1997, the Texas Supreme Court replaced
5 the writ of error procedure with the petition for
6 review procedure. See Rule 53.1, Texas Rules of
7 Appellate Procedure.

8 Revised Law

9 Sec. 1104.108. COST OF RELOCATING OR ALTERING PROPERTY. In
10 exercising the power of eminent domain, if the board requires
11 relocating, raising, lowering, rerouting, changing the grade, or
12 altering the construction of any railroad, highway, pipeline, or
13 electric transmission, telegraph, or telephone line, conduit,
14 pole, or facility, the district must bear the actual cost of
15 relocating, raising, lowering, rerouting, changing the grade, or
16 altering the construction to provide comparable replacement
17 without enhancement of facilities, after deducting the net salvage
18 value derived from the old facility. (Acts 68th Leg., R.S., Ch.
19 1055, Sec. 5.10.)

20 Source Law

21 Sec. 5.10. In exercising the power of eminent
22 domain, if the board requires relocating, raising,
23 lowering, rerouting, changing the grade, or altering
24 the construction of any railroad, highway, pipeline,
25 or electric transmission, telegraph, or telephone
26 lines, conduits, poles, or facilities, the district
27 must bear the actual cost of relocating, raising,
28 lowering, rerouting, changing the grade, or altering
29 the construction to provide comparable replacement
30 without enhancement of facilities, after deducting the
31 net salvage value derived from the old facility.

32 Revised Law

33 Sec. 1104.109. 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 68th Leg., R.S., Ch. 1055,
38 Sec. 5.14.)

1 Code, and the revised law is drafted accordingly. The
2 revised law omits the reference to the \$10,000 amount
3 as superseded by Section 2, Chapter 749, and Section
4 14, Chapter 757, Acts of the 73rd Legislature, Regular
5 Session, 1993, which amended Section 271.024, Local
6 Government Code, to increase the contract amount for
7 which competitive bidding is required to \$15,000. The
8 contract amount was increased to \$50,000 by Section 6,
9 Chapter 1266, Acts of the 81st Legislature, Regular
10 Session, 2009.

11 (2) Section 5.07(b), Chapter 1055, Acts of the
12 68th Legislature, Regular Session, 1983, provides that
13 Article 5160, Revised Statutes, applies to the
14 district's construction contracts in relation to
15 performance and payment bonds. The revised law omits
16 the reference because Article 5160 was codified as
17 Chapter 2253, Government Code, and that chapter
18 applies to hospital districts by its own terms. The
19 omitted law reads:

20 (b) Article 5160, Revised Statutes,
21 as it relates to performance and payment
22 bonds, applies to construction contracts
23 let by the district.

24 Revised Law

25 Sec. 1104.111. OPERATING AND MANAGEMENT CONTRACTS. The
26 board may enter into an operating or management contract relating
27 to a hospital facility for the district. (Acts 68th Leg., R.S., Ch.
28 1055, Sec. 5.08.)

29 Source Law

30 Sec. 5.08. The board may enter into operating or
31 management contracts relating to hospital facilities
32 on behalf of the district.

33 Revised Law

34 Sec. 1104.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
35 SERVICES. The board may contract with a political subdivision of
36 this state or with a state or federal agency for the district to:

37 (1) furnish a mobile emergency medical service; or

1 (2) provide for the investigatory or welfare needs of
2 district inhabitants. (Acts 68th Leg., R.S., Ch. 1055, Sec. 5.13.)

3 Source Law

4 Sec. 5.13. The board may contract with a city,
5 county, special district, or other political
6 subdivision of the state or with a state or federal
7 agency for the district to furnish a mobile emergency
8 medical service or to provide for the investigatory or
9 welfare needs of inhabitants of the district.

10 Revisor's Note

11 Section 5.13, Chapter 1055, Acts of the 68th
12 Legislature, Regular Session, 1983, refers to "a city,
13 county, special district, or other political
14 subdivision of the state." Throughout this chapter,
15 the revised law omits "city," "county," and "special
16 district" in this context because each of those
17 entities is included in the meaning of "political
18 subdivision of the state."

19 Revised Law

20 Sec. 1104.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)
21 When an individual who resides in the district is admitted as a
22 patient to a district facility, the district administrator may have
23 an inquiry made into the financial circumstances of:

24 (1) the patient; and

25 (2) a relative of the patient legally responsible for
26 the patient's support.

27 (b) To the extent that the patient or a relative of the
28 patient legally responsible for the patient's support cannot pay
29 for care and treatment provided by the district, the district shall
30 supply the care and treatment without charging the patient or the
31 patient's relative.

32 (c) On determining that the patient or a relative legally
33 responsible for the patient's support can pay for all or part of the
34 care and treatment provided by the district, the district
35 administrator shall report that determination to the board, and the
36 board shall issue an order directing the patient or the relative to
37 pay the district a specified amount each week. The amount must be

1 based on the individual's ability to pay.

2 (d) The district administrator may collect money owed to the
3 district from the patient's estate or from that of a relative
4 legally responsible for the patient's support in the manner
5 provided by law for the collection of expenses in the last illness
6 of a deceased person.

7 (e) If there is a dispute relating to an individual's
8 ability to pay or if the district administrator has any doubt
9 concerning an individual's ability to pay, the board shall:

- 10 (1) call witnesses;
- 11 (2) hear and resolve the question; and
- 12 (3) issue a final order.

13 (f) The final order of the board may be appealed to a
14 district court in the county in which the district is located. The
15 substantial evidence rule applies to the appeal. (Acts 68th Leg.,
16 R.S., Ch. 1055, Sec. 5.11.)

17 Source Law

18 Sec. 5.11. (a) If an individual residing in
19 the district is admitted as a patient to a facility of
20 the district, the administrator may have an inquiry
21 made as to the patient's financial circumstances and as
22 to financial circumstances of a relative of the
23 patient who is legally responsible for the patient's
24 support.

25 (b) On finding that the patient or a relative of
26 the patient legally responsible for the patient's
27 support can pay for all or any part of the care and
28 treatment provided by the district, the administrator
29 shall report that finding to the board, and the board
30 shall issue an order directing the patient or the
31 relative to pay the district a specified sum each week
32 based on the individual's ability to pay.

33 (c) The administrator may collect money owed to
34 the district from the estate of the patient or from
35 that of a relative who was legally responsible for the
36 patient's support in the manner provided by law for
37 collection of expenses in the last illness of a
38 deceased person.

39 (d) To the extent that a patient or a relative of
40 the patient legally responsible for the patient's
41 support cannot pay for care and treatment provided by
42 the district, the district shall supply that care and
43 treatment without charging the patient or the
44 patient's relative.

45 (e) If there is a dispute relating to an
46 individual's ability to pay or if the administrator has
47 any doubt concerning an individual's ability to pay,
48 the board shall call witnesses, hear and resolve the
49 question, and issue a final order. An appeal from a
50 final order of the board must be made to a district
51 court in the county in which the district is located

1 and the substantial evidence rule applies.

2 Revised Law

3 Sec. 1104.114. REIMBURSEMENT FOR SERVICES. (a) The board
4 shall require a county or municipality located outside the district
5 to reimburse the district for the district's care and treatment of a
6 sick or injured person of that county or municipality.

7 (b) On behalf of the district, the board may contract with
8 the state or federal government for that government to reimburse
9 the district for treatment of a sick or injured person. (Acts 68th
10 Leg., R.S., Ch. 1055, Sec. 5.12.)

11 Source Law

12 Sec. 5.12. (a) The board shall require
13 reimbursement from a county or a city located outside
14 the boundaries of the district for the district's care
15 and treatment of a sick, diseased, or injured person of
16 that county or city.

17 (b) On behalf of the district, the board may
18 contract with the state or federal government for the
19 state or federal government to reimburse the district
20 for treatment of a sick, diseased, or injured person.

21 Revisor's Note

22 (1) Section 5.12(a), Chapter 1055, Acts of the
23 68th Legislature, Regular Session, 1983, refers to a
24 "city." The revised law substitutes "municipality"
25 for "city" because in context the terms are
26 equivalent, and "municipality" is the term used by the
27 Local Government Code.

28 (2) Section 5.12, Chapter 1055, Acts of the 68th
29 Legislature, Regular Session, 1983, refers to a "sick,
30 diseased, or injured person." The revised law omits
31 the references to "diseased" because it is included in
32 the meaning of "sick."

33 Revised Law

34 Sec. 1104.115. AUTHORITY TO SUE AND BE SUED. The board may
35 sue and be sued on behalf of the district. (Acts 68th Leg., R.S.,
36 Ch. 1055, Sec. 5.15.)

37 Source Law

38 Sec. 5.15. The board may sue and be sued on
39 behalf of the district.

1 [Sections 1104.116-1104.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Revised Law

4 Sec. 1104.151. BUDGET. (a) The district administrator
5 shall prepare a proposed annual budget for the district.

6 (b) The proposed budget must contain a complete financial
7 statement, including a statement of:

8 (1) the outstanding obligations of the district;

9 (2) the amount of cash on hand to the credit of each
10 district fund;

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

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

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

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

19 (7) the estimated tax rate required. (Acts 68th Leg.,
20 R.S., Ch. 1055, Sec. 6.04.)

21 Source Law

22 Sec. 6.04. (a) The administrator of the
23 district shall prepare a proposed annual budget for
24 the district.

25 (b) The proposed budget must contain a complete
26 financial statement, including a statement of:

27 (1) the outstanding obligations of the
28 district;

29 (2) the amount of cash on hand to the
30 credit of each fund of the district;

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

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

35 (5) the amount of the balances expected at
36 the end of the year in which the budget is being
37 prepared;

38 (6) the estimated amount of revenues and
39 balances available to cover the proposed budget; and

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

42 Revised Law

43 Sec. 1104.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
44 The board shall hold a public hearing on the proposed annual budget.

1 (b) The board shall publish notice of the hearing in a
2 newspaper of general circulation in the district not later than the
3 10th day before the date of the hearing.

4 (c) Any district resident is entitled to be present and
5 participate at the hearing.

6 (d) At the conclusion of the hearing, the board shall adopt
7 a budget by acting on the budget proposed by the district
8 administrator. The board may make any changes in the proposed
9 budget that the board judges to be in the interests of the
10 taxpayers.

11 (e) The budget is effective only after adoption by the
12 board. (Acts 68th Leg., R.S., Ch. 1055, Sec. 6.05.)

13 Source Law

14 Sec. 6.05. (a) The board shall hold a public
15 hearing on the proposed annual budget.

16 (b) The board shall publish notice of the
17 hearing in a newspaper of general circulation in the
18 district not later than the 10th day before the date of
19 the hearing.

20 (c) Any resident of the district is entitled to
21 be present and participate at the hearing.

22 (d) At the conclusion of the hearing, the board
23 shall adopt a budget by acting on the budget proposed
24 by the administrator. The board may make any changes
25 in the proposed budget that in its judgment the
26 interests of the taxpayers demand.

27 (e) The budget is effective only after adoption
28 by the board.

29 Revised Law

30 Sec. 1104.153. AMENDMENTS TO BUDGET. After the annual
31 budget is adopted, the budget may be amended on the board's
32 approval. (Acts 68th Leg., R.S., Ch. 1055, Sec. 6.06.)

33 Source Law

34 Sec. 6.06. After adoption, the annual budget
35 may be amended on the board's approval.

36 Revised Law

37 Sec. 1104.154. RESTRICTION ON EXPENDITURES. Money may be
38 spent only for an expense included in the annual budget or an
39 amendment to the budget. (Acts 68th Leg., R.S., Ch. 1055, Sec.
40 6.07.)

41 Source Law

42 Sec. 6.07. Money may not be spent for an expense

1 not included in the annual budget or an amendment to
2 it.

3 Revised Law

4 Sec. 1104.155. 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 revenue bonds of the district
8 are outstanding; or

9 (2) more than once in a 24-month period. (Acts 68th
10 Leg., R.S., Ch. 1055, Sec. 6.01.)

11 Source Law

12 Sec. 6.01. (a) The district is operated on the
13 basis of a fiscal year established by the board.

14 (b) The fiscal year may not be changed during a
15 period that revenue bonds of the district are
16 outstanding or more than once in a 24-month period.

17 Revised Law

18 Sec. 1104.156. ANNUAL AUDIT. The board annually shall have
19 an audit made of the district's financial condition. (Acts 68th
20 Leg., R.S., Ch. 1055, Sec. 6.02.)

21 Source Law

22 Sec. 6.02. Annually, the board shall have an
23 audit made of the financial condition of the district.

24 Revised Law

25 Sec. 1104.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
26 RECORDS. The annual audit and other district records shall be open
27 to inspection during regular business hours at the district's
28 principal office. (Acts 68th Leg., R.S., Ch. 1055, Sec. 6.03.)

29 Source Law

30 Sec. 6.03. The annual audit and other district
31 records shall be open to inspection during regular
32 business hours at the principal office of the
33 district.

34 Revised Law

35 Sec. 1104.158. FINANCIAL REPORT. As soon as practicable
36 after the close of the fiscal year, the district administrator
37 shall prepare for the board:

38 (1) a sworn statement of the amount of district money;
39 and

1 (2) an account of the disbursements of that money.
2 (Acts 68th Leg., R.S., Ch. 1055, Sec. 6.08.)

3 Source Law

4 Sec. 6.08. As soon as practicable after the
5 close of the fiscal year, the administrator shall
6 prepare for the board a sworn statement of the amount
7 of money that belongs to the district and an account of
8 the disbursements of that money.

9 Revised Law

10 Sec. 1104.159. DEPOSITORY. (a) The board shall select at
11 least one bank to serve as a depository for district money.

12 (b) District money, other than money invested as provided by
13 Section 1104.160(b) and money transmitted to a bank for payment of
14 bonds or obligations issued or assumed by the district, shall be
15 deposited as received with the depository bank and shall remain on
16 deposit. This subsection does not limit the power of the board to:

- 17 (1) place a part of district money on time deposit; or
18 (2) purchase certificates of deposit. (Acts 68th
19 Leg., R.S., Ch. 1055, Secs. 6.10(a), (b).)

20 Source Law

21 Sec. 6.10. (a) The board shall name at least
22 one bank to serve as depository for district funds.

23 (b) District funds, other than those invested as
24 provided by Section 6.09(b) of this Act and those
25 transmitted to a bank of payment for bonds or
26 obligations issued or assumed by the district, shall
27 be deposited as received with the depository bank and
28 must remain on deposit. This subsection does not limit
29 the power of the board to place a portion of the
30 district's funds on time deposit or to purchase
31 certificates of deposit.

32 Revisor's Note

33 Section 6.10(c), Chapter 1055, Acts of the 68th
34 Legislature, Regular Session, 1983, requires a bank to
35 provide a specified amount of collateral to ensure the
36 security of district funds deposited at the bank. The
37 revised law omits the provision as superseded by
38 Subchapter B, Chapter 2257, Government Code (enacted
39 in 1989 as Article 2529d, Vernon's Texas Civil
40 Statutes), and specifically by Sections 2257.021 and
41 2257.022 of that subchapter, which establish the

1 amount of collateral required for a deposit of public
2 funds. Subchapter B, Chapter 2257, Government Code,
3 applies to the security for district funds under
4 Sections 2257.002 and 2257.004, Government Code. The
5 omitted law reads:

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

15 Revised Law

16 Sec. 1104.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
17 Except as provided by Sections 1104.110, 1104.201, 1104.204, and
18 1104.205, the district may not incur a debt payable from district
19 revenue other than the revenue on hand or to be on hand in the
20 current and immediately following district fiscal years.

21 (b) The board may invest operating, depreciation, or
22 building reserves only in funds or securities specified by Chapter
23 2256, Government Code. (Acts 68th Leg., R.S., Ch. 1055, Sec. 6.09.)

24 Source Law

25 Sec. 6.09. (a) Except as provided by Sections
26 5.07(a), 7.01, 7.04, and 7.05 of this Act, the district
27 may not incur a debt payable from revenues of the
28 district other than the revenues on hand or to be on
29 hand in the current and immediately following fiscal
30 year of the district.

31 (b) The board may not invest operating,
32 depreciation, or building reserves in funds or
33 securities other than those specified by Article 836
34 or 837, Revised Statutes.

35 Revisor's Note

36 Section 6.09(b), Chapter 1055, Acts of the 68th
37 Legislature, Regular Session, 1983, refers to Articles
38 836 and 837, Revised Statutes. Those articles were
39 impliedly repealed by the enactment of the Public
40 Funds Investment Act of 1987 (Article 842a-2, Vernon's
41 Texas Civil Statutes), which was revised in 1993 as
42 Chapter 2256, Government Code. Chapter 2256,
43 Government Code, defines "local government" to include

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

5 [Sections 1104.161-1104.200 reserved for expansion]

6 SUBCHAPTER E. BONDS

7 Revised Law

8 Sec. 1104.201. GENERAL OBLIGATION BONDS. If authorized by
9 an election, the board may issue and sell general obligation bonds
10 in the name and on the faith and credit of the district to:

11 (1) purchase, construct, acquire, repair, or renovate
12 buildings or improvements; or

13 (2) equip buildings or improvements for hospital
14 purposes. (Acts 68th Leg., R.S., Ch. 1055, Sec. 7.01.)

15 Source Law

16 Sec. 7.01. If authorized by an election, the
17 board may issue and sell bonds in the name and on the
18 faith and credit of the hospital district to:

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

21 (2) equip buildings or improvements for
22 hospital purposes.

23 Revisor's Note

24 Section 7.01, Chapter 1055, Acts of the 68th
25 Legislature, Regular Session, 1983, 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. 1104.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
33 the time general obligation bonds are issued by the district, the
34 board shall impose an ad valorem tax at a rate sufficient to create
35 an interest and sinking fund to pay the principal of and interest on
36 the bonds as the bonds mature.

37 (b) The tax required by this section together with any other

1 ad valorem tax the district imposes may not in any year exceed the
2 limit approved by the voters at the election authorizing the
3 imposition of the tax. (Acts 68th Leg., R.S., Ch. 1055, Sec. 7.02.)

4 Source Law

5 Sec. 7.02. (a) At the time the bonds are issued
6 by the district, the board shall levy a tax.

7 (b) The tax must be sufficient to create an
8 interest and sinking fund to pay the principal of and
9 interest on the bonds as they mature.

10 (c) In any year, the tax together with any other
11 tax the district levies may not exceed the limit
12 approved by the voters at the election authorizing the
13 levy of taxes.

14 Revisor's Note

15 Section 7.02, Chapter 1055, Acts of the 68th
16 Legislature, Regular Session, 1983, requires the
17 district to levy a tax to pay the principal of and
18 interest on bonds. The revised law specifies that the
19 tax is an "ad valorem" tax because it is clear from the
20 source law that the tax is a property tax. Section
21 1(b), Article VIII, Texas Constitution, requires all
22 property that is taxed to be taxed in proportion to its
23 value, and accordingly "ad valorem" tax is the term
24 most commonly used in Texas law to refer to a tax on
25 property.

26 Revised Law

27 Sec. 1104.203. GENERAL OBLIGATION BOND ELECTION. (a) The
28 district may issue general obligation bonds only if the bonds are
29 authorized by a majority of the district voters.

30 (b) The board may order a bond election.

31 (c) The order calling 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 (d) Notice of a bond election shall be given as provided by
38 Section 1251.003, Government Code.

1 (e) The board shall declare the results of the election.
2 (Acts 68th Leg., R.S., Ch. 1055, Sec. 7.03.)

3 Source Law

4 Sec. 7.03. (a) The district may not issue
5 general obligation bonds until the bonds are
6 authorized by a majority of the qualified voters of the
7 district.

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 1055, Acts of the
20 68th Legislature, Regular Session, 1983, refers to a
21 majority vote of the "qualified" voters of the
22 district. Throughout this chapter, the revised law
23 omits "qualified" as unnecessary in this context
24 because Chapter 11, Election Code, governs eligibility
25 to vote 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 7.03(c), Chapter 1055, Acts of the
29 68th Legislature, Regular Session, 1983, refers to
30 Article 704, Revised Statutes, which specifies certain
31 notice requirements for a bond election. That
32 provision was codified in 1999 as Section 1251.003,
33 Government Code. The revised law is drafted
34 accordingly.

35 (3) Section 7.03(d), Chapter 1055, Acts of the
36 68th Legislature, Regular Session, 1983, provides that
37 "[t]he board shall canvass the returns" of a bond
38 election. The revised law omits this requirement
39 because it duplicates Section 67.002, Election Code,
40 which requires the governing body of a political
41 subdivision that orders an election to canvass the

1 election returns.

2 Revised Law

3 Sec. 1104.204. REVENUE BONDS. (a) The board may issue
4 revenue bonds to:

5 (1) purchase, construct, acquire, repair, equip, or
6 renovate buildings or improvements for hospital purposes; or

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

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

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

13 (d) The bonds must be issued in the manner provided by
14 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
15 Health and Safety Code, for issuance of revenue bonds by a county
16 hospital authority. (Acts 68th Leg., R.S., Ch. 1055, Sec. 7.04.)

17 Source Law

18 Sec. 7.04. (a) The board may issue revenue
19 bonds to:

20 (1) purchase, construct, acquire, repair,
21 equip, or renovate buildings or improvements for
22 hospital purposes; or

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

25 (b) The bonds must be payable from and secured
26 by a pledge of all or part of the revenues derived from
27 the operation of the district's hospital system. The
28 bonds may be additionally secured by a mortgage or deed
29 of trust lien on all or part of district property.

30 (c) The bonds must be issued in the manner
31 provided by Sections 8, 10, 11, 12, and 13, Chapter
32 122, Acts of the 58th Legislature, Regular Session,
33 1963 (Article 4494r, Vernon's Texas Civil Statutes),
34 for issuance of revenue bonds by county hospital
35 authorities.

36 Revisor's Note

37 Section 7.04(c), Chapter 1055, Acts of the 68th
38 Legislature, Regular Session, 1983, refers to Sections
39 8, 10, 11, 12, and 13, Chapter 122, Acts of the 58th
40 Legislature, Regular Session, 1963 (Article 4494r,
41 Vernon's Texas Civil Statutes). Those provisions were
42 codified in 1989 as Sections 264.042, 264.043,
43 264.046, 264.047, 264.048, and 264.049, Health and

1 Safety Code. The revised law is drafted accordingly.

2 Revised Law

3 Sec. 1104.205. REFUNDING BONDS. (a) District refunding
4 bonds may be issued to refund outstanding indebtedness issued or
5 assumed by the district.

6 (b) A refunding bond may be:

7 (1) sold, with the proceeds of the refunding bond
8 applied to the payment of outstanding indebtedness; or

9 (2) exchanged wholly or partly for not less than a
10 similar principal amount of outstanding indebtedness. (Acts 68th
11 Leg., R.S., Ch. 1055, Secs. 7.05(a), (c) (part).)

12 Source Law

13 Sec. 7.05. (a) Refunding bonds of the district
14 may be issued to refund and pay off an outstanding
15 indebtedness the district has issued or assumed.

16 (c) The refunding bonds may be sold and the
17 proceeds applied to the payment of outstanding
18 indebtedness or may be exchanged in whole or in part
19 for not less than a similar principal amount of
20 outstanding indebtedness. . . .

21 Revisor's Note

22 Sections 7.05(b) and (c), Chapter 1055, Acts of
23 the 68th Legislature, Regular Session, 1983, require
24 the district to issue refunding bonds in the manner
25 prescribed by Chapter 784, Acts of the 61st
26 Legislature, Regular Session, 1969 (Article 717k-3,
27 Vernon's Texas Civil Statutes), and, for refunding
28 bonds that will be sold, to issue the bonds and to make
29 payments on the bonds in the manner prescribed by
30 Chapter 503, Acts of the 54th Legislature, Regular
31 Session, 1955 (Article 717k, Vernon's Texas Civil
32 Statutes). Articles 717k and 717k-3 were codified in
33 1999 as Chapter 1207, Government Code. The revised law
34 omits the provisions because Chapter 1207, Government
35 Code, applies to the district by its own terms under
36 Section 1207.001, Government Code. The omitted law
37 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. 1104.206. MATURITY OF BONDS. District bonds must
16 mature not later than 50 years after the date of issuance. (Acts
17 68th Leg., R.S., Ch. 1055, 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 1055, Acts of the 68th
24 Legislature, Regular Session, 1983, 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 the district by its own terms under 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. 1104.207. EXECUTION OF BONDS. The board president
41 shall execute the district's bonds in the district's name, and the
42 board secretary shall countersign the bonds in the manner provided
43 by Chapter 618, Government Code. (Acts 68th Leg., R.S., Ch. 1055,
44 Sec. 7.07.)

1 because they duplicate, in substance, certain
2 provisions of Chapter 1202, Government Code. Section
3 1202.003(a), Government Code, requires that bonds be
4 submitted to the attorney general. Section
5 1202.003(b), Government Code, provides for approval of
6 the bonds by the attorney general and requires the
7 attorney general to submit the approved bonds to the
8 comptroller for registration. Section 1202.005,
9 Government Code, requires registration of the bonds by
10 the comptroller. Section 1202.006, Government Code,
11 provides that after approval and registration the
12 bonds are incontestable and binding obligations.
13 Chapter 1202, Government Code, applies to district
14 bonds by application of Section 1202.001, Government
15 Code. The omitted law 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 1055, Acts of the 68th
28 Legislature, Regular Session, 1983, provides that
29 district bonds and indebtedness assumed by the
30 district are legal and authorized investments for
31 certain entities. The revised law omits that
32 provision as unnecessary. As to several of the
33 entities listed, Section 7.09 has been superseded and
34 impliedly repealed or it duplicates existing law.
35 Investments in securities by banks are regulated by
36 Section 34.101, Finance Code (enacted in 1995 as
37 Section 5.101, Texas Banking Act (Article 342-5.101,
38 Vernon's Texas Civil Statutes)). Investments in
39 securities by savings banks are regulated by Section

1 93.001(c)(10), Finance Code (enacted in 1993 as
2 Section 7.15(10), Texas Savings Bank Act (Article
3 489e, Vernon's Texas Civil Statutes)). Investments in
4 securities by trust companies are regulated by Section
5 184.101, Finance Code (enacted in 1997 as Section
6 5.101, Texas Trust Company Act (Article 342a-5.101,
7 Vernon's Texas Civil Statutes)). Investments in
8 securities by savings and loan associations are
9 regulated by Sections 63.002 and 64.001, Finance Code.
10 As to the remaining entities listed, Section 7.09
11 duplicates Section 1201.041, Government Code (enacted
12 as Section 9, Bond Procedures Act of 1981 (Article
13 717k-6, Vernon's Texas Civil Statutes)). While
14 Section 7.09 lists "guardians" and Section 1201.041,
15 Government Code, does not, the latter statute includes
16 "a fiduciary" and a guardian is a fiduciary. Section
17 1201.041, Government Code, applies to district bonds
18 by application of Section 1201.002, Government Code.
19 The revised law omits the reference to public funds of
20 this state because it has been superseded by Section
21 404.024, Government Code (enacted in 1985 as Section
22 2.014, Treasury Act (Article 4393-1, Vernon's Texas
23 Civil Statutes), and last amended in 2007), which
24 governs the investment of state funds. Section
25 404.024(b)(10), Government Code, authorizes the
26 investment of state funds in obligations of political
27 subdivisions, including hospital districts. The
28 revised law omits the reference to public funds of
29 political subdivisions or public agencies of the state
30 because it has been superseded by Chapter 2256,
31 Government Code (enacted in 1987 as the Public Funds
32 Investment Act of 1987 (Article 842a-2, Vernon's Texas
33 Civil Statutes)), which governs the investment of
34 local funds. The omitted law reads:

1 Sec. 7.09. District bonds and
2 indebtedness assumed by the district are
3 legal and authorized investments for:

- 4 (1) banks;
5 (2) savings banks;
6 (3) trust companies;
7 (4) savings and loan
8 associations;
9 (5) insurance companies;
10 (6) fiduciaries;
11 (7) trustees;
12 (8) guardians; and
13 (9) sinking funds of cities,
14 counties, school districts, and other
15 political subdivisions of the state and
16 other public funds of the state and its
17 agencies, including the permanent school
18 fund.

19 (3) Section 7.10, Chapter 1055, Acts of the 68th
20 Legislature, Regular Session, 1983, provides that
21 district bonds may secure deposits of public funds of
22 this state or political subdivisions of this state.
23 The revised law omits the provisions relating to
24 deposits of state funds as impliedly repealed by
25 Section 404.0221, Government Code (enacted in 1995),
26 which lists eligible collateral for deposits of state
27 funds by the comptroller. As to deposits of other
28 funds, this provision duplicates Chapter 2257,
29 Government Code, which governs eligible collateral for
30 deposits of funds of other public agencies, including
31 political subdivisions, and permits those deposits to
32 be secured by obligations issued by hospital
33 districts. The omitted law reads:

34 Sec. 7.10. District bonds are
35 eligible to secure deposits of public funds
36 of the state and of cities, counties, school
37 districts, and other political subdivisions
38 of the state. The bonds are lawful and
39 sufficient security for deposits to the
40 extent of their value if accompanied by all
41 unmatured coupons.

42 [Sections 1104.209-1104.250 reserved for expansion]

43 SUBCHAPTER F. TAXES

44 Revised Law

45 Sec. 1104.251. IMPOSITION OF AD VALOREM TAX. (a) The board
46 shall impose a tax on all property in the district subject to
47 district taxation.

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

2 (1) the general obligation bonds issued and the
3 indebtedness assumed by the district; and

4 (2) district maintenance and operating expenses.

5 (c) The district may not impose a tax to pay the principal of
6 or interest on revenue bonds issued under this chapter. (Acts 68th
7 Leg., R.S., Ch. 1055, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

8 Source Law

9 Sec. 8.01. (a) The board may annually levy
10 taxes

11 (c) The taxes may be used to pay:

12 (1) the general obligation bonds issued
13 and the indebtedness assumed by the district; and

14 (2) the maintenance and operating expenses
15 of the district.

16 (d) The district may not levy taxes to pay the
17 principal of or interest on revenue bonds issued under
18 this Act.

19 [Sec. 8.02]

20 (b) The board shall levy taxes on all property
21 in the district subject to hospital district taxation.

22 Revised Law

23 Sec. 1104.252. TAX RATE. (a) The board may impose the tax
24 at a rate not to exceed the limit approved by the voters at the
25 election authorizing the imposition of the tax.

26 (b) Unless the rate is increased as provided by Section
27 1104.253, the tax rate for all purposes may not exceed five 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 68th
31 Leg., R.S., Ch. 1055, 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 five cents on each \$100 valuation of all taxable
39 property in the district, unless the rate is increased
40 in accordance with Section 8.01A of this Act.

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 1055, Acts of the 68th
3 Legislature, Regular Session, 1983, 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 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. 1104.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
16 The board may order an election to increase the district's maximum
17 tax rate to 12 cents on each \$100 valuation of taxable property in
18 the district. The board shall order the election if the board
19 receives a petition requesting an election that is signed by at
20 least 50 registered voters in the district.

21 (b) The ballot for the election shall be printed to permit
22 voting for or against the proposition: "The imposition of annual
23 taxes by the district for hospital purposes at a rate not to exceed
24 12 cents on the \$100 valuation of all taxable property in the
25 district."

26 (c) If the board finds that the election results favor the
27 proposition, the board may impose taxes as authorized by the
28 proposition. If the board finds that the election results do not
29 favor the proposition, another election on the question of
30 increasing the district's maximum tax rate may not be held before
31 the first anniversary of the date of the most recent election at
32 which voters disapproved the proposition.

33 (d) Section 41.001(a), Election Code, does not apply to an
34 election ordered under this section. (Acts 68th Leg., R.S., Ch.
35 1055, Secs. 8.01A(a), (b) (part), (c) (part), (d) (part).)

1 outside the Election Code to the extent of any
2 conflict. The omitted law reads:

3 (b) The election shall be held not
4 later than the 60th day after the date on
5 which the election is ordered. . . .

6 (3) Section 8.01A(c), Chapter 1055, Acts of the
7 68th Legislature, Regular Session, 1983, provides that
8 the Election Code governs an election held under that
9 section. The revised law omits the provision because
10 Section 1.002, Election Code, provides that the
11 Election Code applies to all elections held in this
12 state. The omitted law reads:

13 (c) . . . The election shall be held
14 in accordance with the applicable
15 provisions of the Election Code.

16 (4) Section 8.01A(d), Chapter 1055, Acts of the
17 68th Legislature, Regular Session, 1983, requires the
18 board to meet and canvass the election returns. The
19 revised law omits this requirement for the reason
20 stated in Revisor's Note (3) to Section 1104.203. The
21 omitted law reads:

22 (d) The board shall meet and canvass
23 the election returns. . . .

24 Revised Law

25 Sec. 1104.254. TAX ASSESSOR-COLLECTOR. The board may
26 provide for the appointment of a tax assessor-collector for the
27 district or may contract for the assessment and collection of taxes
28 as provided by the Tax Code. (Acts 68th Leg., R.S., Ch. 1055, Sec.
29 8.04(b).)

30 Source Law

31 (b) The board may provide for the appointment of
32 a tax assessor-collector for the district or may
33 contract for the assessment and collection of taxes as
34 provided by the Tax Code.

35 Revisor's Note
36 (End of Subchapter)

37 (1) Section 8.02(a), Chapter 1055, Acts of the
38 68th Legislature, Regular Session, 1983, provides that
39 the board may impose taxes for the entire year in which

1 the district is created. The revised law omits that
2 provision as executed. The omitted law reads:

3 Sec. 8.02. (a) The board may levy
4 taxes for the entire year in which the
5 district is created.

6 (2) Section 8.04(a), Chapter 1055, Acts of the
7 68th Legislature, Regular Session, 1983, provides that
8 the Tax Code governs the appraisal, assessment, and
9 collection of district taxes. The revised law omits
10 this provision because under Section 1.02, Tax Code,
11 the appraisal, assessment, and collection of an ad
12 valorem tax by a taxing unit is governed by Title 1,
13 Tax Code. The omitted law reads:

14 Sec. 8.04. (a) The Tax Code governs
15 the appraisal, assessment, and collection
16 of district taxes.

17 [Sections 1104.255-1104.300 reserved for expansion]

18 SUBCHAPTER G. DISSOLUTION

19 Revised Law

20 Sec. 1104.301. DISSOLUTION; ELECTION. (a) The district
21 may be dissolved only on approval of a majority of the district
22 voters voting in an election held for that purpose.

23 (b) A majority of the board may order that a dissolution
24 election be held.

25 (c) If the board receives a petition requesting an election
26 that is signed by at least 10 percent of the registered voters of
27 the district, according to the most recent official list of
28 registered voters, the board shall order an election to be held.
29 The election shall be called not later than the 60th day after the
30 date the petition is presented to the district.

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

32 (1) the nature of the election, including the
33 proposition to appear on the ballot;

34 (2) the date of the election;

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

36 (4) the location of the polling places.

1 (e) Section 41.001(a), Election Code, does not apply to an
2 election ordered under this section. (Acts 68th Leg., R.S., Ch.
3 1055, Secs. 9.01, 9.02, 9.03, 9.05(b).)

4 Source Law

5 Sec. 9.01. The district may be dissolved only if
6 the dissolution is approved by a majority of the
7 qualified voters of the district voting at an election
8 called and held for that purpose.

9 Sec. 9.02. (a) A majority of the directors of
10 the district may order a dissolution election to be
11 held.

12 (b) On presentation of a petition for a
13 dissolution election signed by at least 10 percent of
14 the registered voters of the territory of the
15 district, according to the most recent official lists
16 of registered voters, the directors shall order an
17 election to be held. The election shall be called not
18 later than the 60th day after the date the petition is
19 presented to the district.

20 Sec. 9.03. The order calling the election must
21 state:

- 22 (1) the nature of the election, including
23 the proposition that is to appear on the ballot;
24 (2) the date of the election;
25 (3) the hours during which the polls will
26 be open; and
27 (4) the location of the polling places.

28 [Sec. 9.05]

29 (b) A general law requiring elections to be held
30 on uniform or specified election dates does not apply
31 to an election ordered under this article.

32 Revisor's Note

33 (1) Section 9.01, Chapter 1055, Acts of the 68th
34 Legislature, Regular Session, 1983, provides that the
35 district may be dissolved if authorized at an election
36 "called and held" for that purpose. The revised law
37 omits the reference to "calling" because "calling" an
38 election is included in the meaning of "holding" an
39 election. Under Chapter 3, Election Code, all
40 elections must be ordered (called) before they may be
41 held.

42 (2) Section 9.05(a), Chapter 1055, Acts of the
43 68th Legislature, Regular Session, 1983, states that
44 the election must be held not less than 35 days nor
45 more than 60 days after the date the election is
46 ordered. The revised law omits the provision as
47 superseded by Section 3.005, Election Code, applicable

1 the election by publishing a substantial copy of the
2 election order in a newspaper with general circulation
3 in the district once a week for two consecutive weeks.
4 The first publication must appear at least 35 days
5 before the date set for the election.

6 Revised Law

7 Sec. 1104.303. BALLOT. The ballot for an election under
8 this subchapter must be printed to permit voting for or against the
9 proposition: "The dissolution of the Teague Hospital District."
10 (Acts 68th Leg., R.S., Ch. 1055, Sec. 9.06.)

11 Source Law

12 Sec. 9.06. The ballot for the election shall be
13 printed to permit voting for or against the
14 proposition: "The dissolution of the Teague Hospital
15 District."

16 Revised Law

17 Sec. 1104.304. ELECTION RESULTS. (a) If the board finds
18 that the election results favor the proposition to dissolve the
19 district, the board shall:

20 (1) issue an order declaring the district be
21 dissolved; and

22 (2) specify in the order the date the dissolution
23 takes effect.

24 (b) If the board finds that the election results do not
25 favor the proposition to dissolve the district, another dissolution
26 election may not be held before the first anniversary of the date of
27 the election at which the voters disapproved the proposition.
28 (Acts 68th Leg., R.S., Ch. 1055, Secs. 9.07(b), (c).)

29 Source Law

30 (b) If the directors find that the election
31 results are favorable to the proposition to dissolve
32 the district, they shall issue an order declaring that
33 the district be dissolved and shall specify in the
34 order the date that the dissolution is to become
35 effective.

36 (c) If the directors find that the election
37 results are not favorable to the proposition to
38 dissolve the district, another dissolution election
39 may not be held within 12 months after the date of the
40 election at which voters disapproved the proposition.

41 Revisor's Note

42 Section 9.07(a), Chapter 1055, Acts of the 68th
43 Legislature, Regular Session, 1983, requires the board

1 to meet and canvass the returns of an election not
2 later than the 10th day after the date of the election.
3 As to the requirement for the board to canvass the
4 returns, the revised law omits the provision for the
5 reason stated in Revisor's Note (3) to Section
6 1104.203. As to the reference to the number of days
7 after the date of the election the board is required to
8 perform the canvassing, the revised law omits the
9 provision as superseded by Section 67.003, Election
10 Code (as amended by Section 31, Chapter 1349, Acts of
11 the 75th Legislature, Regular Session, 1997), which
12 provides for the time by which canvassing must be
13 performed. The omitted law reads:

14 Sec. 9.07. (a) Not later than the
15 10th day after the date of the election, the
16 directors of the district shall meet and
17 canvass the returns of the election.

18 Revised Law

19 Sec. 1104.305. DIRECTORS IN OFFICE AFTER DISSOLUTION. The
20 directors in office on the date of the dissolution shall continue in
21 office, without further election, until:

22 (1) the affairs of the district are effectively
23 concluded; and

24 (2) all duties or acts required of the board are
25 completed. (Acts 68th Leg., R.S., Ch. 1055, Sec. 9.08(c).)

26 Source Law

27 (c) The directors in office on the date of the
28 dissolution shall continue in office, without further
29 election, until the affairs of the district are
30 effectively concluded and all duties or acts required
31 of the board of directors of the district have been
32 completed.

33 Revised Law

34 Sec. 1104.306. IMPOSITION OF TAX; TRANSFER OF DEBTS. After
35 issuing the dissolution order, the board shall determine the debt
36 owed by the district and shall:

37 (1) impose on property subject to taxation in the
38 district a tax in proportion of the debt to the property value and

1 use the tax revenue to pay the district's bonds or satisfy other
2 district debts; or

3 (2) transfer the district's debts to any governmental
4 entity assuming responsibility after dissolution of the district
5 for providing hospital care in the territory included in the
6 district. (Acts 68th Leg., R.S., Ch. 1055, Sec. 9.08(a).)

7 Source Law

8 Sec. 9.08. (a) After issuing the dissolution
9 order, the board of directors shall determine the full
10 debt owed by the district and shall:

11 (1) levy and collect a tax on the property
12 subject to taxation in the district in proportion of
13 the debt to the value of the property and shall use the
14 tax revenues to pay bonds or to satisfy other debts of
15 the hospital district; or

16 (2) transfer the debts of the district to
17 any governmental entity assuming responsibility for
18 providing hospital care in the territory included in
19 the district after dissolution of the district.

20 Revisor's Note

21 Section 9.08(a), Chapter 1055, Acts of the 68th
22 Legislature, Regular Session, 1983, refers to the levy
23 and collection of a tax. The revised law substitutes
24 "impose" for "levy and collect" because "impose" is
25 the term generally used in Title 1, Tax Code, and
26 includes the levying and collection of a tax.

27 Revised Law

28 Sec. 1104.307. DISPOSITION OR TRANSFER OF ASSETS AND DEBTS.

29 (a) The board may not dispose of or transfer the district's assets
30 except for due compensation unless:

31 (1) the debts are transferred to another governmental
32 entity embracing the district; and

33 (2) the transferred assets are used for the benefit of
34 citizens formerly in the district.

35 (b) If the board transfers the district's debts to another
36 governmental entity, the board shall also transfer to that
37 governmental entity:

38 (1) title to land, buildings, improvements, and
39 equipment related to the hospital system owned by the district; and

40 (2) operating money and reserves for operating

1 expenses and money budgeted by the district to provide medical care
2 for district residents for the remainder of the fiscal year in which
3 the district is dissolved. (Acts 68th Leg., R.S., Ch. 1055, Secs.
4 9.08(b), (d) (part).)

5 Source Law

6 (b) If the board of directors transfers the
7 debts of the district to another governmental entity,
8 the board shall also transfer to that governmental
9 entity:

10 (1) title to land, buildings,
11 improvements, and equipment related to the hospital
12 system owned by the district; and

13 (2) operating funds and reserves for
14 operating expenses and funds that have been budgeted
15 by the district to provide medical care for residents
16 of the district for the remainder of the fiscal year in
17 which the district is dissolved.

18 (d) . . . In addition, the board of directors of
19 the district may not dispose of or transfer the assets
20 of the hospital district except for due compensation
21 unless the debts are transferred to another
22 governmental entity embracing the district and the
23 transferred assets are used in a way to benefit the
24 citizens formerly in the district.

25 Revised Law

26 Sec. 1104.308. SPENDING RESTRICTIONS. After the effective
27 date of the district's dissolution, the board may not spend any
28 money except as authorized together with all reasonable dissolution
29 expenses and the district's legal debts incurred before that date.
30 (Acts 68th Leg., R.S., Ch. 1055, Sec. 9.08(d) (part).)

31 Source Law

32 (d) After the effective date of the dissolution
33 of the district, the directors of the district may not
34 pay out any funds except as authorized together with
35 all reasonable expenses of dissolution and legal debts
36 of the district created before the effective date of
37 dissolution. . . .

38 Revised Law

39 Sec. 1104.309. REPORT; DISSOLUTION ORDER. (a) After the
40 district has paid all district debts and has disposed of all
41 district money and other assets as prescribed by this subchapter,
42 the board shall file a written report with the Commissioners Court
43 of Freestone County summarizing the board's actions in dissolving
44 the district. The report must include a summary of the district's
45 debts.

1 (b) Not later than the 10th day after the date the
2 Commissioners Court of Freestone County receives the report, the
3 commissioners court shall:

4 (1) determine whether the board has fulfilled the
5 requirements of this subchapter; and

6 (2) if the commissioners court determines the board
7 has fulfilled its duties, enter an order to that effect.

8 (c) On entry of an order under Subsection (b)(2), the
9 directors are discharged from liability under their bonds. (Acts
10 68th Leg., R.S., Ch. 1055, Sec. 9.08(e).)

11 Source Law

12 (e) After all debts have been paid and all
13 assets and funds have been disposed of in accordance
14 with this article, the board of directors of the
15 district shall file a written report with the
16 commissioners court of Freestone County, Texas,
17 setting forth a summary of the action taken by the
18 directors and a summary of the debts. Not later than
19 the 10th day after the date the report is received, the
20 commissioners court shall make a determination of
21 whether the board of directors of the district has
22 fulfilled its duties under this article, and if it is
23 determined that the board has fulfilled its duties,
24 shall enter an order to that effect. On entry of the
25 order, the directors of the district are discharged
26 from liability under their bonds.

27 Revisor's Note
28 (End of Subchapter)

29 Section 9.09, Chapter 1055, Acts of the 68th
30 Legislature, Regular Session, 1983, provides that the
31 district may not be dissolved before the fifth
32 anniversary of the district's creation. The revised
33 law omits the provision as executed. Because the
34 district was created in 1983, the limitation provided
35 by Section 9.09 no longer is applicable. The omitted
36 law reads:

37 Sec. 9.09. The Teague Hospital
38 District may not be dissolved under this
39 article earlier than the fifth anniversary
40 of the date on which it is created.

41 Revisor's Note
42 (End of Chapter)

43 Sections 5.01(a) and 5.02(2), Chapter 1055, Acts
44 of the 68th Legislature, Regular Session, 1983,

1 require the transfer of certain land, buildings,
 2 improvements, equipment, funds, and reserves to the
 3 district after the district is created and provide for
 4 the assumption of debt by the district on creation.
 5 The revised law omits the provisions as executed. The
 6 omitted law reads:

7 Sec. 5.01. (a) On creation of the
 8 district, the city of Teague and the Teague
 9 Hospital Authority shall convey or transfer
 10 to the district:

11 (1) title to land, buildings,
 12 improvements, and equipment related to the
 13 hospital system owned by the city of Teague
 14 and the Teague Hospital Authority;

15 (2) operating funds and
 16 reserves for operating expenses and funds
 17 that have been budgeted by the Teague
 18 Hospital Authority to provide medical care
 19 for residents of the district for the
 20 remainder of the fiscal year in which the
 21 district is established; and

22 (3) funds established for
 23 payment of indebtedness assumed by the
 24 district.

25 Sec. 5.02. [On creation of the
 26 district, the district:]

27 . . .
 28 (2) assumes any outstanding
 29 indebtedness incurred by the city of Teague
 30 and the Teague Hospital Authority in
 31 providing hospital care for residents of
 32 the territory of the district before the
 33 district's creation.

34 CHAPTER 1105. TERRY MEMORIAL HOSPITAL DISTRICT

35 SUBCHAPTER A. GENERAL PROVISIONS

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44 [Sections 1105.007-1105.050 reserved for expansion]

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19 [Sections 1105.207-1105.250 reserved for expansion]

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24 CHAPTER 1105. TERRY MEMORIAL HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Revised Law

27 Sec. 1105.001. DEFINITIONS. In this chapter:

28 (1) "Board" means the board of directors of the

29 district.

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

31 (3) "District" means the Terry Memorial Hospital

32 District. (New.)

33 Revisor's Note

34 The definitions of "board," "director," and

1 "district" are added to the revised law for drafting
2 convenience and to eliminate frequent, unnecessary
3 repetition of the substance of the definitions.

4 Revised Law

5 Sec. 1105.002. AUTHORITY FOR CREATION. The Terry Memorial
6 Hospital District is created under the authority of Section 9,
7 Article IX, Texas Constitution, and has the rights, powers, and
8 duties provided by this chapter. (Acts 59th Leg., R.S., Ch. 653,
9 Sec. 1 (part).)

10 Source Law

11 Sec. 1. Pursuant to authority granted by the
12 provisions of Section 9, Article IX, Constitution of
13 the State of Texas, Terry Memorial Hospital District
14 is hereby authorized to be created and . . . possess
15 such rights, powers and duties as are hereinafter
16 prescribed.

17 Revised Law

18 Sec. 1105.003. ESSENTIAL PUBLIC FUNCTION. The district
19 performs an essential public function in carrying out the purposes
20 of this chapter. (Acts 59th Leg., R.S., Ch. 653, Sec. 8 (part).)

21 Source Law

22 Sec. 8. In carrying out the purposes of this Act
23 the District will be performing an essential public
24 function and

25 Revised Law

26 Sec. 1105.004. DISTRICT TERRITORY. The boundaries of the
27 district are coextensive with the boundaries of Terry County,
28 Texas. (Acts 59th Leg., R.S., Ch. 653, Sec. 1 (part).)

29 Source Law

30 Sec. 1. . . . [Terry Memorial Hospital
31 District] . . . as created shall have boundaries
32 coextensive with the boundaries of Terry County,
33 Texas, and

34 Revised Law

35 Sec. 1105.005. 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 59th
38 Leg., R.S., Ch. 653, Sec. 18 (part).)

1 operate to prohibit the calling and holding
2 of subsequent elections for the same
3 purpose. At said election there shall be
4 submitted to the qualified property
5 taxpaying electors of Terry County the
6 proposition of whether or not Terry
7 Memorial Hospital District shall be created
8 . . . a majority of the qualified property
9 taxpaying electors of the District voting
10 at said election in favor of the proposition
11 shall be sufficient for its adoption. The
12 ballots shall have printed thereon the
13 following:

14 "FOR the Creation of Terry Memorial
15 Hospital District providing for the levy of
16 a tax not to exceed 75 cents on the one
17 hundred dollar valuation using Terry County
18 values and Terry County tax rolls, and
19 providing for the assumption by such
20 District of all outstanding bonds and
21 indebtedness heretofore issued by Terry
22 County and by any city or town within said
23 County for hospital purposes.

24 "AGAINST the Creation of Terry
25 Memorial Hospital District providing for
26 the levy of a tax not to exceed 75 cents on
27 the one hundred dollar valuation using
28 Terry County values and Terry County tax
29 rolls, and providing for the assumption by
30 such District of all outstanding bonds and
31 indebtedness heretofore issued by Terry
32 County and by any city or town within said
33 County for hospital purposes."

34 Sec. 4. Within ten days after such
35 election is held the Commissioners Court of
36 said County shall convene and canvass the
37 returns thereof and in the event such
38 election results favorably to the
39 proposition specified in Section 3 hereof,
40

41 [Sections 1105.007-1105.050 reserved for expansion]

42 SUBCHAPTER B. DISTRICT ADMINISTRATION

43 Revised Law

44 Sec. 1105.051. BOARD ELECTION; TERM. (a) The district is
45 governed by a board of seven directors elected from the district at
46 large.

47 (b) Unless four-year terms are established under Section
48 285.081, Health and Safety Code:

49 (1) directors serve staggered two-year terms with the
50 terms of three or four directors expiring each year as appropriate;
51 and

52 (2) a directors' election shall be held annually on the
53 May uniform election date. (Acts 59th Leg., R.S., Ch. 653, Sec. 4
54 (part).)

1 order that the directors 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, Health and Safety
5 Code, for the convenience of the reader.

6 (4) Section 4, Chapter 653, Acts of the 59th
7 Legislature, Regular Session, 1965, provides that the
8 directors serve "until their successors have been duly
9 elected or appointed and qualified." The revised law
10 omits that provision because it duplicates Section 17,
11 Article XVI, Texas Constitution, which provides that
12 an officer of this state is to continue to perform the
13 officer's duties until a successor has qualified.

14 (5) Section 4, Chapter 653, Acts of the 59th
15 Legislature, Regular Session, 1965, provides for the
16 eligibility of voters to vote in an election for a
17 director. The revised law omits that provision because
18 Chapter 11, Election Code, governs eligibility to vote
19 in an 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. The omitted law
22 reads:

23 Sec. 4. . . . All qualified electors
24 residing in Terry County, Texas, and in the
25 Terry Memorial Hospital District shall be
26 eligible to vote [for all Directors.] . . .

27 (6) Section 4, Chapter 653, Acts of the 59th
28 Legislature, Regular Session, 1965, was amended in
29 1991 to require directors' elections to be held on the
30 "first Saturday in May." From 1987 to 2003, Section
31 41.001, Election Code, provided for a uniform election
32 date for all political subdivisions on the first
33 Saturday in May. In Chapter 1315, Acts of the 78th
34 Legislature, Regular Session, 2003, the legislature
35 amended Section 41.001 by moving the uniform election
36 date in May to the third Saturday. In Chapter 1, Acts

1 of the 78th Legislature, 3rd Called Session, 2003, the
2 legislature amended Section 41.001 by moving the
3 uniform election date in May back to the first
4 Saturday. In Chapter 471, Acts of the
5 79th Legislature, Regular Session, 2005, the
6 legislature amended Section 41.001 by moving the
7 uniform election date in May to the second Saturday.
8 The revised law substitutes "May uniform election
9 date" for "first Saturday in May" to reflect these
10 changes while preserving as closely as possible the
11 legislative intent expressed in Section 4 that the
12 election be held on the first Saturday in May, which
13 was the uniform election date in May.

14 Revised Law

15 Sec. 1105.052. NOTICE OF ELECTION. At least 10 days before
16 the date of a directors' election, notice of the election must be
17 published one time in a newspaper of general circulation in Terry
18 County. (Acts 59th Leg., R.S., Ch. 653, Sec. 4 (part).)

19 Source Law

20 Sec. 4. . . . notice of such election shall be
21 published in a newspaper of general circulation in
22 Terry County one time at least 10 days prior to the
23 date of election. . . .

24 Revised Law

25 Sec. 1105.053. 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 a petition requesting that action. The petition must be:
28 (1) signed by not fewer than 10 registered voters; and
29 (2) filed by the deadline imposed by Section 144.005,
30 Election Code. (Acts 59th Leg., R.S., Ch. 653, Sec. 4 (part).)

31 Source Law

32 Sec. 4. . . . Any person desiring to have his
33 name printed on the ballot as a candidate for Director
34 shall file a petition signed by not less than 10
35 qualified voters to such effect, at least 25 days prior
36 to the election.

37 Revisor's Note

38 (1) Section 4, Chapter 653, Acts of the 59th

1 Legislature, Regular Session, 1965, refers to a
2 petition signed by "qualified voters." The revised
3 law substitutes "registered voters" for the quoted
4 language because, in the context of eligibility to
5 sign a petition, Section 277.0021, Election Code,
6 provides that "qualified voter" means "registered
7 voter."

8 (2) Section 4, Chapter 653, Acts of the 59th
9 Legislature, Regular Session, 1965, requires a
10 candidate for director to file a petition signed by at
11 least 10 qualified voters at least 25 days before the
12 date of the election to have the candidate's name
13 appear on the ballot. Under Section 144.003, Election
14 Code (applicable to the district under Section
15 144.001, Election Code), a candidate for office must
16 submit an application for a place on the ballot. The
17 application must be filed by the deadline imposed by
18 Section 144.005, Election Code, which is either 71 or
19 78 days before the date of the election, depending on
20 when the election is held. Because the petition serves
21 as an additional requirement for a candidate to appear
22 on the ballot, the revised law conforms the date the
23 petition must be filed to the date the application must
24 be filed.

25 Revised Law

26 Sec. 1105.054. QUALIFICATIONS FOR OFFICE. A person must at
27 the time of election or appointment as director be:

- 28 (1) registered to vote in the district; and
29 (2) at least 18 years of age. (Acts 59th Leg., R.S.,
30 Ch. 653, Sec. 4 (part).)

31 Source Law

32 Sec. 4. . . . Each such Director must at the
33 time of his election or appointment hereunder be
34 registered to vote in the District and be more than
35 twenty-one years of age. . . .

1 Revisor's Note

2 Section 4, Chapter 653, Acts of the 59th
3 Legislature, Regular Session, 1965, states that a
4 person must be "more than twenty-one years of age" at
5 the time of election or appointment as a director. The
6 revised law substitutes "at least 18 years of age" for
7 the quoted language because Section 129.002, Civil
8 Practice and Remedies Code, provides that a law
9 adopted before August 27, 1973, that extends a right,
10 privilege, or obligation to an individual on the basis
11 of a minimum age of 19, 20, or 21 years shall be
12 interpreted as prescribing a minimum age of 18 years.
13 Section 4 was enacted in 1965 and that qualification
14 has not been amended.

15 Revised Law

16 Sec. 1105.055. FILING OF OATH. The constitutional oath of
17 office executed by a director must be filed in the district's
18 office. (Acts 59th Leg., R.S., Ch. 653, Sec. 4 (part).)

19 Source Law

20 Sec. 4. . . . [Each member of the Board of
21 Directors shall qualify for his office by executing]
22 the Constitutional oath of office to be filed in the
23 office of the District. . . .

24 Revisor's Note

25 Section 4, Chapter 653, Acts of the 59th
26 Legislature, Regular Session, 1965, requires a
27 director to take the constitutional oath of office.
28 The revised law omits that provision as unnecessary
29 because Section 1, Article XVI, Texas Constitution,
30 requires an officer of this state to take the
31 constitutional oath or affirmation before assuming
32 office. The omitted law reads:

33 Sec. 4. . . . Each member of the
34 Board of Directors shall qualify for his
35 office by executing [the Constitutional
36 oath of office]

1 Revised Law

2 Sec. 1105.056. 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, the county judge of Terry County may fill
9 the vacancies by appointment. (Acts 59th Leg., R.S., Ch. 653, Sec.
10 4 (part).)

11 Source Law

12 Sec. 4. . . . All vacancies in the office of
13 Director shall be filled for the unexpired term by
14 appointment by the remainder of the Board. However, in
15 the event the number of Directors shall be reduced at
16 any one time 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 such vacancies may be filled by appointment by the
20 County Judge of Terry County. . . .

21 Revised Law

22 Sec. 1105.057. OFFICERS. The board shall elect from among
23 its members a president, a vice president, and a secretary. (Acts
24 59th Leg., R.S., Ch. 653, Sec. 4 (part).)

25 Source Law

26 Sec. 4. . . . The Board of Directors shall
27 organize by electing one of their number as President,
28 one as Vice President and one as Secretary. . . .

29 Revised Law

30 Sec. 1105.058. COMPENSATION. A director is entitled to
31 compensation at a rate determined by the board. The rate may not
32 exceed \$10 for each board meeting. (Acts 59th Leg., R.S., Ch. 653,
33 Sec. 4 (part).)

34 Source Law

35 Sec. 4. . . . Directors shall be entitled to
36 compensation at a rate to be determined by the Board
37 provided that in no event shall the rate of
38 compensation exceed Ten Dollars (\$10) for each meeting
39 of the Board of Directors. . . .

40 Revised Law

41 Sec. 1105.059. VOTING REQUIREMENT. A concurrence of four

1 directors is sufficient in any matter relating to district
2 business. (Acts 59th Leg., R.S., Ch. 653, Sec. 4 (part).)

3 Source Law

4 Sec. 4. . . . [members of the Board] . . . a
5 concurrence of four shall be sufficient in all matters
6 pertaining to the business of the District. . . .

7 Revisor's Note

8 Section 4, Chapter 653, Acts of the 59th
9 Legislature, Regular Session, 1965, provides that four
10 members of the board constitute a quorum. The revised
11 law omits that provision because it duplicates Section
12 311.013, Government Code (Code Construction Act),
13 which provides that a quorum of a public body is a
14 majority of the number of members fixed by statute.
15 The omitted law reads:

16 Sec. 4. . . . Any four members of the
17 Board shall constitute a quorum, and
18

19 Revised Law

20 Sec. 1105.060. DISTRICT ADMINISTRATOR; ASSISTANT
21 ADMINISTRATOR. (a) The board shall appoint a qualified person as
22 district administrator.

23 (b) The board may appoint an assistant administrator.

24 (c) The district administrator and any assistant
25 administrator serve at the will of the board and receive 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 any other condition the board requires.

33 (Acts 59th Leg., R.S., Ch. 653, Sec. 5 (part).)

34 Source Law

35 Sec. 5. . . . The Board of Directors shall
36 appoint a qualified person to be known as the
37 Administrator or Manager of the hospital district, and
38 may in its discretion appoint an assistant to the

1 Administrator or Manager. Such Administrator or
2 Manager, and assistant administrator or assistant
3 manager, if any, shall serve at the will of the Board
4 and shall receive such compensation as may be fixed by
5 the Board. The Administrator or Manager shall, upon
6 assuming his duties, execute a bond payable to the
7 hospital district in an amount to be set by the Board
8 of Directors in no event less than Ten Thousand Dollars
9 (\$10,000), conditioned that he shall perform the
10 duties required of him and containing such other
11 conditions as the Board may require. . . .

12 Revisor's Note

13 Section 5, Chapter 653, Acts of the 59th
14 Legislature, Regular Session, 1965, provides that the
15 board shall appoint a person as the "Administrator or
16 Manager" of the district and may appoint an "assistant
17 to the Administrator or Manager." Throughout this
18 chapter, the revised law omits "manager" because, in
19 context, "manager" is included in the meaning of
20 "administrator."

21 Revised Law

22 Sec. 1105.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
23 Subject to any limitations prescribed by the board, the district
24 administrator shall:

- 25 (1) supervise the work and activities of the district;
26 and
27 (2) direct the affairs of the district. (Acts 59th
28 Leg., R.S., Ch. 653, Sec. 5 (part).)

29 Source Law

30 Sec. 5. . . . The Administrator or Manager
31 shall supervise all the work and activities of the
32 District, and shall have general direction of the
33 affairs of the District, subject to such limitations
34 as may be prescribed by the Board. . . .

35 Revised Law

36 Sec. 1105.062. EMPLOYEES. The board may employ any nurses,
37 technicians, and other lay personnel considered necessary for the
38 efficient operation of the district or may provide that the
39 district administrator has the authority to employ those persons.
40 (Acts 59th Leg., R.S., Ch. 653, Sec. 5 (part).)

41 Source Law

42 Sec. 5. . . . The Board of Directors shall have

1 the authority to employ such nurses, technicians, and
2 other lay personnel as may be deemed necessary for the
3 efficient operation of the District, or may provide
4 that the Administrator or manager shall have the
5 authority to employ such persons. . . .

6 Revised Law

7 Sec. 1105.063. RECRUITMENT OF MEDICAL STAFF. (a) The board
8 may spend district money to recruit physicians, nurses, or other
9 trained medical personnel.

10 (b) The board may:

11 (1) contract with a full-time medical or nursing
12 student who is enrolled and in good standing in an accredited
13 school, college, or university; and

14 (2) agree to pay the student's tuition or other costs
15 or expenses if the student agrees to serve in the district on terms
16 prescribed by the contract. (Acts 59th Leg., R.S., Ch. 653, Secs.
17 5B(a), (b).)

18 Source Law

19 Sec. 5B. (a) The Board may spend district funds
20 to recruit physicians, nurses, or other trained
21 medical personnel.

22 (b) The Board may contract with a full-time
23 medical or nursing student who is enrolled and in good
24 standing in an accredited school, college, or
25 university. The Board may agree to pay the student's
26 tuition or other costs or expenses if the student
27 agrees to serve in the District on terms prescribed by
28 the contract.

29 Revised Law

30 Sec. 1105.064. CONTINUING EDUCATION; RETRAINING. The board
31 may spend district money for continuing education and retraining of
32 employees. (Acts 59th Leg., R.S., Ch. 653, Sec. 5B(c).)

33 Source Law

34 (c) The Board may spend district funds for
35 continuing education and retraining of employees.

36 Revised Law

37 Sec. 1105.065. RETIREMENT PROGRAM. The board may enter
38 into any contract or agreement with this state or the federal
39 government that is required to establish or continue a retirement
40 program for the benefit of the district's employees. (Acts 59th
41 Leg., R.S., Ch. 653, Sec. 5 (part).)

1 Source Law

2 Sec. 5. . . . The Board of Directors is also
3 authorized to enter into such contracts or agreements
4 with the State of Texas or the Federal Government as
5 may be required to establish or continue a retirement
6 program for the benefit of the District's employees.

7 Revised Law

8 Sec. 1105.066. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

9 (a) The board shall:

10 (1) keep an accurate account of all board meetings and
11 proceedings; and

12 (2) maintain at the district's principal office all
13 district records and accounts, including all contracts, notices,
14 duplicate vouchers, and duplicate receipts.

15 (b) The information described by Subsection (a) shall be
16 open to public inspection at the district's principal office at all
17 reasonable times. (Acts 59th Leg., R.S., Ch. 653, Sec. 4 (part).)

18 Source Law

19 Sec. 4. . . . The Board shall require the
20 keeping of a true account of all its meetings and
21 proceedings, and shall preserve all contracts,
22 records, notices, duplicate vouchers, duplicate
23 receipts and all accounts and records of the District
24 at its principal office where same shall be open to
25 public inspection at all reasonable times. . . .

26 [Sections 1105.067-1105.100 reserved for expansion]

27 SUBCHAPTER C. POWERS AND DUTIES

28 Revised Law

29 Sec. 1105.101. DISTRICT RESPONSIBILITY. The district has
30 full responsibility for:

31 (1) operating all hospital facilities for providing
32 medical and hospital care of indigent persons; and

33 (2) providing medical and hospital care for the
34 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 653,
35 Secs. 2 (part), 17 (part).)

36 Source Law

37 Sec. 2. . . . Such District shall assume full
38 responsibility for providing medical and hospital care
39 for its needy inhabitants and

40 Sec. 17. . . . the said Terry Memorial Hospital
41 District shall assume full responsibility for the

1 operation of all hospital facilities for the
2 furnishing of medical and hospital care of indigent
3 persons.

4 Revisor's Note

5 Sections 2 and 17, Chapter 653, Acts of the 59th
6 Legislature, Regular Session, 1965, provide that the
7 district "shall assume" full responsibility for the
8 operation of hospital facilities for the indigent and
9 for providing medical and hospital care for the
10 district's needy inhabitants. The revised law
11 substitutes "has" for the quoted language because the
12 duty to assume that responsibility is executed.

13 Revised Law

14 Sec. 1105.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION
15 AND DEBT. Terry County or a municipality in Terry County may not
16 impose a tax or issue bonds or other obligations for hospital
17 purposes or for medical care. (Acts 59th Leg., R.S., Ch. 653, Sec.
18 17 (part).)

19 Source Law

20 Sec. 17. After creation of Terry Memorial
21 Hospital District, neither Terry County, Texas, nor
22 any city or town therein shall thereafter issue bonds
23 or other evidences of indebtedness or levy taxes for
24 hospital purposes or for medical care, and

25 Revisor's Note

26 (1) Section 17, Chapter 653, Acts of the 59th
27 Legislature, Regular Session, 1965, provides that
28 "[a]fter creation of Terry Memorial Hospital
29 District," Terry County or any city or town in the
30 county may not levy certain taxes or issue certain
31 bonds. The revised law omits the quoted language
32 because the district has been created. In addition,
33 throughout this chapter, the revised law substitutes
34 "impose" for "levy" because, in the context of
35 taxation, the terms are synonymous and "impose" is
36 more commonly used.

37 (2) Section 17, Chapter 653, Acts of the 59th
38 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 (3) Section 17, Chapter 653, Acts of the 59th
5 Legislature, Regular Session, 1965, provides that any
6 city or town in Terry County may not issue certain
7 bonds or other "evidences of indebtedness." The
8 revised law substitutes "obligations" for "evidences
9 of indebtedness" because, in context, the terms are
10 synonymous and "obligations" is more commonly used.

11 Revised Law

12 Sec. 1105.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
13 The board shall manage, control, and administer the district's
14 hospitals and hospital system. (Acts 59th Leg., R.S., Ch. 653, Sec.
15 5 (part).)

16 Source Law

17 Sec. 5. The Board of Directors shall manage,
18 control and administer the hospitals and hospital
19 system of the District. . . .

20 Revised Law

21 Sec. 1105.104. HOSPITAL SYSTEM. The district shall provide
22 for:

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

24 (A) purchasing, constructing, acquiring,
25 repairing, or renovating buildings and equipment; and

26 (B) equipping the buildings; and

27 (2) the administration of the hospital system for
28 hospital purposes. (Acts 59th Leg., R.S., Ch. 653, Sec. 2 (part).)

29 Source Law

30 Sec. 2. . . . thereafter the District shall
31 provide for the establishment of a hospital system by
32 the purchase, construction, acquisition, repair or
33 renovation of buildings and equipment, and equipping
34 the same and the administration thereof for hospital
35 purposes. . . .

36 Revised Law

37 Sec. 1105.105. RULES. The board may adopt rules for the
38 operation of the district and as required to administer this

1 chapter. (Acts 59th Leg., R.S., Ch. 653, Secs. 5 (part), 9 (part).)

2 Source Law

3 Sec. 5. . . . The [District] through its Board
4 of Directors shall have the power and authority . . .
5 to promulgate rules and regulations for the operation
6 of the District. . . .

7 Sec. 9. The Board of Directors of such District
8 shall have the power . . . to make such rules and
9 regulations as may be required to carry out the
10 provisions of this Act.

11 Revisor's Note

12 Sections 5 and 9, Chapter 653, Acts of the 59th
13 Legislature, Regular Session, 1965, provide that the
14 board may "promulgate rules and regulations" for the
15 operation of the district and "make such rules and
16 regulations" to carry out the act. The revised law
17 substitutes "adopt" for "promulgate" and "make"
18 because the terms are synonymous and "adopt" is more
19 commonly used. The revised law also omits
20 "regulations" because under Section 311.005(5),
21 Government Code (Code Construction Act), a rule is
22 defined to include a regulation.

23 Revised Law

24 Sec. 1105.106. 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 59th
29 Leg., R.S., Ch. 653, Sec. 9 (part).)

30 Source Law

31 Sec. 9. [The Board of Directors of such District
32 shall have the power] to prescribe the method and
33 manner of making purchases and expenditures, by and
34 for such hospital district, and also shall be
35 authorized to prescribe all accounting and control
36 procedures and

37 Revised Law

38 Sec. 1105.107. RATES AND CHARGES. The board shall
39 establish the rates and charges for:

40 (1) services;

- 1 (2) supplies; and
2 (3) the use of district facilities. (Acts 59th Leg.,
3 R.S., Ch. 653, Sec. 14 (part).)

4 Source Law

5 Sec. 14. The Board shall establish rates and
6 charges for services, supplies and the use of its
7 facilities. . . .

8 Revised Law

9 Sec. 1105.108. EMINENT DOMAIN. (a) The district may
10 exercise the power of eminent domain to acquire a fee simple or
11 other interest in any type of property located in district
12 territory if the interest is necessary or convenient to a power,
13 right, or privilege conferred by this chapter.

14 (b) The district must exercise the power of eminent domain
15 in the manner provided by Chapter 21, Property Code. (Acts 59th
16 Leg., R.S., Ch. 653, Sec. 12.)

17 Source Law

18 Sec. 12. Terry Memorial Hospital District
19 created hereunder shall have the right and power of
20 eminent domain for the purpose of acquiring by
21 condemnation any and all property of any kind and
22 character in fee simple, or any lesser interest
23 therein, within the boundaries of the District
24 necessary or convenient to the powers, rights and
25 privileges conferred by this Act, in the manner
26 provided by General Law with respect to condemnation.

27 Revisor's Note

28 (1) Section 12, Chapter 653, Acts of the 59th
29 Legislature, Regular Session, 1965, provides that the
30 district has the "right and power of eminent domain for
31 the purpose of acquiring [property] by condemnation."
32 The revised law substitutes for the quoted phrase "may
33 exercise the power of eminent domain to acquire
34 [property]" because the phrases have the same meaning
35 and the latter phrase is consistent with modern usage
36 in laws relating to eminent domain.

37 (2) Section 12, Chapter 653, Acts of the 59th
38 Legislature, Regular Session, 1965, provides that the
39 district must exercise the power of eminent domain in

1 the manner provided by "General Law with respect to
2 condemnation." The revised law substitutes for the
3 quoted language a reference to Chapter 21, Property
4 Code, because that is the general law governing
5 eminent domain for governmental entities.

6 Revised Law

7 Sec. 1105.109. GIFTS AND ENDOWMENTS. The board may accept
8 for the district a gift or endowment to be held in trust and
9 administered by the board for the purposes and under the
10 directions, limitations, or other provisions prescribed in writing
11 by the donor that are not inconsistent with the proper management
12 and objectives of the district. (Acts 59th Leg., R.S., Ch. 653,
13 Sec. 15.)

14 Source Law

15 Sec. 15. The Board of Directors of the hospital
16 district is authorized on behalf of such District to
17 accept donations, gifts and endowments to be held in
18 trust and administered by the Board of Directors for
19 such purposes and under such directions, limitations
20 and provisions as may be prescribed in writing by the
21 donor not inconsistent with proper management and
22 objects of the hospital district.

23 Revisor's Note

24 Section 15, Chapter 653, Acts of the 59th
25 Legislature, Regular Session, 1965, refers to
26 "donations" and "gifts." The revised law omits
27 "donations" because "donations" is included in the
28 meaning of "gifts."

29 Revised Law

30 Sec. 1105.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
31 CARE AND TREATMENT. (a) The board may contract with a county or
32 municipality located outside Terry County for the care and
33 treatment of a sick or injured person of that county or
34 municipality.

35 (b) The board may contract with this state or a federal
36 agency for the treatment of a sick or injured person for whom this
37 state or the federal government is responsible. (Acts 59th Leg.,
38 R.S., Ch. 653, Sec. 5 (part).)

1 The district may provide any appropriate health care services the
2 board determines are necessary to meet the needs of the district,
3 including:

- 4 (1) emergency medical services;
- 5 (2) home health care services;
- 6 (3) long-term care services;
- 7 (4) rehabilitation services; and
- 8 (5) fitness services. (Acts 59th Leg., R.S., Ch. 653,
9 Sec. 2A.)

10 Source Law

11 Sec. 2A. The District may provide any
12 appropriate health-care services the Board of
13 Directors determines are necessary to meet the needs
14 of the District, including emergency medical services,
15 home health-care services, long-term care services,
16 rehabilitation services, or fitness services.

17 Revised Law

18 Sec. 1105.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)
19 When an indigent patient is admitted to a district facility, the
20 district administrator shall have an inquiry made into the
21 circumstances of:

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

25 (b) If the district administrator determines that the
26 patient or those relatives cannot pay for all or part of the
27 patient's care and treatment in the hospital, the amount 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 patient's
31 care and treatment, the patient or those relatives shall be ordered
32 to pay the district a specified amount each week for the patient's
33 support. The amount ordered must be proportionate to their
34 financial ability and may not exceed the actual per capita cost of
35 maintenance.

36 (d) The district administrator may collect the amount from
37 the patient's estate, or from those relatives, in the manner

1 provided by law for the collection of expenses of the last illness
2 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 order.

8 (f) A party to the dispute who is not satisfied with the
9 order may appeal to the district court. The appeal shall be by
10 trial de novo as that term is used in an appeal from a justice court
11 to the county court. (Acts 59th Leg., R.S., Ch. 653, Sec. 14
12 (part).)

13 Source Law

14 Sec. 14. . . . Whenever an indigent patient has
15 been admitted to the facilities thereof, the
16 Administrator or Manager shall cause inquiry to be
17 made as to his circumstances and those of the relatives
18 of such patient legally liable for his support. If he
19 finds that such patient or said relatives are able to
20 pay for his care and treatment, in whole or in part, an
21 order shall be made directing such patient or said
22 relatives to pay to the hospital district for the
23 support of such patient a specified sum per week in
24 proportion to their financial ability, but such sum
25 shall not exceed the actual per capita cost of
26 maintenance. The Administrator or Manager shall have
27 power and authority to collect such sums from the
28 estate of the patient or his relatives legally liable
29 for his support in the manner provided by law for the
30 collection of expenses in the last illness of a
31 deceased person. If the Administrator or Manager
32 finds that such patient or said relatives are not able
33 to pay, either in whole or in part, for his care and
34 treatment in such hospital, same shall become a charge
35 upon the hospital district as to the amount of the
36 inability to pay. Should there be any dispute as to
37 the ability to pay or doubt in the mind of the
38 Administrator or Manager, the Board of Directors shall
39 hear and determine same after calling witnesses, and
40 shall make such order or orders as may be proper. A
41 party to the dispute who is not satisfied with the
42 order may appeal to the District Court on a trial de
43 novo as that term is used in appeals from the Justice
44 Court to the County Court.

45 Revised Law

46 Sec. 1105.114. AUTHORITY TO SUE AND BE SUED. The district,
47 through the board, may sue and be sued. (Acts 59th Leg., R.S., Ch.
48 653, Sec. 5 (part).)

1 principal and interest.

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

6 (d) Membership on the district's board of an officer or
7 director of a bank does not disqualify the bank from being
8 designated as depository. (Acts 59th Leg., R.S., Ch. 653, Sec. 10.)

9 Source Law

10 Sec. 10. The Board of Directors of the District
11 shall name one or more banks within Terry County to
12 serve as depository for the funds of the District. All
13 such funds shall, as derived and collected, be
14 immediately deposited with such depository bank or
15 banks, except that sufficient funds shall be remitted
16 to the bank or banks for the payment of principal of
17 and interest on the outstanding bonds of the District
18 or other obligations assumed by it and in time that
19 such money may be received by said bank or banks of
20 payment on or prior to the date of maturity of such
21 principal and interest so to be paid. To the extent
22 that funds in the depository bank or banks are not
23 insured by the Federal Deposit Insurance Corporation,
24 they shall be secured in the manner provided by law for
25 security of county funds. Membership on the Board of
26 Directors of an officer or director of a bank shall not
27 disqualify such bank from being designated as
28 depository.

29 Revisor's Note

30 Section 10, Chapter 653, Acts of the 59th
31 Legislature, Regular Session, 1965, refers to money
32 "derived and collected." The revised law substitutes
33 "on receipt" for the quoted language because the terms
34 are synonymous and "on receipt" is more commonly used.

35 Revised Law

36 Sec. 1105.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)
37 The board may borrow money at a rate not to exceed the maximum
38 annual percentage rate allowed by law for district obligations at
39 the time the loan is made if the board declares that:

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

42 (2) an emergency exists.

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

1 Revisor's Note

2 Section 8A(a), Chapter 653, Acts of the 59th
3 Legislature, Regular Session, 1965, refers to
4 "lawfully authorized obligations." The revised law
5 omits "lawfully" because a "lawful" obligation is
6 included in the meaning of an "authorized" obligation.

7 [Sections 1105.157-1105.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Revised Law

10 Sec. 1105.201. GENERAL OBLIGATION BONDS. The board may
11 issue and sell general obligation bonds in the name and on the faith
12 and credit of the district for any purpose related to the purchase,
13 construction, acquisition, repair, or renovation of buildings or
14 improvements, and equipping buildings or improvements for a
15 hospital and the hospital system, as determined by the board. (Acts
16 59th Leg., R.S., Ch. 653, Sec. 7 (part).)

17 Source Law

18 Sec. 7. The Board of Directors of the hospital
19 district shall have the power and authority to issue
20 and sell its bonds in the name and upon the faith and
21 credit of such hospital district, for the purchase,
22 construction, acquisition, repair or renovation of
23 buildings and improvements, and equipping the same for
24 hospitals and the hospital system, as determined by
25 the Board, and for any or all of such purposes. . . .

26 Revisor's Note

27 Section 7, Chapter 653, Acts of the 59th
28 Legislature, Regular Session, 1965, provides that the
29 board may issue and sell bonds in the name and on the
30 faith and credit of the district. Because the type of
31 bonds described by Section 7 are known as "general
32 obligation bonds," the revised law is drafted
33 accordingly.

34 Revised Law

35 Sec. 1105.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
36 the time general obligation bonds are issued by the district, the
37 board shall impose an ad valorem tax at a rate sufficient to create
38 an interest and sinking fund and to pay the principal of and

1 interest on the bonds as the bonds mature.

2 (b) The tax required by this section together with any other
3 ad valorem tax imposed for the district may not in any year exceed
4 75 cents on each \$100 valuation of taxable property. (Acts 59th
5 Leg., R.S., Ch. 653, Sec. 7 (part).)

6 Source Law

7 Sec. 7. . . . At the time of the issuance of any
8 such bonds a tax shall be levied by the Board
9 sufficient to create an interest and sinking fund and
10 to pay the interest on and principal of said bonds as
11 same mature, providing such tax together with any
12 other taxes levied for said District shall not exceed
13 75 cents on each one hundred dollar valuation of
14 taxable property in any one year. . . .

15 Revisor's Note

16 Section 7, Chapter 653, 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. Section
22 1(b), Article VIII, Texas Constitution, requires all
23 property that is taxed to be taxed in proportion to its
24 value, and accordingly "ad valorem" tax is the term
25 most commonly used in Texas law to refer to a tax on
26 property.

27 Revised Law

28 Sec. 1105.203. GENERAL OBLIGATION BOND ELECTION. (a) The
29 district may issue general obligation bonds only if the bonds are
30 authorized by a majority of the district voters voting at an
31 election held for that purpose.

32 (b) The board shall call the election. The election must be
33 held in accordance with Chapter 1251, Government Code.

34 (c) The bond election order must specify:

- 35 (1) the date of the election;
- 36 (2) the location of the polling places;
- 37 (3) the presiding election officers;
- 38 (4) the amount of the bonds to be authorized;

1 provisions of Chapter 1, Title 22, Revised Civil
2 Statutes of Texas, 1925, as amended, and except as
3 therein otherwise provided, shall be conducted in
4 accordance with the General Laws of Texas pertaining
5 to elections." The election provisions of Chapter 1,
6 Title 22, Revised Statutes, are codified as Chapter
7 1251, Government Code, and the revised law is drafted
8 accordingly. The revised law omits "except as therein
9 otherwise provided" because an exception to the
10 application of the Election Code in Chapter 1251,
11 Government Code (the revision of the election
12 provisions of Chapter 1, Title 22, Revised Statutes),
13 would apply by its own terms. The revised law omits
14 the reference to the "General Laws of Texas pertaining
15 to elections" because Section 1.002, Election Code,
16 provides that the Election Code applies to all
17 elections held in this state.

18 (4) Section 7, Chapter 653, Acts of the 59th
19 Legislature, Regular Session, 1965, requires the
20 district to make provisions for defraying the costs of
21 elections. The revised law omits the provision
22 because it duplicates Section 1.014, Election Code,
23 applicable to the district under Section 1.002 of that
24 code. The omitted law reads:

25 Sec. 7. . . . The District shall make
26 provisions for defraying the costs of all
27 elections called and held under the
28 provisions of this Act. . . .

29 Revised Law

30 Sec. 1105.204. EXECUTION OF GENERAL OBLIGATION BONDS. The
31 board president shall execute the general obligation bonds in the
32 district's name and the board secretary shall attest the bonds as
33 provided by Chapter 618, Government Code. (Acts 59th Leg., R.S.,
34 Ch. 653, Sec. 7 (part).)

35 Source Law

36 Sec. 7. . . . Such bonds shall be executed in

1 the name of the hospital district and in its behalf by
2 the President of the Board and attested by the
3 Secretary as provided by Chapter 204, Acts of the 57th
4 Legislature, Regular Session, 1961 (Article 717j-1,
5 Vernon's Texas Civil Statutes), and

6 Revisor's Note

7 Section 7, Chapter 653, Acts of the 59th
8 Legislature, Regular Session, 1965, refers to Chapter
9 204, Acts of the 57th Legislature, Regular Session,
10 1961 (Article 717j-1, Vernon's Texas Civil Statutes).
11 That statute was codified in 1999 as Chapter 618,
12 Government Code, and the revised law is drafted
13 accordingly.

14 Revised Law

15 Sec. 1105.205. REFUNDING BONDS. (a) District bonds may be
16 issued without an election to refund any bonds issued or assumed by
17 the district.

18 (b) A refunding bond may be:

19 (1) sold, with the proceeds of the refunding bond
20 applied to the payment of outstanding bonds; or

21 (2) exchanged wholly or partly for not less than a
22 similar principal amount of the outstanding bonds. (Acts 59th
23 Leg., R.S., Ch. 653, Sec. 7 (part).)

24 Source Law

25 Sec. 7. . . . [No bonds shall be issued by such
26 hospital district] except refunding bonds, [until
27 authorized by a majority of the qualified electors
28 . . . voting at an election]

29 The bonds of the District may be issued for the
30 purpose of refunding and paying off any bonds issued or
31 assumed by such District. Such refunding bonds may be
32 sold and the proceeds thereof applied to the payment of
33 outstanding bonds, or may be exchanged in whole or in
34 part for not less than a like principal amount of such
35 outstanding bonds,

36 Revisor's Note

37 (1) Section 7, Chapter 653, Acts of the 59th
38 Legislature, Regular Session, 1965, limits the
39 interest rate for refunding bonds issued by the
40 district. The revised law omits that provision as
41 impliedly repealed by Section 2(a), Chapter 3, Acts of
42 the 61st Legislature, Regular Session, 1969 (Article

1 are exempt from taxation by this state or a political subdivision of
2 this state:

- 3 (1) any bonds issued by the district;
- 4 (2) the transfer of the bonds; and
- 5 (3) bond revenue, including any profits made in the
6 sale of the bonds. (Acts 59th Leg., R.S., Ch. 653, Sec. 8 (part).)

7 Source Law

8 Sec. 8. . . . any bonds issued by it and their
9 transfer and the revenues therefrom, including any
10 profits made in the sale thereof, shall at all times be
11 free from taxation by the State or any municipality or
12 political subdivision thereof.

13 Revisor's Note

14 Section 8, Chapter 653, Acts of the 59th
15 Legislature, Regular Session, 1965, refers to "any
16 municipality or political subdivision" of this state.
17 The revised law omits "municipality" when used in
18 conjunction with "political subdivision" because
19 "municipality" is included in the meaning of
20 "political subdivision."

21 Revisor's Note
22 (End of Subchapter)

23 (1) Section 7, Chapter 653, Acts of the 59th
24 Legislature, Regular Session, 1965, provides that
25 district bonds are subject to the law governing
26 counties that relates to bond approval by the attorney
27 general and registration of the bonds by the
28 comptroller. Section 7 also provides that after
29 approval and registration the bonds are
30 "incontestable." The revised law omits those
31 provisions as superseded by Chapter 1202, Government
32 Code (enacted as Article 3, Chapter 53, Acts of the
33 70th 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. . . . [Such bonds] . . .
11 shall be subject to the same requirements in
12 the matter of the 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. After approval of any such bonds
18 by the Attorney General and registration by
19 the Comptroller, said bonds shall be
20 incontestable. . . .

21 (2) Section 11, Chapter 653, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that
23 district bonds are legal and authorized investments
24 for certain entities. The revised law omits that
25 provision as unnecessary. As to several of the
26 entities listed, Section 11 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 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 11 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 11 lists "guardians" and
8 Section 1201.041 does not, Section 1201.041 includes a
9 "fiduciary" 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 revised law omits the reference to public funds of
13 this state because it has been superseded by Section
14 404.024, Government Code (enacted in 1985 as Section
15 2.014, Treasury Act (Article 4393-1, Vernon's Texas
16 Civil Statutes), and last amended in 2007), which
17 governs the investment of state funds. Section
18 404.024(b)(10), Government Code, authorizes the
19 investment of state funds in obligations of political
20 subdivisions, including hospital districts. The
21 revised law omits the reference to public funds of
22 political subdivisions or public agencies of the state
23 because it has been superseded by Chapter 2256,
24 Government Code (enacted in 1987 as the Public Funds
25 Investment Act of 1987 (Article 842a-2, Vernon's Texas
26 Civil Statutes)), which governs the investment of
27 local funds. The omitted law reads:

28 Sec. 11. All bonds of the District
29 shall be and are hereby declared to be legal
30 and authorized investments of banks,
31 savings banks, trust companies, building
32 and loan associations, savings and loan
33 associations, insurance companies,
34 fiduciaries, trustees, guardians, and
35 sinking funds of cities, towns, villages,
36 counties, school districts or other
37 political subdivisions of the State of
38 Texas, and for all public funds of the State
39 of Texas or its agencies, including the
40 State Permanent School Fund. . . .

1 (3) Section 11, Chapter 653, Acts of the 59th
2 Legislature, Regular Session, 1965, effectively
3 provides that district bonds may secure deposits of
4 public funds of this state. The revised law omits the
5 provisions as impliedly repealed by Section 404.0221,
6 Government Code (enacted in 1995), which lists
7 eligible 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 and permits
12 those deposits to be secured by obligations issued by
13 hospital districts. The omitted law reads:

14 Sec. 11. . . . Such bonds shall be
15 eligible to secure deposits of public funds
16 of the State of Texas; and such bonds shall
17 be lawful and sufficient security for said
18 deposits to the extent of their value when
19 accompanied by all unmatured coupons
20 appurtenant thereto.

21 [Sections 1105.207-1105.250 reserved for expansion]

22 SUBCHAPTER F. TAXES

23 Revised Law

24 Sec. 1105.251. IMPOSITION OF AD VALOREM TAX. (a) The
25 district may impose a tax on all taxable property in the district
26 subject to district taxation.

27 (b) The tax may be used to meet the requirements of:

- 28 (1) district bonds;
29 (2) indebtedness assumed by the district; and
30 (3) district maintenance and operating expenses.

31 (Acts 59th Leg., R.S., Ch. 653, Secs. 3 (part), 13 (part).)

32 Source Law

33 Sec. 3. . . . [Terry Memorial Hospital District
34 shall be created] with authority to levy annual taxes
35 . . . [on] . . . taxable property within such District
36 for the purpose of meeting the requirements of the
37 District's bonds, indebtedness assumed by it, and its
38 maintenance and operating expenses, and

39 Sec. 13. District taxes shall be assessed and
40 collected . . . upon all taxable property within such
41 District subject to hospital district taxation. . . .

1 Revised Law

2 Sec. 1105.252. TAX RATE. The district may impose the tax at
3 a rate not to exceed 75 cents on each \$100 valuation of taxable
4 property in the district. (Acts 59th Leg., R.S., Ch. 653, Sec. 3
5 (part).)

6 Source Law

7 Sec. 3. . . . [Terry Memorial Hospital District
8 shall be created with authority to levy annual taxes]
9 at a rate not to exceed 75 cents on the one hundred
10 dollar valuation of [taxable property within such
11 District]

12 Revised Law

13 Sec. 1105.253. TAX ASSESSOR-COLLECTOR. The tax
14 assessor-collector of Terry County shall assess and collect taxes
15 imposed by the district. (Acts 59th Leg., R.S., Ch. 653, Sec. 13
16 (part).)

17 Source Law

18 Sec. 13. . . . The Tax Assessor-Collector of
19 Terry County shall be charged and required to
20 accomplish the assessment and collection of all taxes
21 levied by and on behalf of the District and

22 Revisor's Note

23 (1) Section 13, Chapter 653, Acts of the 59th
24 Legislature, Regular Session, 1965, provides that tax
25 revenue shall be deposited in the district's
26 depository. The revised law omits the provision
27 because Section 31.10, Tax Code, requires the tax
28 collector for a taxing unit to deposit taxes collected
29 in the unit's depository. The omitted law reads:

30 Sec. 13. . . . [The Tax
31 Assessor-Collector of Terry County shall be
32 charged and required] . . . to promptly pay
33 over the same to the District
34 depository. . . .

35 (2) Section 13, Chapter 653, Acts of the 59th
36 Legislature, Regular Session, 1965, provides for
37 compensating the county tax assessor-collector for the
38 assessment and collection of district taxes. The
39 revised law omits that provision because it was
40 repealed by Section 6(b), Chapter 841, Acts of the 66th

1 Legislature, Regular Session, 1979, which repealed all
2 "general, local, and special laws" that conflicted
3 with that act. The 1979 act enacted the Property Tax
4 Code (Title 1, Tax Code), a comprehensive, substantive
5 codification of all property tax law. Section
6 6.27(b), Tax Code, provides for the compensation of a
7 county tax assessor-collector assessing and
8 collecting taxes for another taxing unit. The omitted
9 law reads:

10 Sec. 13. . . . For his services the
11 County Tax Assessor-Collector shall be
12 allowed such compensation as may be
13 provided for by contract with the District,
14 but not to exceed the amount allowed for
15 assessment and collection of county
16 taxes. . . .

17 (3) Section 13, Chapter 653, Acts of the 59th
18 Legislature, Regular Session, 1965, 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 County
29 Tax Assessor-Collector shall stand as
30 security for the proper performance of his
31 duties as Assessor-Collector of the
32 District or, if in the judgment of the Board
33 of Directors of the District it is
34 necessary, an additional bond payable to
35 the District may be required. . . .

36 (4) Section 13, Chapter 653, Acts of the 59th
37 Legislature, Regular Session, 1965, 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

1 relating to the assessment, collection, and
2 enforcement of all ad valorem taxes is Title 1, Tax
3 Code. Section 1.02, Tax Code, requires all taxing
4 units of government to administer the taxation of
5 property in conformity with that title. The omitted
6 law reads:

7 Sec. 13. . . . In all matters
8 pertaining to the assessment, collection
9 and enforcement of taxes for the District,
10 the County Tax Assessor-Collector shall be
11 authorized to act in all respects according
12 to the laws of the State of Texas relating
13 to State and County taxes.

14 Revisor's Note
15 (End of Subchapter)

16 Section 13, Chapter 653, Acts of the 59th
17 Legislature, Regular Session, 1965, requires the
18 district to impose taxes in a certain manner. The
19 revised law omits that provision because it was
20 repealed by Section 6(b), Chapter 841, Acts of the 66th
21 Legislature, Regular Session, 1979. See Revisor's Note
22 (2) to Section 1105.253. Title 1, Tax Code, provides
23 the exclusive procedures for the imposition and
24 collection of ad valorem taxes by a taxing unit,
25 including a hospital district. The omitted law reads:

26 Sec. 13. [District taxes shall be
27 assessed and collected] in the same manner
28 as provided by law with relation to County
29 taxes,

30 Revisor's Note
31 (End of Chapter)

32 (1) Section 2, Chapter 653, Acts of the 59th
33 Legislature, Regular Session, 1965, provides for the
34 transfer of certain land, buildings, improvements, and
35 equipment to the district after the district is
36 created and provides for the assumption of certain
37 debt by the district on creation. The revised law
38 omits the provisions as executed. The omitted law
39 reads:

40 Sec. 2. The District herein

1 authorized to be created shall take over and
2 there shall be transferred to it title to
3 all lands, buildings, improvements and
4 equipment in anywise pertaining to the
5 hospitals or hospital systems owned by
6 Terry County and any city or town within
7 such County, and [Such District]
8 . . . shall assume the outstanding
9 indebtedness which shall have been incurred
10 by any city or town or by Terry County for
11 hospital purposes prior to the creation of
12 said District.

13 (2) Section 19, Chapter 653, Acts of the 59th
14 Legislature, Regular Session, 1965, 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. 19. If any of the provisions of
22 this Act or the application thereof to any
23 person or circumstances is held invalid,
24 such invalidity shall not affect other
25 provisions or applications of the Act which
26 can be given effect without the invalid
27 provision or application, and to this end
28 the provisions of this Act are declared to
29 be severable.

30 (3) Section 20, Chapter 653, Acts of the 59th
31 Legislature, Regular Session, 1965, states that public
32 notice of the enactment of the statute was provided in
33 a manner that satisfies the requirements of the Texas
34 Constitution. The revised law omits that section as
35 executed. The omitted law reads:

36 Sec. 20. Proof or publication of the
37 notice required in the enactment hereof
38 under the provisions of Article IX, Section
39 9 of the Constitution of the State of Texas
40 has been made in the manner and form
41 provided by law pertaining to the enactment
42 of local and special laws and such notice is
43 hereby found and declared proper and
44 sufficient to satisfy such requirement.

45 (4) Sections 2 and 3, Chapter 838, Acts of the
46 66th Legislature, Regular Session, 1979, concern the
47 validation of certain real property sales and board
48 proceedings relating to real property sales, and

1 Sections 1 and 2, Chapter 24, Acts of the 72nd
2 Legislature, Regular Session, 1991, concern the
3 validation of certain board actions and district
4 proceedings. The revised law omits the provisions as
5 executed. The omitted law reads:

6 [Acts 66th Leg., R.S., Ch. 838]

7 Sec. 2. Any sale of real property
8 heretofore concluded by the board of
9 directors of the Terry Memorial Hospital
10 District and all proceedings of the board
11 relating to a sale of real property are
12 hereby in all respects validated as of the
13 date of the sale or proceedings, and they
14 may not be held invalid by reason of the
15 fact that the sale or proceedings may not
16 have been accomplished in accordance with
17 law.

18 Sec. 3. This Act does not validate a
19 sale or proceeding the validity of which is
20 in litigation pending at the time this Act
21 becomes effective if the litigation
22 ultimately results in a determination
23 against the validity of the sale or
24 proceeding.

25 [Acts 72nd Leg., R.S., Ch. 24]

26 Sec. 1. Each resolution, instrument,
27 order, and act or attempted act of the board
28 of directors of the Terry Memorial Hospital
29 District that occurred or was adopted or
30 executed before the date on which this Act
31 takes effect, and any proceeding of the
32 district that took place before the date on
33 which this Act takes effect, is validated in
34 all respects as if it had originally been
35 duly and legally authorized. For the
36 purposes of this Act, "act or attempted act"
37 includes calling and holding elections,
38 canvassing returns, voting for and
39 collecting taxes, issuing notes, bonds, and
40 refunding bonds, and pledging revenue. For
41 the purposes of this Act, "instrument"
42 includes contracts, notes, bonds, and
43 refunding bonds.

44 Sec. 2. This Act does not apply to
45 any matter that on the effective date of
46 this Act:

47 (1) is involved in litigation
48 if the litigation ultimately results in the
49 matter being held invalid by a final
50 judgment of a court of competent
51 jurisdiction; or

52 (2) has been held invalid by a
53 final judgment of a court of competent
54 jurisdiction.

55 CHAPTER 1106. TEXHOMA MEMORIAL HOSPITAL DISTRICT

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18 CHAPTER 1106. TEXHOMA MEMORIAL HOSPITAL DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Revised Law

21 Sec. 1106.001. 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 Texhoma Memorial Hospital
26 District. (New.)

27 Revisor's Note

28 The definitions of "board," "director," and
29 "district" are added to the revised law for drafting
30 convenience and to eliminate frequent, unnecessary
31 repetition of the substance of the definitions.

32 Revised Law

33 Sec. 1106.002. AUTHORITY FOR OPERATION. The Texhoma
34 Memorial Hospital District operates in accordance with Section 9,

1 Article IX, Texas Constitution. (Acts 60th Leg., R.S., Ch. 422,
2 Sec. 1(a) (part).)

3 Source Law

4 Sec. 1. (a) In accordance with the provisions
5 of Section 9, Article IX, Constitution of the State of
6 Texas, this Act shall be operative so as to authorize
7 the creation, establishment, maintenance and
8 operation of a hospital district in the State of Texas,
9 . . . to be known as Texhoma Memorial Hospital
10 District.

11 Revisor's Note

12 Section 1(a), Chapter 422, 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, the meaning of
18 that term is included in the meaning of "operation."

19 Revised Law

20 Sec. 1106.003. POLITICAL SUBDIVISION. The district is a
21 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
22 422, Sec. 16 (part).)

23 Source Law

24 Sec. 16. The hospital district created under
25 the provisions of this Act shall be and is declared to
26 be a political subdivision of the State of Texas, and
27

28 Revised Law

29 Sec. 1106.004. DISTRICT TERRITORY. The boundaries of the
30 district are coextensive with the boundaries of the Texhoma
31 Independent School District in Sherman County, as those boundaries
32 existed as of January 1, 1967. (Acts 60th Leg., R.S., Ch. 422, Sec.
33 1(a) (part).)

34 Source Law

35 (a) . . . [hospital district in] . . . County of
36 Sherman, with boundaries identical with those of the
37 Texhoma Independent School District, as of January 1,
38 1967,

39 Revisor's Note
40 (End of Subchapter)

41 Sections 2 and 3(a), Chapter 422, Acts of the 60th

1 Legislature, Regular Session, 1967, provide
2 procedures for holding an election on the creation of
3 the district and the imposition of an ad valorem tax.
4 Because the election has been held, the revised law
5 omits those provisions as executed. The omitted law
6 reads:

7 Sec. 2. (a) . . . The district
8 shall not be created nor shall any tax in
9 the district be authorized unless and until
10 the creation and the taxes are approved by a
11 majority of the qualified property
12 taxpaying electors of the district voting
13 in an election called for that purpose. The
14 election may be initiated by the
15 commissioners court of Sherman County on
16 the petition of 100 resident qualified
17 property taxpaying electors residing within
18 the boundaries of the proposed hospital
19 district. The election, when called, shall
20 be held not less than 30 nor more than 60
21 days from the day it is ordered.

22 (b) The order calling the election
23 shall specify the time and place or places
24 of holding the election, the form of ballot,
25 and the presiding judge for each voting
26 place. At the election there shall be
27 submitted to the qualified property
28 taxpaying electors the proposition of
29 whether or not Texhoma Memorial Hospital
30 District shall be created with authority to
31 levy annual taxes at a rate not to exceed 75
32 cents on the \$100 valuation of all taxable
33 property in the district for the purpose of
34 meeting the requirements of the district's
35 bonds and its maintenance and operating
36 expenses. The ballots shall have printed
37 thereon the following:

38 "FOR the creation of the Texhoma
39 Memorial Hospital District; providing for
40 the levy of a tax not to exceed 75 cents on
41 the \$100 valuation, using Texhoma
42 Independent School District values and the
43 Texhoma Independent School District tax
44 roll; and

45 "AGAINST the creation of the Texhoma
46 Memorial Hospital District; providing for
47 the levy of a tax not to exceed 75 cents on
48 the \$100 valuation, using Texhoma
49 Independent School District values and the
50 Texhoma Independent School District tax
51 roll."

52 (c) Notice of election shall be given
53 by publishing a substantial copy of the
54 election order in a newspaper of general
55 circulation in Texhoma Memorial Hospital
56 District once a week for two consecutive
57 weeks, the first publication to appear at
58 least 14 days before the date established
59 for the election.

60 (d) If the proposition to create the
61 Texhoma Memorial Hospital District fails to
62 carry at the election, no other election for

1 the same purpose may be held within one year
2 after the result of the election is
3 announced officially.

4 (e) The petition shall be accompanied
5 by \$200 in cash, which shall be deposited
6 with the clerk of the court, and by him held
7 until after the results of the election for
8 the creation of the district and issuance of
9 bonds is officially made known. If the
10 election is in favor of the establishment of
11 the district, then the clerk shall return
12 the deposit to the petitioners, their agent
13 or attorney. If the election is against the
14 establishment of the district, then the
15 clerk shall pay out of the deposit upon
16 vouchers approved and signed by the county
17 judge, all costs and expenses pertaining to
18 the proposed district up to and including
19 the election, and the balance shall be
20 returned to the petitioners, their agent or
21 attorney.

22 Sec. 3. (a) Within 10 days after the
23 election is held the commissioners court
24 shall convene and canvass the returns of the
25 election, and if a majority of the qualified
26 property taxpaying electors voting at the
27 election voted in favor of the proposition,
28 the court shall so find and declare the
29 hospital district established and created
30 and

31 [Sections 1106.005-1106.050 reserved for expansion]

32 SUBCHAPTER B. DISTRICT ADMINISTRATION

33 Revised Law

34 Sec. 1106.051. BOARD; TERM. (a) The board consists of five
35 elected directors.

36 (b) Unless four-year terms are established under Section
37 285.081, Health and Safety Code, directors serve staggered two-year
38 terms with the terms of two or three directors expiring each year as
39 appropriate. (Acts 60th Leg., R.S., Ch. 422, Sec. 3(a) (part).)

40 Source Law

41 (a) . . . five directors shall be elected. . . .
42 The three directors receiving the highest vote at the
43 first election serve for two years, the other two
44 directors serve for one year. Thereafter all
45 directors serve for a period of two years and until
46 their successors are duly elected or appointed and
47 qualified. . . .

48 Revisor's Note

49 (1) Section 3(a), Chapter 422, Acts of the 60th
50 Legislature, Regular Session, 1967, prescribes the
51 procedures for appointing the initial board. The
52 revised law omits the provision as executed. The

1 omitted law reads:

2 (a) . . . [the commissioners court
3 shall] . . . appoint five persons as
4 directors of the hospital district to serve
5 until the first Saturday in April following
6 the creation and establishment of the
7 district at which time In
8 appointing the initial directors of the
9 hospital board, the Commissioner of
10 Precinct 3 of Sherman County, Texas, has the
11 right to designate three of the five persons
12 named by the commissioners court. . . .

13 (2) Section 3(a), Chapter 422, Acts of the 60th
14 Legislature, Regular Session, 1967, provides that
15 directors serve two-year terms. Section 285.081,
16 Health and Safety Code, applicable to this district,
17 provides a mechanism by which the governing board of a
18 hospital district, on its own motion, may order that
19 directors are to be elected in even-numbered years to
20 serve staggered four-year terms. The revised law is
21 drafted accordingly and adds a reference to Section
22 285.081, Health and Safety Code, for the convenience
23 of the reader.

24 (3) Section 3(a), Chapter 422, Acts of the 60th
25 Legislature, Regular Session, 1967, prescribes the
26 terms of the directors elected at the expiration of the
27 terms of the initial directors and, in doing so,
28 establishes staggered two-year terms for the
29 directors. The revised law omits the specific
30 provision relating to the terms of those directors as
31 executed but codifies the requirement that directors
32 serve staggered two-year terms.

33 (4) Section 3(a), Chapter 422, Acts of the 60th
34 Legislature, Regular Session, 1967, provides that the
35 directors serve "until their successors are duly
36 elected or appointed and qualified." The revised law
37 omits that provision because it duplicates Section 17,
38 Article XVI, Texas Constitution, which provides that
39 an officer in this state is to continue to perform the

1 officer's official duties until a successor has
2 qualified.

3 (5) Section 3(c), Chapter 422, Acts of the 60th
4 Legislature, Regular Session, 1967, provides that
5 directors' elections are held on the first Saturday in
6 April each year. The revised law omits that provision
7 as impliedly repealed by Chapter 14, Acts of the 69th
8 Legislature, 3rd Called Session, 1986, which amended
9 Section 41.001, Election Code, to prescribe certain
10 uniform election dates. Section 37 of that act
11 required a political subdivision that held its general
12 election of officers on the first Saturday in April to
13 hold that election on a uniform election date in May or
14 to choose a different uniform election day on which to
15 hold the election. The omitted law reads:

16 (c) A regular election of directors
17 shall be held on the first Saturday in April
18 of each year and

19 Revised Law

20 Sec. 1106.052. NOTICE OF ELECTION. At least 10 days before
21 the date of a directors' election, notice of the election must be
22 published one time in a newspaper of general circulation in the
23 district. (Acts 60th Leg., R.S., Ch. 422, Sec. 3(c) (part).)

24 Source Law

25 (c) . . . notice of the election shall be
26 published in a newspaper of general circulation in the
27 district one time at least 10 days before the date of
28 election. . . .

29 Revised Law

30 Sec. 1106.053. BALLOT PETITION. A person who wants to have
31 the person's name printed on the ballot as a candidate for director
32 must file with the board secretary a petition requesting that
33 action. The petition must be:

- 34 (1) signed by not less than 15 registered voters; and
35 (2) filed by the deadline imposed by Section 144.005,
36 Election Code. (Acts 60th Leg., R.S., Ch. 422, Sec. 3(c) (part).)

1 (2) owns land in the district subject to taxation; and
2 (3) is at least 18 years of age at the time of the
3 election or appointment. (Acts 60th Leg., R.S., Ch. 422, Sec. 3(a)
4 (part).)

5 Source Law

6 (a) . . . No person may be appointed or elected
7 as a member of the board of directors of the hospital
8 district unless he is a resident of the district and
9 owns land subject to taxation in the district and
10 unless at the time of the election or appointment he is
11 more than 21 years of age. . . .

12 Revisor's Note

13 Section 3(a), Chapter 422, Acts of the 60th
14 Legislature, Regular Session, 1967, states that a
15 person must be "more than 21 years of age" to serve as a
16 director. The revised law substitutes "at least 18
17 years of age" for the quoted language because Section
18 129.002, Civil Practice and Remedies Code, provides
19 that a law adopted before August 27, 1973, that extends
20 a right, privilege, or obligation to an individual on
21 the basis of a minimum age of 19, 20, or 21 years shall
22 be interpreted as prescribing a minimum age of 18
23 years. Section 3(a) was enacted in 1967 and has not
24 been amended.

25 Revised Law

26 Sec. 1106.055. BOND NOT REQUIRED. A director is not
27 required to post a public official's bond. (Acts 60th Leg., R.S.,
28 Ch. 422, Sec. 3(a) (part).)

29 Source Law

30 (a) . . . Each member of the board of directors
31 . . . it is not necessary that he execute a public
32 official's bond. . . .

33 Revised Law

34 Sec. 1106.056. BOARD VACANCY. (a) If a vacancy occurs in
35 the office of director, the remaining directors shall appoint a
36 director for the unexpired term.

37 (b) If the number of directors is reduced to fewer than
38 three for any reason, the remaining directors shall immediately

1 call a special election to fill the vacancies. If the remaining
2 directors do not call the election, a district court, on
3 application of a district voter or taxpayer, may order the
4 directors to hold the election. (Acts 60th Leg., R.S., Ch. 422,
5 Sec. 3(b) (part).)

6 Source Law

7 (b) . . . All vacancies in the office of
8 director shall be filled for the unexpired term by
9 appointment by the remainder of the board of
10 directors. In the event the number of directors is
11 reduced to less than three for any reason, the
12 remaining directors shall immediately call a special
13 election to fill the vacancies, and on failure to do so
14 a district court may, on application of any voter or
15 taxpayer of the district, issue a mandate requiring
16 that the election be ordered by the remaining
17 directors.

18 Revisor's Note

19 Section 3(b), Chapter 422, Acts of the 60th
20 Legislature, Regular Session, 1967, provides that if
21 there are fewer than three directors, a district court
22 may "issue a mandate requiring that the election [to
23 fill vacancies in directors' offices] be ordered by the
24 remaining directors." The revised law substitutes
25 "order the directors to hold the election" for the
26 quoted language because a mandate requiring directors
27 to order an election is necessarily an order for
28 directors to hold the election. See generally Titles 1
29 and 4 through 7, Election Code, providing that the
30 authority ordering an election is the authority
31 responsible for holding the election.

32 Revised Law

33 Sec. 1106.057. OFFICERS. The board shall elect from among
34 its members a president and a secretary. (Acts 60th Leg., R.S., Ch.
35 422, Sec. 3(b) (part).)

36 Source Law

37 (b) The board of directors shall organize by
38 electing one of their number as president and one of
39 their number as secretary. . . .

1 Revised Law

2 Sec. 1106.058. COMPENSATION; EXPENSES. A director serves
3 without compensation but is entitled to reimbursement for actual
4 expenses incurred in the performance of official duties on approval
5 of the expenses by the board. (Acts 60th Leg., R.S., Ch. 422, Secs.
6 3(a) (part), 4 (part).)

7 Source Law

8 Sec. 3. (a) . . . Members of the board of
9 directors shall serve without compensation but shall
10 be entitled to reimbursement for actual expenses
11 incurred in the performance of their official duties
12 upon the approval of the expenses by the board.

13 Sec. 4. . . . the board of directors of the
14 district who shall serve without compensation but may
15 be reimbursed for actual expenses incurred in the
16 performance of their official duties on the approval
17 of the expenses by the board of directors.

18 Revised Law

19 Sec. 1106.059. VOTING REQUIREMENT. A concurrence of three
20 directors is sufficient in any matter relating to district
21 business. (Acts 60th Leg., R.S., Ch. 422, Sec. 3(b) (part).)

22 Source Law

23 (b) . . . [board of directors] . . . a
24 concurrence of three is sufficient in all matters
25 pertaining to the business of the district. . . .

26 Revisor's Note

27 Section 3(b), Chapter 422, Acts of the 60th
28 Legislature, Regular Session, 1967, provides that
29 three directors constitute a quorum. The revised law
30 omits that provision because it duplicates Section
31 311.013, Government Code (Code Construction Act),
32 which provides that a quorum of a public body is a
33 majority of the number of members fixed by statute.
34 The omitted law reads:

35 (b) . . . Any three members of the
36 board of directors constitute a quorum and
37

38 Revised Law

39 Sec. 1106.060. EMPLOYEES. The board may employ a general
40 manager, attorney, bookkeeper, architect, and any other employee

1 considered necessary for the efficient operation of the district.
2 (Acts 60th Leg., R.S., Ch. 422, Sec. 7(a) (part).)

3 Source Law

4 Sec. 7. (a) The board of directors of the
5 district . . . may employ a general manager, attorney,
6 bookkeeper, architect, and any other employees deemed
7 necessary for the efficient operation of the hospital
8 district.

9 Revised Law

10 Sec. 1106.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

11 All district records, including books, accounts, notices, and
12 minutes, and all other matters of the district and the operation of
13 its facilities, shall be:

14 (1) maintained at the district office; and

15 (2) open to public inspection at the district office
16 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 422, Sec.
17 7(b).)

18 Source Law

19 (b) All books, records, accounts, notices and
20 minutes and all other matters of the district and the
21 operation of its facilities shall, except as provided
22 by this Act, be maintained at the office of the
23 district and there be open to public inspection at all
24 reasonable hours.

25 Revisor's Note

26 Section 7(b), Chapter 422, Acts of the 60th
27 Legislature, Regular Session, 1967, states that
28 records shall be maintained at the district office
29 "except as provided by this Act." The revised law
30 omits the quoted language because the act does not
31 provide an exception.

32 Revised Law

33 Sec. 1106.062. SEAL. The board may adopt a seal for the
34 district. (Acts 60th Leg., R.S., Ch. 422, Sec. 7(a) (part).)

35 Source Law

36 (a) [The board of directors of the district]
37 . . . shall have the power to adopt a seal for the
38 district; and

1 Revisor's Note
2 (End of Subchapter)

3 (1) Section 3(a), Chapter 422, Acts of the 60th
4 Legislature, Regular Session, 1967, 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 an
8 officer of this state to take the constitutional oath
9 (or affirmation) before assuming office. The omitted
10 law reads:

11 (a) . . . [Each member of the board
12 of directors] shall qualify by executing
13 the constitutional oath of office, but
14

15 (2) Section 3(c), Chapter 422, Acts of the 60th
16 Legislature, Regular Session, 1967, provides that the
17 district may hold its election for directors in
18 conjunction with any other regular election, including
19 a school district election. The revised law omits that
20 provision as unnecessary because Chapter 271, Election
21 Code, authorizes political subdivisions to hold joint
22 elections and is applicable to the district. The
23 omitted law reads:

24 (c) . . . The regular election for
25 the directors may be held in conjunction
26 with and at the same polling place or
27 places, and may be held by the same election
28 judges and other personnel as any other
29 regular election being held on the same
30 date, and in particular including any
31 school district election being held on the
32 date of this election provided by this Act.

33 [Sections 1106.063-1106.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 1106.101. DISTRICT RESPONSIBILITY. The district has
37 full responsibility for providing medical and hospital care for the
38 district's needy inhabitants and needy and indigent residents.
39 (Acts 60th Leg., R.S., Ch. 422, Secs. 2(a) (part), 12 (part).)

40 Source Law

41 Sec. 2. (a) . . . The district shall assume

1 full responsibility for providing medical and hospital
2 care for its needy inhabitants. . . .

3 Sec. 12. . . . the hospital district shall
4 assume full responsibility for the furnishing of
5 medical and hospital care for the needy and indigent
6 persons residing in the hospital district from the
7 date that taxes are collected for the hospital
8 district.

9 Revisor's Note

10 Sections 2(a) and 12, Chapter 422, Acts of the
11 60th Legislature, Regular Session, 1967, provide that
12 the district "shall assume" full responsibility for
13 providing medical and hospital care for the district's
14 needy inhabitants and needy and indigent residents,
15 and Section 12 provides that the district shall assume
16 that responsibility "from the date that taxes are
17 collected for the hospital district." The revised law
18 substitutes "has" for "shall assume" because the duty
19 to assume the responsibility is executed. The revised
20 law also omits "from the date that taxes are collected
21 for the hospital district" as executed.

22 Revised Law

23 Sec. 1106.102. RESTRICTION ON POLITICAL SUBDIVISION
24 TAXATION. Sherman County or any other political subdivision in the
25 district may not impose a tax on property in the district for
26 hospital purposes. (Acts 60th Leg., R.S., Ch. 422, Sec. 12 (part).)

27 Source Law

28 Sec. 12. Except as provided in this Act, Sherman
29 County, or any other political subdivision within the
30 hospital district shall not levy any tax against any
31 property within the hospital district for hospital
32 purposes; and

33 Revisor's Note

34 Section 12, Chapter 422, Acts of the 60th
35 Legislature, Regular Session, 1967, states that
36 "[e]xcept as provided in this Act," certain political
37 subdivisions may not levy a tax for hospital purposes.
38 The revised law omits the quoted language because the
39 act does not provide an exception. In addition,
40 throughout this chapter, the revised law substitutes

1 "impose" for "levy" because, in the context of
2 taxation, the terms are synonymous and "impose" is
3 more commonly used.

4 Revised Law

5 Sec. 1106.103. MANAGEMENT AND CONTROL OF DISTRICT. The
6 management and control of the district are vested in the board.
7 (Acts 60th Leg., R.S., Ch. 422, Sec. 4 (part).)

8 Source Law

9 Sec. 4. The management and control of the
10 hospital district created pursuant to the provisions
11 of this Act is hereby vested in [the board of directors
12 of the district]

13 Revised Law

14 Sec. 1106.104. HOSPITAL SYSTEM. The district shall provide
15 for:

16 (1) the establishment of a hospital system to provide
17 medical and hospital care to district residents 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 60th Leg., R.S., Ch. 422, Sec. 2(a)
24 (part).)

25 Source Law

26 (a) The hospital district authorized by this Act
27 to be created shall provide for the establishment of a
28 hospital system to furnish medical and hospital care
29 to persons residing in the district by the purchase,
30 construction, acquisition, repair or renovation of
31 buildings and improvements; and the equipping of same
32 and the administration thereof for hospital purposes.
33 . . .

34 Revised Law

35 Sec. 1106.105. RULES. (a) The board may adopt rules
36 governing the operation of the district and district facilities.

37 (b) The rules may, on approval by the board, be published in
38 booklet form at district expense and made available to any taxpayer
39 on request. (Acts 60th Leg., R.S., Ch. 422, Sec. 7(c).)

1 Source Law

2 (c) The board of directors is specifically
3 empowered to adopt rules and regulations governing the
4 operation of the district and its facilities which
5 rules and regulations shall supplement but shall not
6 contravene any of the provisions of this Act. The rules
7 and regulations may, on approval of the board of
8 directors, be published in booklet or pamphlet form at
9 the expense of the district and may be made available
10 to any taxpayer on request.

11 Revisor's Note

12 (1) Section 7(c), Chapter 422, Acts of the 60th
13 Legislature, Regular Session, 1967, refers to "rules
14 and regulations." The revised law omits "regulations"
15 because under Section 311.005(5), Government Code
16 (Code Construction Act), a rule is defined to include a
17 regulation.

18 (2) Section 7(c), Chapter 422, Acts of the 60th
19 Legislature, Regular Session, 1967, provides that the
20 board may adopt rules that "shall supplement but shall
21 not contravene any of the provisions of this Act." The
22 revised law omits the quoted language because, under
23 established principles of law, the board is not
24 authorized to take any action contrary to the laws of
25 this state.

26 (3) Section 7(c), Chapter 422, Acts of the 60th
27 Legislature, Regular Session, 1967, refers to
28 publishing rules in "booklet or pamphlet form." The
29 revised law omits "pamphlet" because, in context, the
30 meaning of "pamphlet" is included in the meaning of
31 "booklet."

32 Revised Law

33 Sec. 1106.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
34 The board may prescribe the method and manner of making purchases
35 and expenditures by and for the district.

36 (b) The board shall prescribe:

37 (1) all accounting and control procedures; and

38 (2) the method of purchasing necessary supplies,

1 materials, and equipment. (Acts 60th Leg., R.S., Ch. 422, Sec. 7(a)
2 (part).)

3 Source Law

4 (a) [The board of directors of the district]
5 shall have the power to prescribe the method and manner
6 of making purchases and expenditures by and for the
7 hospital district, and also shall prescribe all
8 accounting and control procedures; the method of
9 purchasing necessary supplies, materials and
10 equipment; and

11 Revised Law

12 Sec. 1106.107. EMINENT DOMAIN. (a) The district may
13 exercise the power of eminent domain to acquire a fee simple or
14 other interest in any type of property, real, personal, or mixed,
15 located in district territory if the interest is necessary or
16 convenient to exercise a right, power, privilege, or function
17 conferred on the district by this chapter.

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

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

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

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

28 (3) provide a bond for costs or a supersedeas bond on
29 an appeal or petition for review. (Acts 60th Leg., R.S., Ch. 422,
30 Sec. 9.)

31 Source Law

32 Sec. 9. A hospital district organized in
33 pursuance of this Act shall have the right and power of
34 eminent domain for the purpose of acquiring by
35 condemnation any and all property of any kind or
36 character, real, personal or mixed, or any interest in
37 property, including outright ownership of the property
38 in fee simple, within the boundaries of the district,
39 necessary or convenient to the exercise of the rights,
40 power, privileges and functions conferred upon it by
41 this Act, in the manner provided by general law with
42 respect to condemnation by counties; provided that the
43 district shall not be required to make deposits in the

1 registry of the trial court of the sum required by
2 Section 2, Article 3268, Revised Civil Statutes of
3 Texas, 1925, as amended, or to make the bond required.
4 In condemnation proceedings being prosecuted by the
5 district, the district shall not be required to pay in
6 advance or to give bond or other security for costs in
7 the trial court, nor to give any bond otherwise
8 required to pay in advance or to give bond or other
9 security for costs in the trial court, nor to give any
10 bond otherwise required for the issuance of a
11 temporary restraining order or a temporary injunction
12 relating to a condemnation proceeding, nor to give
13 bond for costs or for supersedeas on any appeal or writ
14 of error proceeding to any court of civil appeals, or
15 to the supreme court.

16 Revisor's Note

17 (1) Section 9, Chapter 422, Acts of the 60th
18 Legislature, Regular Session, 1967, provides that the
19 district has the "right and power of eminent domain for
20 the purpose of acquiring [property] by condemnation."
21 The revised law substitutes for the quoted language
22 "may exercise the power of eminent domain to acquire
23 [property]" because the phrases have the same meaning
24 and the latter phrase is consistent with modern usage
25 in laws relating to eminent domain.

26 (2) Section 9, Chapter 422, Acts of the 60th
27 Legislature, Regular Session, 1967, provides that the
28 district must exercise the power of eminent domain in
29 the manner provided by "general law with respect to
30 condemnation by counties." The revised law
31 substitutes for the quoted language a reference to
32 Chapter 21, Property Code, because that is the general
33 law governing eminent domain for governmental
34 entities, including counties.

35 (3) Section 9, Chapter 422, Acts of the 60th
36 Legislature, Regular Session, 1967, refers to "Section
37 2, Article 3268, Revised Civil Statutes of Texas,
38 1925, as amended." That statute was codified in 1983
39 as Section 21.021(a), Property Code, and the revised
40 law is drafted accordingly. In addition, the revised
41 law omits the reference to "as amended" because under
42 Section 311.027, Government Code (Code Construction

1 Act), a reference to a statute applies to all
2 reenactments, revisions, or amendments of that statute
3 unless expressly provided otherwise.

4 (4) Section 9, Chapter 422, Acts of the 60th
5 Legislature, Regular Session, 1967, provides that the
6 district is not required to provide bond on any appeal
7 or "writ of error proceeding" to "any court of civil
8 appeals, or to the supreme court." The revised law
9 substitutes "petition for review" for "writ of error"
10 because, effective September 1, 1997, the Texas
11 Supreme Court replaced the writ of error procedure
12 with the petition for review procedure. See Rule 53.1,
13 Texas Rules of Appellate Procedure. The revised law
14 omits the references to the court of civil appeals (now
15 the court of appeals) and the supreme court because
16 those courts are the only courts to which the district
17 may appeal or with which the district may file a
18 petition for review.

19 Revised Law

20 Sec. 1106.108. GIFTS AND ENDOWMENTS. The board may accept
21 for the district a gift or endowment for the purposes and under the
22 directions, limitations, or other provisions prescribed in writing
23 by the donor that are not inconsistent with the proper management
24 and objectives of the district. (Acts 60th Leg., R.S., Ch. 422,
25 Sec. 14.)

26 Source Law

27 Sec. 14. The board of directors of the district
28 are authorized to accept donations, gifts, and
29 endowments for the hospital district for the purposes
30 and under the directions, limitations and provisions
31 as may be prescribed in writing by the donor, not
32 inconsistent with proper management and objects of the
33 hospital district.

34 Revisor's Note

35 Section 14, Chapter 422, Acts of the 60th
36 Legislature, Regular Session, 1967, refers to
37 "donations" and "gifts." The revised law omits

1 "donations" because "donations" is included in the
2 meaning of "gifts."

3 Revised Law

4 Sec. 1106.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR
5 HOSPITAL AND MEDICAL CARE. (a) The board may enter into an
6 agreement or contract with another political subdivision of this
7 state that has boundaries contiguous to the district, on terms the
8 board considers reasonable and proper, to provide medical and
9 hospital care for residents of the other political subdivision.

10 (b) A contract or agreement entered into under this section
11 must require the other political subdivision to pay for all medical
12 and hospital care received by or provided to any resident of the
13 other political subdivision if the person fails to pay for the
14 medical and hospital services received by the resident. (Acts 60th
15 Leg., R.S., Ch. 422, Sec. 18.)

16 Source Law

17 Sec. 18. In addition to all other powers
18 conferred by this Act upon the board of directors, but
19 not in limitation thereof, the board of directors of
20 Texhoma Memorial Hospital District is hereby
21 authorized to enter into an agreement or contract, on
22 terms it deems reasonable and proper, with any other
23 political subdivision of the State of Texas, provided
24 that the boundaries of the political subdivision are
25 contiguous to the Texhoma Memorial Hospital District,
26 for the purposes of providing medical and hospital
27 care for the persons residing in the other political
28 subdivision. Provided however, that any contract or
29 agreement executed pursuant to this authority shall
30 require the other political subdivision to pay for all
31 medical and hospital care received by or furnished to
32 any resident of the other political subdivision, in
33 the event of the failure of the person to pay for the
34 medical and hospital services received by the resident
35 of the other political subdivision.

36 Revisor's Note

37 Section 18, Chapter 422, Acts of the 60th
38 Legislature, Regular Session, 1967, provides that the
39 board may enter into certain contracts and agreements
40 "[i]n addition to all other powers conferred by this
41 Act upon the board of directors, but not in limitation
42 thereof." The revised law omits the quoted language as
43 unnecessary because an accepted general principle of

1 statutory construction requires a statute to be given
2 cumulative effect with other statutes unless it
3 provides otherwise or unless the statutes are in
4 conflict. The general principle applies to this
5 revision.

6 Revised Law

7 Sec. 1106.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)

8 When a patient who resides in the district is admitted to a district
9 facility, the board shall have an inquiry made into the
10 circumstances of:

11 (1) the patient; and

12 (2) the patient's relatives legally liable for the
13 patient's support.

14 (b) If an agent designated by the district to handle the
15 inquiry determines that the patient or those relatives cannot pay
16 for all or part of the patient's care and treatment in the hospital,
17 the amount of the costs that cannot be paid becomes a charge against
18 the district.

19 (c) If the board determines that the patient or those
20 relatives are liable to pay for all or part of the patient's care
21 and treatment, the patient or those relatives shall be ordered to
22 pay to the district's treasurer a specified amount each week for the
23 patient's support. The amount ordered must be proportionate to
24 their financial ability and may not exceed the actual per capita
25 cost of maintenance.

26 (d) The district may collect the amount from the patient's
27 estate, or from those relatives legally liable for the patient's
28 support, in the manner provided by law for the collection of
29 expenses of the last illness of a deceased person.

30 (e) If there is a dispute as to the ability to pay, or doubt
31 in the mind of the district's designated agent, the board shall hold
32 a hearing and, after calling witnesses, shall:

33 (1) resolve the dispute or doubt; and

34 (2) issue any appropriate order.

1 (f) Either party to the dispute may appeal the order to the
2 district court. (Acts 60th Leg., R.S., Ch. 422, Sec. 13.)

3 Source Law

4 Sec. 13. Whenever a patient residing in the
5 hospital district is admitted to the facilities of the
6 hospital district, the directors shall cause inquiry
7 to be made as to his circumstances, and of the
8 relatives of the patient legally liable for his
9 support. If they find that the patient or the relatives
10 are liable to pay for his care and treatment in whole
11 or in part, an order shall be made directing the
12 patient, or the relatives, to pay to the treasurer of
13 the hospital district for the support of the patient a
14 specified sum a week, in proportion to their financial
15 ability, but the sum shall not exceed the actual per
16 capita cost of maintenance. The district shall have
17 power and authority to collect the sum from the estate
18 of the patient, or his relatives legally liable for his
19 support, in the manner provided by law for the
20 collection of expenses of the last illness of a
21 deceased person. If the agent designated by the
22 district to handle the affairs finds that the patient
23 or the relatives are not able to pay, either in whole
24 or in part, for his care and treatment in the hospital,
25 the same shall become a charge on the hospital
26 district. Should there be a dispute as to the ability
27 to pay, or doubt in the mind of the person designated
28 as aforesaid, the district's directors shall hear and
29 determine same, after calling witnesses, and shall
30 make the order as may be proper, from which appeal
31 shall lie to the district court by either party to the
32 dispute.

33 Revised Law

34 Sec. 1106.111. AUTHORITY TO SUE AND BE SUED. As a
35 governmental agency, the district may sue and be sued in its own
36 name in any court of this state. (Acts 60th Leg., R.S., Ch. 422,
37 Sec. 16 (part).)

38 Source Law

39 Sec. 16. [The hospital district] . . . as a
40 governmental agency may sue and be sued in any and all
41 courts of this state in the name of the district.

42 Revisor's Note
43 (End of Subchapter)

44 Section 11, Chapter 422, Acts of the 60th
45 Legislature, Regular Session, 1967, provides
46 authority for "the state board of health or any state
47 board of charities or public welfare that may
48 hereafter be created" to inspect hospital district
49 facilities and records. The revised law omits Section
50 11 because various state laws, including Chapters 222

1 and 241, Health and Safety Code, provide the necessary
2 inspection authority to appropriate state agencies.

3 The omitted law reads:

4 Sec. 11. The hospital district
5 established or maintained under provisions
6 of this Act is subject to inspection by any
7 duly authorized representative of the state
8 board of health or any state board of
9 charities or public welfare that may
10 hereafter be created, and resident officers
11 shall admit the representatives into all
12 hospital district facilities and give them
13 access on demand to all records, reports,
14 books, papers and accounts pertaining to
15 the hospital district.

16 [Sections 1106.112-1106.150 reserved for expansion]

17 SUBCHAPTER D. FINANCIAL PROVISIONS

18 Revised Law

19 Sec. 1106.151. BUDGET. The board annually shall require a
20 budget to be prepared for the next fiscal year that includes:

- 21 (1) proposed expenditures and disbursements;
22 (2) estimated receipts and collections; and
23 (3) the amount of taxes required to be imposed for the
24 year. (Acts 60th Leg., R.S., Ch. 422, Sec. 8(b) (part).)

25 Source Law

26 (b) The board of directors shall each year cause
27 a budget to be prepared showing the proposed
28 expenditures and disbursements and the estimated
29 receipts and collections for the following fiscal year
30 and The proposed budget shall also show the
31 amount of taxes required to be levied and collected
32 during the fiscal year and

33 Revisor's Note

34 Section 8(b), Chapter 422, Acts of the 60th
35 Legislature, Regular Session, 1967, refers to taxes
36 "levied and collected." The revised law substitutes
37 "imposed" for the quoted language because "impose" is
38 the term generally used in Title 1, Tax Code, and
39 includes the levy and collection of an ad valorem tax.

40 Revised Law

41 Sec. 1106.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
42 The board shall hold a public hearing on the proposed budget.

43 (b) Notice of the hearing must be published at least once in

1 a newspaper of general circulation in Sherman County not later than
2 the 10th day before the date of the hearing.

3 (c) Any district taxpayer is entitled to:

4 (1) appear at the time and place designated in the
5 notice; and

6 (2) be heard regarding any item included in the
7 proposed budget. (Acts 60th Leg., R.S., Ch. 422, Sec. 8(b) (part).)

8 Source Law

9 (b) [The board of directors] . . . shall hold a
10 public hearing on the proposed budget after
11 publication of a notice of hearing in a newspaper of
12 general circulation in the county at least once not
13 less than 10 days before the date set for the hearing.
14 Any person who is a taxpayer of the district shall have
15 the right to appear at the time and place designated in
16 the notice and be heard with reference to any item
17 shown in the proposed budget. . . .

18 Revisor's Note

19 Section 8(b), Chapter 422, Acts of the 60th
20 Legislature, Regular Session, 1967, refers to "the
21 county." Throughout this chapter, the revised law
22 substitutes Sherman County for the quoted language
23 because that is the county in which the district is
24 located.

25 Revised Law

26 Sec. 1106.153. FISCAL YEAR. The district's fiscal year
27 begins on October 1 and ends on September 30. (Acts 60th Leg.,
28 R.S., Ch. 422, Sec. 8(a) (part).)

29 Source Law

30 Sec. 8. (a) The fiscal year of the hospital
31 district authorized to be established by the
32 provisions of this Act shall commence on October 1 of
33 each year and end on the 30th day of September of the
34 following year. . . .

35 Revised Law

36 Sec. 1106.154. ANNUAL AUDIT. The board annually shall have
37 an independent audit made of the district's books and records.
38 (Acts 60th Leg., R.S., Ch. 422, Sec. 8(a) (part).)

39 Source Law

40 (a) . . . The district directors shall cause an
41 annual independent audit to be made of the books and

1 records of the district.

2 Revised Law

3 Sec. 1106.155. DEPOSITORY OR TREASURER. (a) The board by
4 resolution shall designate a bank or banks in Sherman County as the
5 district's depository or treasurer. A designated bank serves for
6 two years and until a successor is designated.

7 (b) All district money shall be secured in the manner
8 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 422,
9 Sec. 10.)

10 Source Law

11 Sec. 10. Within 30 days after appointment and
12 qualification of the board of directors of a hospital
13 district, the directors shall by resolution designate
14 a bank or banks within the county in which the district
15 is located as the district's depository or treasurer
16 and all funds of the district shall be secured in the
17 manner now provided for the security of county funds.
18 The depository shall serve for a period of two years
19 until a successor has been named.

20 Revisor's Note

21 Section 10, Chapter 422, Acts of the 60th
22 Legislature, Regular Session, 1967, requires the board
23 to select a depository or treasurer "[w]ithin 30 days
24 after appointment and qualification of the board of
25 directors of a hospital district." The revised law
26 omits the quoted language as executed.

27 [Sections 1106.156-1106.200 reserved for expansion]

28 SUBCHAPTER E. BONDS

29 Revised Law

30 Sec. 1106.201. GENERAL OBLIGATION BONDS. The board may
31 issue and sell general obligation bonds in the name and on the faith
32 of the district for any purpose relating to the purchase,
33 construction, acquisition, repair, or renovation of buildings or
34 improvements and equipping the buildings or improvements for
35 hospital purposes. (Acts 60th Leg., R.S., Ch. 422, Sec. 6(a)
36 (part).)

37 Source Law

38 Sec. 6. (a) The board of directors shall have
39 the power and authority to issue and sell as the
40 obligations of the hospital district and in the name

1 and on the faith of the hospital district, bonds for
2 the purchase, construction, acquisition, repair, or
3 renovation of buildings and improvements and equipping
4 them for hospital purposes and for any and all of these
5 purposes,

6 Revisor's Note

7 Section 6(a), Chapter 422, Acts of the 60th
8 Legislature, Regular Session, 1967, provides that the
9 board may issue and sell bonds in the name and on the
10 faith of the district. Because the type of bonds
11 described by Section 6(a) are known as "general
12 obligation bonds," the revised law is drafted
13 accordingly.

14 Revised Law

15 Sec. 1106.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
16 The board shall impose an ad valorem tax at a rate sufficient to
17 create an interest and sinking fund to pay the principal of and
18 interest on general obligation bonds issued under Section 1106.201
19 as the bonds mature.

20 (b) The tax required by this section together with any other
21 ad valorem tax imposed for the district may not in any year exceed
22 75 cents on each \$100 valuation of all taxable property in the
23 district. (Acts 60th Leg., R.S., Ch. 422, Secs. 5(a) (part), 6(a)
24 (part).)

25 Source Law

26 Sec. 5. (a) . . . [a tax] of not to exceed 75
27 cents on the \$100 valuation of all taxable property
28 within the hospital district,

29 Sec. 6. (a) . . . provided that a sufficient tax
30 shall be levied to create an interest and sinking fund
31 to pay the interest and principal as it matures
32 providing the tax together with any other taxes levied
33 for the district shall not exceed 75 cents on the \$100
34 valuation in any one year. . . .

35 Revisor's Note

36 Section 6(a), Chapter 422, Acts of the 60th
37 Legislature, Regular Session, 1967, requires the
38 district to impose a tax to pay the principal of and
39 interest on bonds. The revised law specifies that the
40 tax is an "ad valorem" tax because it is clear from the

1 source law that the tax is a property tax. Section
2 1(b), Article VIII, Texas Constitution, requires all
3 property that is taxed to be taxed in proportion to its
4 value, and accordingly "ad valorem" tax is the term
5 most commonly used in Texas law to refer to a tax on
6 property.

7 Revised Law

8 Sec. 1106.203. GENERAL OBLIGATION BOND ELECTION. (a) The
9 district may issue general obligation bonds only if the bonds are
10 authorized by a majority of the district voters voting in an
11 election held for that purpose.

12 (b) The board may order a bond election on its own motion.

13 (c) The order calling the election must specify:

- 14 (1) the date of the election;
15 (2) the location of the polling places;
16 (3) the presiding election officers;
17 (4) the purpose for which the bonds are to be issued;
18 (5) the amount of the bonds to be authorized;
19 (6) the maximum interest rate of the bonds; and
20 (7) the maximum maturity date of the bonds.

21 (d) Notice of a bond election shall be given by publishing a
22 substantial copy of the order in a newspaper of general circulation
23 in the district once each week for two consecutive weeks before the
24 date of the election. The first publication must occur at least 14
25 days before the date of the election. (Acts 60th Leg., R.S., Ch.
26 422, Sec. 6(a) (part).)

27 Source Law

28 (a) . . . No bonds shall be issued by the
29 hospital district, except refunding bonds, until
30 authorized by a majority of the qualified property
31 taxpaying electors of the district who vote at the
32 election called for this purpose. The election may be
33 called by the board of directors on its own motion, and
34 the order calling the election shall specify the date
35 of the election, the place or places where the election
36 shall be held, the presiding officers at the election,
37 the purpose for which the bonds are to be issued, the
38 amount of the bonds, the maximum interest rate, not to
39 exceed six percent a year, and the maximum maturity
40 date of the bonds, . . . Notice of election shall be
41 given by publishing a substantial copy of the order

1 calling the election in a newspaper of general
2 circulation in the district once a week for two
3 consecutive weeks before the date of election, the
4 date of the first publication being at least 14 full
5 days before the date set for the election. . . .

6 Revisor's Note

7 (1) Section 6(a), Chapter 422, Acts of the 60th
8 Legislature, Regular Session, 1967, provides that
9 "[n]o bonds . . . except refunding bonds" may be
10 issued without an election. The revised law omits the
11 exception for refunding bonds because Chapter 1207,
12 Government Code, provides general authority for an
13 issuer, including a hospital district, to issue
14 refunding securities, and Section 1207.003,
15 Government Code, authorizes an issuer to issue
16 refunding bonds without an election.

17 (2) Section 6(a), Chapter 422, Acts of the 60th
18 Legislature, Regular Session, 1967, refers to the
19 "qualified property taxpaying electors of the
20 district." The revised law omits the reference to
21 "qualified" because Chapter 11, Election Code, governs
22 eligibility to vote in an election in this state and
23 allows only "qualified voters" who are residents of
24 the territory covered by the election to vote in an
25 election. The revised law substitutes "voter" for
26 "elector" because the former is the term used in the
27 Election Code. In addition, the revised law omits the
28 references to "property taxpaying" voters because in
29 Hill v. Stone, 421 U.S. 289 (1975), the United States
30 Supreme Court determined that property ownership as a
31 qualification for voting is an unconstitutional denial
32 of equal protection.

33 (3) Section 6(a), Chapter 422, Acts of the 60th
34 Legislature, Regular Session, 1967, provides that the
35 election order must include the maximum interest rate
36 "not to exceed six percent a year." The revised law
37 omits the quoted language because it has been

1 superseded by the enactment of the maximum interest
2 rate provision found in Section 1204.006, Government
3 Code. That section reflects the 1981 amendment of
4 Chapter 3, Acts of the 61st Legislature, Regular
5 Session, 1969 (Article 717k-2, Vernon's Texas Civil
6 Statutes, now Chapter 1204, Government Code), by
7 Section 1, Chapter 61, Acts of the 67th Legislature,
8 Regular Session, 1981, and permits a public agency,
9 including a hospital district, to issue public
10 securities at any net effective interest rate of 15
11 percent or less. Section 1204.006, Government Code,
12 applies to district bonds by application of Section
13 1204.001, Government Code.

14 (4) Section 6(a), Chapter 422, Acts of the 60th
15 Legislature, Regular Session, 1967, refers to the date
16 of the first publication of notice being "at least 14
17 full days before the date set for the election." The
18 revised law omits the term "full" as unnecessary
19 because Section 311.014, Government Code (Code
20 Construction Act), applicable to the revised law,
21 establishes the manner in which days are computed.

22 (5) Section 6(a), Chapter 422, Acts of the 60th
23 Legislature, Regular Session, 1967, requires the
24 district to pay the costs of elections. The revised
25 law omits the provision because it duplicates Section
26 1.014, Election Code, applicable to the district under
27 Section 1.002 of that code. The omitted law reads:

28 (a) . . . The cost of the election
29 shall be paid by the hospital district.

30 Revised Law

31 Sec. 1106.204. MATURITY OF GENERAL OBLIGATION BONDS.
32 District general obligation bonds must mature not later than 40
33 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 422,
34 Sec. 6(a) (part).)

1 bonds are incontestable and binding obligations.
2 Chapter 1202, Government Code, applies to district
3 bonds by application of Section 1202.001, Government
4 Code. The omitted law reads:

5 (a) . . . [The bonds] . . . shall be
6 subject to the same requirements in the
7 matter of approval by the Attorney General
8 of the State of Texas and the registration
9 by the Comptroller of Public Accounts of the
10 State of Texas as are by law provided for
11 the approval and registration of bonds of
12 counties of this state. Upon the approval of
13 the bonds by the attorney general and
14 registration by the comptroller the same
15 shall be incontestable for any cause. . . .

16 (2) Section 6(b), Chapter 422, Acts of the 60th
17 Legislature, Regular Session, 1967, provides that
18 district bonds may be made optional for redemption
19 before maturity. The revised law omits that provision
20 because it duplicates Section 1201.021, Government
21 Code, which provides that a public security may be
22 issued as redeemable before maturity at one or more
23 specified times. Section 1201.021, Government Code,
24 applies to district bonds by application of Section
25 1201.002, Government Code. The omitted law reads:

26 (b) The bonds of the district may be
27 made optional for redemption before their
28 maturity date at the discretion of the board
29 of directors.

30 (3) Section 6(c), Chapter 422, Acts of the 60th
31 Legislature, Regular Session, 1967, authorizes the
32 district to issue refunding bonds for bonds issued by
33 the district. The revised law omits that provision for
34 the reason stated in Revisor's Note (1) to Section
35 1106.203. Section 6(c) also provides that refunding
36 bonds issued under Section 6(c) must bear interest at
37 the same or lower rate than the bonds being refunded
38 unless the refunding will result in a lower total
39 amount of interest paid. The revised law omits that
40 provision for the reason stated in Revisor's Note (3)
41 to Section 1106.203. The omitted law reads:

1 (c) The district may without an
2 election issue the bonds to refund and pay
3 off any validly issued and outstanding
4 bonds issued by the district, provided any
5 refunding bonds shall bear interest at the
6 same rate or at a lesser rate than the bonds
7 being refunded unless it be shown
8 mathematically that a savings will result
9 in the total amount of interest to be paid.

10 (4) Section 15, Chapter 422, Acts of the 60th
11 Legislature, Regular Session, 1967, provides that
12 district bonds are legal and authorized investments
13 for certain entities. The revised law omits the
14 provision as unnecessary. As to several of the
15 entities listed, Section 15 has been superseded and
16 impliedly repealed. Investments in securities by
17 banks are regulated by Section 34.101, Finance Code
18 (enacted in 1995 as Section 5.101, Texas Banking Act
19 (Article 342-5.101, Vernon's Texas Civil Statutes)).
20 Investments in securities by savings banks are
21 regulated by Section 93.001(c)(10), Finance Code
22 (enacted in 1993 as Section 7.15(10), Texas Savings
23 Bank Act (Article 489e, Vernon's Texas Civil
24 Statutes)). Investments in securities by trust
25 companies are regulated by Section 184.101, Finance
26 Code (enacted in 1997 as Section 5.101, Texas Trust
27 Company Act (Article 342a-5.101, Vernon's Texas Civil
28 Statutes)). Investments in securities by building and
29 loan associations (now called savings and loan
30 associations) are regulated by Sections 63.002 and
31 64.001, Finance Code. As to the remaining entities
32 listed, Section 15 is superseded by Section 1201.041,
33 Government Code, enacted as Section 9, Bond Procedures
34 Act of 1981 (Article 717k-6, Vernon's Texas Civil
35 Statutes). Section 1201.041, Government Code, applies
36 to district bonds by application of Section 1201.002,
37 Government Code. The omitted law reads:

38 Sec. 15. All bonds issued by the
39 district authorized to be established and

1 created under the provisions of this Act
2 shall be and are declared to be legal and
3 authorized investments for banks, savings
4 banks, trust companies, building and loan
5 associations, insurance companies,
6 fiduciaries, trustees, and for the sinking
7 funds of cities, towns, villages, counties,
8 school districts, or other political
9 corporations or subdivisions of the State
10 of Texas; and

11 (5) Section 15, Chapter 422, Acts of the 60th
12 Legislature, Regular Session, 1967, provides that
13 district bonds may secure deposits. Although Section
14 15 does not specifically mention the deposits the
15 bonds are eligible to secure, the only deposits they
16 could secure would be deposits of public funds of this
17 state or political subdivisions of this state. As
18 such, the revised law omits the provisions 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. . . . the bonds shall be
28 lawful and sufficient security for deposits
29 to the extent of their face value when
30 accompanied by all unmatured coupons.

31 [Sections 1106.206-1106.250 reserved for expansion]

32 SUBCHAPTER F. TAXES

33 Revised Law

34 Sec. 1106.251. IMPOSITION OF AD VALOREM TAX. (a) On final
35 approval of the budget, the board shall impose a tax on all taxable
36 property in the district subject to district taxation.

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

38 (1) pay the interest on and create a sinking fund for
39 bonds issued by the district for hospital purposes as provided by
40 this chapter;

41 (2) provide for the maintenance and operation of the

1 district and hospital system;

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

4 (4) acquire necessary sites for the hospital system by
5 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 422,
6 Secs. 5(a) (part), 8(b) (part).)

7 Source Law

8 Sec. 5. (a) On the creation of the hospital
9 district, the board of directors shall have the power
10 and authority and it shall be its duty to levy on all
11 property subject to hospital district taxation for the
12 benefit of the district . . . a tax . . . of all
13 taxable property within the hospital district, for the
14 purpose of:

15 (1) paying the interest on and creating a
16 sinking fund for bonds which may be issued by the
17 hospital district for hospital purposes as provided by
18 this Act;

19 (2) providing for the operation and
20 maintenance of the hospital district and hospital
21 system; and

22 (3) for the purpose of making further
23 improvements and additions to the hospital system and
24 for the acquisition of necessary sites therefor by
25 purchase, lease or condemnation.

26 [Sec. 8]

27 (b) . . . on final approval of the budget the
28 board of directors shall levy the tax as may be
29 required and

30 Revisor's Note

31 (1) Section 5(a), Chapter 422, Acts of the 60th
32 Legislature, Regular Session, 1967, provides that
33 "[o]n the creation of the hospital district," the
34 board shall impose taxes. The revised law omits the
35 quoted language as executed.

36 (2) Section 5(a), Chapter 422, Acts of the 60th
37 Legislature, Regular Session, 1967, requires the board
38 to impose taxes at a certain time and in a certain
39 manner. The revised law omits those provisions
40 because they were repealed by Section 6(b), Chapter
41 841, Acts of the 66th Legislature, Regular Session,
42 1979, which repealed all "general, local, and special
43 laws" that conflicted with that act. The 1979 act
44 enacted the Property Tax Code (Title 1, Tax Code), a

1 comprehensive, substantive codification of all
2 property tax law. Title 1, Tax Code, provides the
3 exclusive procedures for the taxation of property by a
4 taxing unit, including a hospital district. The
5 omitted law reads:

6 (a) . . . [the board of directors
7 shall have the power and authority and it
8 shall be its duty to levy on all property
9 subject to hospital district taxation for
10 the benefit of the district] at the same
11 time taxes are levied for county purposes,
12 using the Texhoma Independent School
13 District values and the Texhoma Independent
14 School District tax roll,

15 (3) Section 5(b), Chapter 422, Acts of the 60th
16 Legislature, Regular Session, 1967, states that
17 October 1 is the date by which the board shall impose
18 taxes. The revised law omits this language because it
19 was repealed by Section 6(b), Chapter 841, Acts of the
20 66th Legislature, Regular Session, 1979. See
21 Revisor's Note (2) to this section. Section 26.05, Tax
22 Code, provides dates by which the board must comply
23 with the imposition of property taxes. The omitted law
24 reads:

25 (b) Not later than October 1 of each
26 year,

27 Revised Law

28 Sec. 1106.252. TAX RATE. The board may impose the tax at a
29 rate not to exceed 75 cents on each \$100 valuation of all taxable
30 property in the district. (Acts 60th Leg., R.S., Ch. 422, Sec. 5(a)
31 (part).)

32 Source Law

33 (a) . . . [a tax] of not to exceed 75 cents on
34 the \$100 valuation [of all taxable property within the
35 hospital district,]

36 Revisor's Note
37 (End of Subchapter)

38 (1) Sections 5(b) and 8(b), Chapter 422, Acts of
39 the 60th Legislature, Regular Session, 1967, provide
40 procedures for the levy and collection of a property

1 tax. The revised law omits the provisions related to
2 the procedures for levying and collecting taxes
3 because they were repealed by Section 6(b), Chapter
4 841, Acts of the 66th Legislature, Regular Session,
5 1979. See Revisor's Note (2) to Section 1106.251.

6 Sections 5(b) and 8(b), respectively, designate
7 the Texhoma Independent School District tax assessor
8 and collector and the county tax assessor and
9 collector to assess and collect taxes for the
10 district. These provisions are omitted as impliedly
11 repealed by Chapter 595, Acts of the 62nd Legislature,
12 Regular Session, 1971, which provided, in part, that a
13 hospital district organized under Section 9, Article
14 IX, of the Texas Constitution may appoint a tax
15 assessor and collector. See Section 285.041, Health
16 and Safety Code.

17 The revised law also omits the provision relating
18 to certifying the tax rate because Section 26.05(a),
19 Tax Code, requires the governing body of a taxing unit
20 to adopt a tax rate for the current tax year and to
21 notify the tax assessor of that rate.

22 The omitted law reads:

23 [Sec. 5]

24 (b) [Not later than October 1 of each
25 year,] the board of directors shall levy the
26 tax on all taxable property within the
27 district which is subject to taxation and
28 shall immediately certify the tax rate to
29 the tax assessor and collector of the
30 Texhoma Independent School District. The
31 tax levied shall be collected on all
32 property subject to hospital district
33 taxation by the assessor and collector of
34 taxes for the Texhoma Independent School
35 District on the Texhoma Independent School
36 tax values, and in the same manner and under
37 the same conditions as school district
38 taxes. . . .

39 [Sec. 8]

40 (b) . . . [the board of directors
41 shall] . . . certify the tax rate for the
42 year to the county tax assessor and
43 collector as provided in Section 5 of this
44 Act, and it shall be the duty of the tax
45 assessor and collector to assess and

1 collect the tax.

2 (2) Section 5(b), Chapter 422, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that the
4 tax assessor and collector shall 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 Revisor's
9 Note (2) to Section 1106.251. Section 6.27(b), Tax
10 Code, 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 and collector
14 of taxes shall charge and deduct from
15 payments to the hospital district the fees
16 for assessing and collecting the tax at the
17 rate of not exceeding one percent of the
18 amounts collected as may be determined by
19 the board of directors but in no event in
20 excess of \$2,000 for any one fiscal year.
21 The fees shall be deposited in the bank
22 account of the Texhoma Memorial Hospital
23 District. . . .

24 (3) Section 5(b), Chapter 422, Acts of the 60th
25 Legislature, Regular Session, 1967, provides that
26 interest and penalties on district taxes are the same
27 as in the case of school district taxes. The revised
28 law omits that provision because it was repealed by
29 Section 6(b), Chapter 841, Acts of the 66th
30 Legislature, Regular Session, 1979. See Revisor's
31 Note (2) to Section 1106.251. Chapter 33, Tax Code,
32 provides for penalties and interest on delinquent
33 taxes. 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 school district
37 taxes. . . .

38 (4) Section 5(b), Chapter 422, Acts of the 60th
39 Legislature, Regular Session, 1967, provides that tax
40 revenue shall be deposited in the district's
41 depository and withdrawn only as provided by the act.

1 The revised law omits the provision regarding the
2 deposit of tax revenue because Section 31.10, Tax
3 Code, requires the tax collector for a taxing unit to
4 deposit taxes collected in the unit's depository. The
5 revised law omits the provision regarding withdrawal
6 of tax revenue because the provisions of this chapter
7 regarding the expenditure of district money apply
8 according to their own terms. The omitted law reads:

9 (b) . . . All funds shall be
10 withdrawn only as provided by this Act. All
11 other income of the hospital district shall
12 be deposited in like manner with the
13 district depository.

14 (5) Section 5(c), Chapter 422, Acts of the 60th
15 Legislature, Regular Session, 1967, 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 (c) The board of directors shall have
20 the authority to levy the tax for the entire
21 year in which the hospital district is
22 established, for the purpose of securing
23 funds to initiate the operation of the
24 hospital district.

25 Revisor's Note
26 (End of Chapter)

27 (1) Section 1(b), Chapter 422, Acts of the 60th
28 Legislature, Regular Session, 1967, provides that
29 Sherman County or a municipality in the county has not
30 acquired or operated any hospital facilities before
31 the district's creation and that the district does not
32 assume any debt or take over any properties on
33 creation. The revised law omits those provisions as
34 executed. The omitted law reads:

35 (b) It is determined and found by the
36 Legislature that neither Sherman County nor
37 any city in Sherman County has acquired or
38 operates any hospital facilities, and
39 therefore the district, if created, will
40 have no indebtedness to assume, nor will it
41 have any properties to take over under the
42 provision of the aforementioned
43 constitutional provision.

1 (2) Section 17, Chapter 422, Acts of the 60th
2 Legislature, Regular Session, 1967, 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. 17. Proof of publication of the
8 constitutional notice required in the
9 enactment hereof under the provisions of
10 Section 9, Article IX, Constitution of the
11 State of Texas has been made in the manner
12 and form provided by law pertaining to the
13 enactment of local and special laws and is
14 hereby found and declared to be proper and
15 sufficient to satisfy the requirement.

16 (3) Section 19, Chapter 422, Acts of the 60th
17 Legislature, Regular Session, 1967, repeals all laws
18 in conflict with that article. The revised law omits
19 the provision as executed. The omitted law reads:

20 Sec. 19. All laws or parts of law in
21 conflict herewith are hereby repealed to
22 the extent of the conflict only.

23 (4) Section 20, Chapter 422, Acts of the 60th
24 Legislature, Regular Session, 1967, 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), applicable to the revised
28 law, which provides that a provision of a statute is
29 severable from each other provision of the statute
30 that can be given effect. The omitted law reads:

31 Sec. 20. If any word, sentence, part,
32 or section of this Act shall be held
33 unconstitutional or invalid for any reason,
34 the remainder of the Act shall be in full
35 force and effect.

36 CHAPTER 1108. TRINITY MEMORIAL HOSPITAL DISTRICT

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2 CHAPTER 1108. TRINITY MEMORIAL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 1108.001. 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 Trinity Memorial 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. 1108.002. AUTHORITY FOR OPERATION. The Trinity
18 Memorial Hospital District operates and is administered and
19 financed in accordance with Section 9, Article IX, Texas
20 Constitution, and has the rights, powers, and duties provided by
21 this chapter. (Acts 67th Leg., R.S., Ch. 265, Sec. 1.)

22 Source Law

23 Sec. 1. In accordance with Article IX, Section
24 9, of the Texas Constitution this Act authorizes the
25 creation, establishment, administration, maintenance,
26 operation, and financing of the Trinity Memorial
27 Hospital District with the rights, powers, and duties
28 provided by this Act.

29 Revisor's Note

30 Section 1, Chapter 265, Acts of the 67th
31 Legislature, Regular Session, 1981, authorizes the
32 "creation, establishment, administration,
33 maintenance, operation, and financing" of the
34 district. The revised law omits "creation" and
35 "establishment" as executed. The revised law omits
36 "maintenance" because, in this context, the meaning of
37 that term is included in the meaning of "operation."

1 held within 60 months from the effective
2 date of this Act, 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 levy annual taxes
8 . . . for the purpose of meeting the
9 requirements of the district's bonds,
10 indebtedness assumed by it, and its
11 maintenance and operating expenses. A
12 majority of the electors of the area of the
13 proposed district voting at the election in
14 favor of the proposition is sufficient for
15 its adoption.

16 (c) The form of ballot used at the
17 election for the creation of the district
18 must be in conformity with Section 61, Texas
19 Election Code, as amended (Article 6.05,
20 Vernon's Texas Election Code), so that
21 ballots may be cast for or against the
22 following proposition: "The creation of the
23 Trinity Memorial Hospital District;
24 providing for the levy of annual taxes for
25 hospital purposes at a rate not to exceed 75
26 cents on the \$100 valuation of all taxable
27 property within the district."

28 (d) Not later than the 10th day after
29 the date the election is held, the temporary
30 directors of the district shall convene and
31 canvass the returns of the election and, if
32 the election results are favorable to the
33 proposition specified in Subsection (c) of
34 this section, the board shall so find and
35 declare the hospital district created.

36 Sec. 10. A petition for an election
37 to create the hospital district, as
38 provided by Section 4 of this Act, may
39 incorporate a request that a separate
40 proposition be submitted at the election as
41 to whether the board of the district, in the
42 event it is created, shall be authorized to
43 issue bonds for the purposes specified in
44 Section 9 of this Act. The petition must
45 specify the maximum amount of bonds to be
46 issued and their maximum maturity. That
47 information must be included in the
48 proposition submitted at the election. At
49 the election to create the district, the
50 temporary board, on its own motion, may
51 submit a proposition on whether bonds will
52 be issued for the purposes specified in
53 Section 9 of this Act, regardless of whether
54 a petition so requests and regardless of
55 whether a petition is presented. The
56 commissioners court shall canvass the
57 returns of the bond proposition if one is
58 submitted at the election to create the
59 district. If the creation of the district is
60 authorized and if a majority of the votes
61 cast in the election favor the issuance of
62 the bonds, the board may issue the bonds in
63 the manner provided in this Act for the
64 issuance of district bonds.

65 [Sections 1108.007-1108.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Revised Law

3 Sec. 1108.051. BOARD ELECTION; TERM. (a) The board
4 consists of nine directors elected by place.

5 (b) Unless four-year terms are established under Section
6 285.081, Health and Safety Code, directors serve staggered two-year
7 terms with the terms of four or five directors expiring each year as
8 appropriate. (Acts 67th Leg., R.S., Ch. 265, Sec. 5(d) (part).)

9 Source Law

10 (d) . . . On the first Saturday in April
11 following the creation of the district, nine directors
12 shall be elected by place. Those persons elected to
13 fill even-numbered places at the initial election of
14 board members serve for two-year terms, and those
15 persons elected to fill odd-numbered places at the
16 initial election of board members serve for one-year
17 terms. After the first election of directors, the
18 appropriate number of successor directors shall be
19 elected for two-year terms

20 Revisor's Note

21 (1) Sections 5(a), (b), (c), and (d), Chapter
22 265, Acts of the 67th Legislature, Regular Session,
23 1981, prescribe the procedure for the appointment and
24 the terms of service of temporary directors and the
25 initial board. The revised law omits the provisions as
26 executed. Throughout this chapter, the revised law
27 omits references to "temporary" directors as executed.
28 The omitted law reads:

29 Sec. 5. (a) On the effective date of
30 this Act, the following persons become
31 temporary directors of the district.

- 32 Place No. 1 C. D. Roberts
- 33 Place No. 2 Goree Gates
- 34 Place No. 3 Joe Chandler
- 35 Place No. 4 Walter Connell
- 36 Place No. 5 Randal Leggett
- 37 Place No. 6 G. G. Gibson
- 38 Place No. 7 Ben Blair
- 39 Place No. 8 Jimmy Thornton
- 40 Place No. 9 Oren Wilkison

41 (b) Each temporary director shall
42 execute the constitutional oath of office
43 not later than the 90th day after the
44 effective date of this Act.

45 (c) Temporary directors serve until
46 the creation of the district is confirmed at
47 an election. A vacancy in the office of
48 temporary director, whether by reason of
49 failure to qualify or the occurrence of a

1 vacancy before the confirmation of the
2 district at an election, shall be filled by
3 appointment made by the County Judge of
4 Trinity County.

5 (d) At the time the creation of the
6 district is approved and the returns of the
7 election are officially canvassed, the
8 persons then serving as temporary directors
9 become [permanent directors]

10 (2) Section 5(d), Chapter 265, Acts of the 67th
11 Legislature, Regular Session, 1981, provides for
12 directors' elections to be held on the "first Saturday
13 in April each year." The revised law omits that
14 provision as impliedly repealed by a later amendment
15 to Section 41.001, Election Code. Chapter 14, Acts of
16 the 69th Legislature, 3rd Called Session, 1986,
17 amended Section 41.001, Election Code, to prescribe
18 certain uniform election dates. Section 37 of that act
19 required a political subdivision that had held its
20 general election of officers on the first Saturday in
21 April to hold that election on a uniform election date
22 in May or to choose a different uniform election date
23 on which to hold the election. The omitted law reads:

24 (d) . . . [directors shall be
25 elected] . . . on the first Saturday in
26 April each year.

27 (3) Section 5(d), Chapter 265, Acts of the 67th
28 Legislature, Regular Session, 1981, prescribes the
29 procedures for electing the initial board of elected
30 directors. The revised law omits those provisions as
31 executed but codifies the establishment of a board
32 consisting of nine directors elected from the district
33 by place. Section 5(d) also establishes staggered
34 two-year terms for the initial elected directors that
35 expire in the first or second year after the election.
36 The revised law codifies the provision specifying
37 staggered terms but omits the provision relating to
38 the year on which the initial terms expire as executed.

39 (4) Section 5(d), Chapter 265, Acts of the 67th
40 Legislature, Regular Session, 1981, provides that

1 directors serve two-year terms. Section 285.081,
2 Health and Safety Code, applicable to the district,
3 provides a mechanism by which the governing board of a
4 hospital district, on its own motion, may order that
5 the directors are to be elected in even-numbered years
6 to serve staggered four-year terms. The revised law is
7 drafted accordingly and adds a reference to Section
8 285.081 of that code for the convenience of the reader.

9 (5) Section 5(d), Chapter 265, Acts of the 67th
10 Legislature, Regular Session, 1981, requires each
11 director to take the constitutional oath of office.
12 The revised law omits that provision because Section
13 1, Article XVI, Texas Constitution, requires an
14 officer of this state to take the constitutional oath
15 (or affirmation) before assuming office. The omitted
16 law reads:

17 (d) . . . permanent directors of the
18 district and shall execute the
19 constitutional oath of office. . . .

20 Revised Law

21 Sec. 1108.052. NOTICE OF ELECTION. At least 30 days before
22 the date of a directors' election, notice of the election must be
23 published one time in a newspaper or newspapers that individually
24 or collectively have general circulation in the district. (Acts
25 67th Leg., R.S., Ch. 265, Sec. 5(e).)

26 Source Law

27 (e) Notice of each directors' election shall be
28 published in a newspaper or newspapers which
29 individually or collectively provide general
30 circulation in the district one time at least 30 days
31 before the date of the election.

32 Revised Law

33 Sec. 1108.053. BALLOT PETITION. A person who wants to have
34 the person's name printed on the ballot as a candidate for director
35 must file with the board secretary a petition requesting that
36 action. The petition must:

37 (1) be signed by at least 10 voters in the district;

1 (2) be filed by the deadline imposed by Section
2 144.005, Election Code; and

3 (3) specify the place for which the person is to be a
4 candidate. (Acts 67th Leg., R.S., Ch. 265, Sec. 5(f).)

5 Source Law

6 (f) A person desiring to have his name printed
7 on the ballot as a candidate for director shall file
8 with the secretary of the board of directors a petition
9 signed by at least 10 electors in the district asking
10 that his name be printed on the ballot. The petition
11 must be filed with the secretary at least 31 days
12 before the date of the election. The petition shall
13 designate the place for which the applicant is to be a
14 candidate.

15 Revisor's Note

16 (1) Section 5(f), Chapter 265, Acts of the 67th
17 Legislature, Regular Session, 1981, refers to a
18 petition signed by 10 "electors" in the district.
19 Throughout this chapter, the revised law substitutes
20 "voters" for "electors" because "voters" is the term
21 used in the Election Code.

22 (2) Section 5(f), Chapter 265, Acts of the 67th
23 Legislature, Regular Session, 1981, requires a person
24 who seeks to be a candidate for director to file a
25 petition signed by at least 10 voters at least 31 days
26 before the date of the election to have the candidate's
27 name appear on the ballot. Under Section 144.003,
28 Election Code (applicable to the district under
29 Section 144.001, Election Code), a candidate for
30 office must submit an application for a place on the
31 ballot. The application must be filed by the deadline
32 imposed by Section 144.005, Election Code, which is
33 either 71 or 78 days before the date of the election,
34 depending on when the election is held. Because the
35 petition serves as an additional requirement for a
36 candidate to appear on the ballot, the revised law
37 conforms the date the petition must be filed to the
38 date the application must be filed.

1 Revised Law

2 Sec. 1108.054. QUALIFICATIONS FOR OFFICE. (a) A person may
3 not be elected or appointed as a director unless the person is:

- 4 (1) at least 18 years of age;
5 (2) a resident of the district; and
6 (3) a qualified voter.

7 (b) A person elected or appointed to fill Place 1 or 3 on the
8 board must also be a resident of the portion of Commissioners
9 Precinct 1 or 3, respectively, that lies within the district.

10 (c) A person is not eligible to serve as a director if the
11 person is:

- 12 (1) the district administrator; or
13 (2) a district employee. (Acts 67th Leg., R.S., Ch.
14 265, Sec. 5(h).)

15 Source Law

16 (h) A person may not be appointed or elected as a
17 member of the temporary or permanent board of
18 directors unless he is at least 18 years of age, a
19 resident of the district, and a qualified voter, and a
20 person appointed or elected to fill place one or three
21 on the board must be a resident of the portion of
22 commissioners precinct one or three, respectively,
23 that lies within the district. Neither the
24 administrator nor an employee of the district is
25 eligible to serve as director.

26 Revised Law

27 Sec. 1108.055. BOARD VACANCY. If a vacancy occurs in the
28 office of director, the remaining directors shall fill the vacancy
29 for the unexpired term. (Acts 67th Leg., R.S., Ch. 265, Sec. 5(g).)

30 Source Law

31 (g) A vacancy in the office of director shall be
32 filled for the unexpired term by the remainder of the
33 board of directors.

34 Revised Law

35 Sec. 1108.056. OFFICERS. (a) The board shall elect:

- 36 (1) a president and a vice president from among its
37 members; and
38 (2) a secretary, who need not be a director.

39 (b) Each officer of the board serves a one-year term.

40 (c) The board shall fill a vacancy in a board office for the

1 unexpired term. (Acts 67th Leg., R.S., Ch. 265, Sec. 5(i) (part).)

2 Source Law

3 (i) The board shall organize by electing one of
4 its number as president and one of its number as
5 vice-president. A secretary, who need not be a
6 director, also shall be elected. Officers shall be
7 elected for a term of one year, and a vacancy shall be
8 filled for the unexpired term by the board. . . .

9 Revised Law

10 Sec. 1108.057. COMPENSATION; EXPENSES. A director or
11 officer serves without compensation but may be reimbursed for
12 actual expenses incurred in the performance of official duties.
13 The expenses must be:

- 14 (1) reported in the district's records; and
- 15 (2) approved by the board. (Acts 67th Leg., R.S., Ch.
16 265, Sec. 5(i) (part).)

17 Source Law

18 (i) . . . All members of the board and officers
19 serve without compensation but may be reimbursed for
20 actual expenses incurred in the performance of their
21 official duties if those expenses are approved by the
22 board and reported in the minute book of the district
23 or other records of the district.

24 Revisor's Note

25 Section 5(i), Chapter 265, Acts of the 67th
26 Legislature, Regular Session, 1981, requires that
27 approved expenses be reported in the "minute book of
28 the district or other records of the district." The
29 revised law omits "minute book of the district"
30 because the minute book is a district record.

31 Revised Law

32 Sec. 1108.058. QUORUM; VOTING REQUIREMENT. (a) Any four
33 directors constitute a quorum.

34 (b) A concurrence of four directors is sufficient in any
35 matter relating to district business. (Acts 67th Leg., R.S., Ch.
36 265, Sec. 5(i) (part).)

37 Source Law

38 (i) . . . Any four members of the board
39 constitute a quorum, and a concurrence of four is
40 sufficient in all matters pertaining to the business
41 of the district. . . .

1 Revised Law

2 Sec. 1108.059. DISTRICT ADMINISTRATOR. (a) The board may
3 appoint a qualified person as district administrator.

4 (b) The district administrator serves at the will of the
5 board and is entitled to receive the compensation determined by the
6 board.

7 (c) Before assuming the duties of district administrator,
8 the administrator must execute a bond in the amount set by the board
9 of not less than \$5,000 that:

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

12 (2) contains any other condition the board requires.
13 (Acts 67th Leg., R.S., Ch. 265, Sec. 6 (part).)

14 Source Law

15 Sec. 6. . . . The board may appoint qualified
16 persons as administrator of the hospital district,
17 The administrator, . . . serve at the will of
18 the board and are entitled to receive the compensation
19 determined by the board. The administrator shall, on
20 assuming his duties, execute a bond payable to the
21 hospital district in an amount to be set by the board,
22 in no event less than \$5,000, conditioned that he shall
23 perform the duties required of him and containing any
24 other conditions that the board requires. . . .

25 Revised Law

26 Sec. 1108.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
27 Subject to the limitations prescribed by the board, the district
28 administrator shall:

29 (1) supervise the work and activities of the district;
30 and

31 (2) direct the affairs of the district. (Acts 67th
32 Leg., R.S., Ch. 265, Sec. 6 (part).)

33 Source Law

34 Sec. 6. . . . The administrator shall supervise
35 all the work and activities of the district and shall
36 have general direction of the affairs of the district,
37 subject to the limitations prescribed by the
38 board. . . .

39 Revised Law

40 Sec. 1108.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.
41 (a) The board may appoint qualified persons as:

1 (1) the assistant district administrator; and

2 (2) the attorney for the district.

3 (b) The assistant district administrator and the attorney
4 serve at the will of the board and are entitled to receive the
5 compensation determined by the board. (Acts 67th Leg., R.S., Ch.
6 265, Sec. 6 (part).)

7 Source Law

8 Sec. 6. . . . The board may appoint qualified
9 persons as . . . attorney for the district, and
10 assistant to the administrator. . . . the attorney,
11 and the assistant administrator, if any, serve at the
12 will of the board and are entitled to receive the
13 compensation determined by the board. . . .

14 Revised Law

15 Sec. 1108.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
16 board may appoint to the staff any doctors the board considers
17 necessary for the efficient operation of the district and may make
18 temporary appointments as warranted.

19 (b) The district may employ fiscal agents, accountants,
20 architects, and additional attorneys as the board considers proper.

21 (c) The board may delegate to the district administrator the
22 authority to employ district employees, including technicians and
23 nurses. (Acts 67th Leg., R.S., Ch. 265, Secs. 6 (part), 19.)

24 Source Law

25 Sec. 6. . . . The board may appoint to the
26 staff the doctors it considers necessary for the
27 efficient operation of the district and may provide
28 for temporary appointments to the staff if warranted
29 by circumstances. The board may delegate to the
30 administrator the authority to employ technicians,
31 nurses, and employees of the district. . . .

32 Sec. 19. The district may employ fiscal agents,
33 accountants, architects, and additional attorneys as
34 the board considers proper.

35 Revised Law

36 Sec. 1108.063. RETIREMENT BENEFITS. The board may provide
37 retirement benefits for district employees by:

38 (1) establishing or administering a retirement
39 program; or

40 (2) participating in:

41 (A) the Texas County and District Retirement

1 System; or

2 (B) another statewide retirement system in which
3 the district is eligible to participate. (Acts 67th Leg., R.S., Ch.
4 265, Sec. 7.)

5 Source Law

6 Sec. 7. The board may provide retirement
7 benefits for employees of the district. The board may
8 provide the benefits by establishing or administering
9 a retirement program or by electing to participate in
10 the Texas County and District Retirement System or in
11 any other statewide retirement system in which the
12 district is eligible to participate.

13 [Sections 1108.064-1108.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Revised Law

16 Sec. 1108.101. DISTRICT RESPONSIBILITY. The district has
17 full responsibility for operating all hospital facilities and for
18 providing medical and hospital care for the district's needy
19 inhabitants. (Acts 67th Leg., R.S., Ch. 265, Sec. 22 (part).)

20 Source Law

21 Sec. 22. . . . The hospital district shall
22 assume full responsibility for the operation of all
23 hospital facilities and for the furnishing of medical
24 and hospital care for its needy inhabitants. . . .

25 Revisor's Note

26 Section 22, Chapter 265, Acts of the 67th
27 Legislature, Regular Session, 1981, provides that the
28 district "shall assume" full responsibility for
29 operating hospital facilities and for providing
30 medical and hospital care for the district's needy
31 inhabitants. The revised law substitutes "has" for
32 the quoted language because the duty to assume the
33 responsibility is executed.

34 Revised Law

35 Sec. 1108.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
36 The board shall manage, control, and administer the hospital system
37 and the district's money and resources. (Acts 67th Leg., R.S., Ch.
38 265, Sec. 6 (part).)

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

3 (2) all accounting and control procedures. (Acts 67th
4 Leg., R.S., Ch. 265, Sec. 12(b) (part).)

5 Source Law

6 (b) The board may prescribe the method and
7 manner of making purchases and expenditures by and for
8 the hospital district and may prescribe all accounting
9 and control procedures. . . .

10 Revised Law

11 Sec. 1108.106. 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 facilities on terms considered to be in the best interest of the
17 district's inhabitants.

18 (c) The district may acquire equipment for use in the
19 district's hospital system and mortgage or pledge the property as
20 security for the payment of the purchase price.

21 (d) The district may sell or otherwise dispose of any
22 property, including equipment, on terms the board finds are in the
23 best interest of the district's inhabitants. (Acts 67th Leg.,
24 R.S., Ch. 265, Secs. 12(a) (part), (b) (part).)

25 Source Law

26 (a) The board is given complete discretion as to
27 the type, number, and location of buildings required
28 to establish and maintain an adequate hospital
29 system. . . . The district through the board . . . may
30 lease all or part of its facilities on terms and
31 conditions considered to be in the best interest of its
32 inhabitants. The district may sell or otherwise
33 dispose of real or personal property or equipment of
34 any nature, on terms and conditions found by the board
35 to be in the best interest of its inhabitants.

36 (b) . . . The district may acquire equipment for
37 use in its hospital system and mortgage or pledge the
38 property acquired as security for the payment of the
39 purchase price. . . .

40 Revisor's Note

41 (1) Section 12(a), Chapter 265, Acts of the 67th
42 Legislature, Regular Session, 1981, requires the board

1 to determine the buildings required to "establish and
2 maintain" an adequate health care or hospital system.
3 The revised law omits the reference to establishing
4 the hospital system as executed.

5 (2) Section 12(a), Chapter 265, Acts of the 67th
6 Legislature, Regular Session, 1981, refers to "terms
7 and conditions." The revised law omits "conditions"
8 because "conditions" is included in the meaning of
9 "terms."

10 (3) Section 12(a), Chapter 265, Acts of the 67th
11 Legislature, Regular Session, 1981, refers to "real or
12 personal property." The revised law omits the
13 reference to "real or personal" property because
14 Section 311.005(4), Government Code (Code
15 Construction Act), applicable to the revised law,
16 defines "property" to mean real and personal property.

17 Revised Law

18 Sec. 1108.107. 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 to a power,
22 right, or privilege conferred by this chapter.

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

27 (c) In a condemnation proceeding brought by the district,
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 67th Leg., R.S., Ch. 265,

1 Sec. 18(a).)

2 Source Law

3 Sec. 18. (a) The district may exercise the
4 power of eminent domain to acquire by condemnation
5 property of any kind and character in fee simple, or
6 any lesser interest in property, within the boundaries
7 of the district necessary or convenient to the powers,
8 rights, and privileges conferred by this Act, in the
9 manner provided by the general law with respect to
10 condemnation by counties. The district may not be
11 required to make deposits in the registry of the trial
12 court of the sum required by Paragraph 2, Article 3268,
13 Revised Civil Statutes of Texas, 1925, as amended, or
14 to make bond as provided in that law. In condemnation
15 proceedings being prosecuted by the district, the
16 district may not be required to pay in advance or give
17 bond or other security for costs in the trial court or
18 to give any bond otherwise required for the issuance of
19 a temporary restraining order or a temporary
20 injunction or to give bond for costs or for supersedeas
21 on any appeal or writ of error.

22 Revisor's Note

23 (1) Section 18(a), Chapter 265, Acts of the 67th
24 Legislature, Regular Session, 1981, 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 (2) Section 18(a), Chapter 265, Acts of the 67th
33 Legislature, Regular Session, 1981, refers to
34 "Paragraph 2, Article 3268, Revised Civil Statutes of
35 Texas, 1925, as amended." That statute was codified in
36 1983 as Section 21.021(a), Property Code, and the
37 revised law is drafted accordingly. In addition,
38 throughout this chapter, the revised law omits the
39 references to "as amended" because under Section
40 311.027, Government Code (Code Construction Act), a
41 reference to a statute applies to all reenactments,
42 revisions, or amendments of the statute unless
43 expressly provided otherwise.

1 R.S., Ch. 265, Sec. 21.)

2 Source Law

3 Sec. 21. The board may accept on behalf of the
4 district donations, gifts, and endowments to be held
5 in trust for those purposes and under those
6 directions, limitations, and provisions that are
7 prescribed in writing by the donor consistent with
8 proper management and object of the hospital district.

9 Revisor's Note

10 Section 21, Chapter 265, Acts of the 67th
11 Legislature, Regular Session, 1981, refers to
12 "donations" and "gifts." The revised law omits the
13 reference to "donations" because "donations" is
14 included in the meaning of "gifts."

15 Revised Law

16 Sec. 1108.110. CONSTRUCTION CONTRACTS. A construction
17 contract that involves the expenditure of more than \$10,000 may be
18 made only after advertising in the manner provided by Chapter 252
19 and Subchapter C, Chapter 262, Local Government Code. (Acts 67th
20 Leg., R.S., Ch. 265, Sec. 12(b) (part).)

21 Source Law

22 (b) . . . Contracts for construction involving
23 the expenditure of more than \$10,000 may be made only
24 after advertising in the manner provided by Chapter
25 163, General Laws, Acts of the 42nd Legislature,
26 Regular Session, 1931, as amended (Article 2368a,
27 Vernon's Texas Civil Statutes). . . .

28 Revisor's Note

29 (1) Section 12(b), Chapter 265, Acts of the 67th
30 Legislature, Regular Session, 1981, permits
31 construction contracts involving more than \$10,000
32 only after advertising in the manner provided by
33 "Chapter 163, General Laws, Acts of the 42nd
34 Legislature, Regular Session, 1931, as amended
35 (Article 2368a, Vernon's Texas Civil Statutes)."
36 Article 2368a was amended by Chapter 641, Acts of the
37 69th Legislature, Regular Session, 1985, which
38 transferred provisions relating to advertising for
39 bids by counties to the County Purchasing Act

1 (V.A.C.S. Article 2368a.5). The County Purchasing Act
2 was codified in 1987 as Subchapter C, Chapter 262,
3 Local Government Code. The provisions of Article
4 2368a relating to advertising for bids by
5 municipalities were codified in 1987 as Chapter 252,
6 Local Government Code. The revised law is drafted
7 accordingly.

8 (2) Section 12(b), Chapter 265, Acts of the 67th
9 Legislature, Regular Session, 1981, provides that
10 Article 5160, Revised Civil Statutes of Texas, 1925,
11 applies to the district's construction contracts in
12 relation to performance and payment bonds. The
13 revised law omits that reference because Article 5160
14 was codified as Chapter 2253, Government Code, and
15 that chapter applies to hospital districts on its own
16 terms. The omitted law reads:

17 (b) . . . Article 5160, Revised Civil
18 Statutes of Texas, 1925, as amended, as it
19 relates to performance and payment bonds,
20 applies to construction contracts let by
21 the district. . . .

22 Revised Law

23 Sec. 1108.111. OPERATING AND MANAGEMENT CONTRACTS. The
24 board may enter into an operating or management contract relating
25 to a district facility. (Acts 67th Leg., R.S., Ch. 265, Sec. 12(a)
26 (part).)

27 Source Law

28 (a) [The district through the board] may also
29 enter into an operating or management contract with
30 regard to all or part of its facilities or

31 Revised Law

32 Sec. 1108.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
33 SERVICES. The board may contract with a political subdivision or
34 governmental agency for the district to provide mobile emergency
35 medical services and investigatory or other services as to
36 facilities for the medical care, hospital, or welfare needs of
37 district inhabitants. (Acts 67th Leg., R.S., Ch. 265, Sec. 6

1 (part).)

2 Source Law

3 Sec. 6. . . . The board may contract with other
4 political subdivisions or governmental agencies for
5 the district to provide mobile emergency medical
6 services and investigatory or other services as to
7 facilities for the medical care, hospital, or welfare
8 needs of the inhabitants of the district. . . .

9 Revised Law

10 Sec. 1108.113. 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 legally liable for the
16 patient's support.

17 (b) If the district administrator determines that the
18 patient or those relatives cannot pay for all or part of the care
19 and treatment in the hospital, the amount that cannot be paid
20 becomes a charge against the district.

21 (c) If the district administrator determines that the
22 patient or those relatives can pay for all or part of the costs of
23 the patient's care and treatment, the patient or those relatives
24 shall be ordered to pay the district a specified amount each week
25 for the patient's care and support. The amount ordered must be
26 proportionate to their financial ability.

27 (d) The district administrator may collect the amount from
28 the patient's estate, or from those relatives legally liable for
29 the patient's support, in the manner provided by law for the
30 collection of expenses of the last illness of a deceased person.

31 (e) If there is a dispute as to the ability to pay, or doubt
32 in the mind of the district administrator, the board shall:

33 (1) call witnesses;

34 (2) hear and resolve the dispute or doubt; and

35 (3) issue a final order.

36 (f) A final order of the board may be appealed to the
37 district court. The substantial evidence rule applies to the

1 appeal. (Acts 67th Leg., R.S., Ch. 265, Sec. 20.)

2 Source Law

3 Sec. 20. If a patient residing within the
4 district is admitted to the facilities of the
5 district, the administrator may have an inquiry made
6 as to his circumstances and those of the relatives of
7 the patient legally liable for his support. If the
8 administrator finds that the patient or his relatives
9 are able to pay for his care and treatment in whole or
10 in part, an order shall be made directing the patient
11 or his relatives to pay to the hospital district for
12 the care and support of the patient a specified sum per
13 week in proportion to their financial ability. The
14 administrator may collect these sums from the estate
15 of the patient or his relatives legally liable for
16 support in the manner provided by law for collection of
17 expenses in the last illness of a deceased person. If
18 the administrator finds that the patient or his
19 relatives cannot pay either in whole or in part for
20 care and treatment in the hospital, they shall become a
21 charge on the hospital district as to the amount of the
22 inability to pay. If there is a dispute concerning the
23 ability to pay or doubt in the mind of the
24 administrator, the board shall hear and resolve the
25 dispute and issue its final order after calling
26 witnesses. Appeals from a final order of the board are
27 within the jurisdiction of the district court. The
28 substantial evidence rule applies.

29 Revised Law

30 Sec. 1108.114. REIMBURSEMENT FOR SERVICES. (a) The board
31 shall require a county or municipality located outside the district
32 to reimburse the district for the care and treatment of a sick or
33 injured person of that county or municipality.

34 (b) The board shall require the sheriff of Trinity County to
35 reimburse the district for the care and treatment of a prisoner
36 imprisoned in Trinity County who is not a district resident.

37 (c) The district may contract with this state or a federal
38 agency for the reimbursement for the treatment of a sick or injured
39 person. (Acts 67th Leg., R.S., Ch. 265, Sec. 6 (part).)

40 Source Law

41 Sec. 6. . . . The board shall require from a
42 county or incorporated municipality located outside
43 the boundaries of the district reimbursement for the
44 care and treatment of the sick, diseased, or injured
45 persons of that county or municipality and require
46 reimbursement from the sheriff of Trinity County for
47 the care and treatment of prisoners imprisoned in
48 Trinity County who are not residents of the district.
49 The district may also contract with the state or
50 agencies of the federal government for the
51 reimbursement for the treatment of sick, diseased, or
52 injured persons.

1 Revisor's Note

2 (1) Section 6, Chapter 265, Acts of the 67th
3 Legislature, Regular Session, 1981, 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 6, Chapter 265, Acts of the 67th
9 Legislature, Regular Session, 1981, refers to the
10 treatment of "sick, diseased, or injured persons."
11 The revised law omits the references to "diseased"
12 because "diseased" is included in the meaning of
13 "sick."

14 Revised Law

15 Sec. 1108.115. AUTHORITY TO SUE AND BE SUED. The district,
16 through the board, may sue and be sued. (Acts 67th Leg., R.S., Ch.
17 265, Sec. 6 (part).)

18 Source Law

19 Sec. 6. . . . The district through its board
20 may sue and be sued and

21 [Sections 1108.116-1108.150 reserved for expansion]

22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

23 Revised Law

24 Sec. 1108.151. BUDGET. (a) The district administrator
25 shall prepare an annual budget for approval by the board.

26 (b) The proposed budget must contain a complete financial
27 statement of:

28 (1) the outstanding obligations of the district;

29 (2) the cash on hand to the credit of each district
30 fund;

31 (3) the money received by the district from all
32 sources during the previous year;

33 (4) the money available to the district from all
34 sources during the ensuing year;

35 (5) the balances expected at the end of the year in

1 which the budget is being prepared;

2 (6) the estimated revenue and balances available to
3 cover the budget; and

4 (7) the estimated tax rate required. (Acts 67th Leg.,
5 R.S., Ch. 265, Sec. 8 (part).)

6 Source Law

7 Sec. 8. . . . The administrator shall prepare
8 an annual budget for approval by the board. The budget
9 shall also contain a complete financial statement of
10 the district showing all outstanding obligations of
11 the district, the cash on hand to the credit of each
12 fund of the district, the funds received from all
13 sources during the previous year, the funds available
14 from all sources during the ensuing year, the balances
15 expected at the end of the year in which the budget is
16 being prepared, estimated revenues and balances
17 available to cover the proposed budget, and the
18 estimated tax rate that will be required. . . .

19 Revised Law

20 Sec. 1108.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)
21 The board shall hold a public hearing on the proposed annual budget.

22 (b) At least 10 days before the date of the hearing, notice
23 of the hearing must be published one time in a newspaper with
24 general circulation in the district.

25 (c) Any district resident is entitled to be present and
26 participate at the hearing.

27 (d) At the conclusion of the hearing, the board shall act on
28 the budget as proposed by the district administrator. The board may
29 make any changes in the proposed budget that the board judges to be
30 in the interests of the taxpayers and the law warrants. The budget
31 must be approved by the board. (Acts 67th Leg., R.S., Ch. 265, Sec.
32 8 (part).)

33 Source Law

34 Sec. 8. . . . A public hearing on the annual
35 budget shall be held by the board after notice of a
36 hearing has been published in a newspaper with general
37 circulation in the district one time at least 10 days
38 before the date set for the hearing. Any person
39 residing in the district is entitled to be present and
40 participate in the hearing. At the conclusion of the
41 hearing, the budget, as proposed by the administrator,
42 shall be acted on by the board. The board may make
43 changes in the proposed budget that in its judgment the
44 law warrants and the interest of the taxpayers
45 demands. . . . the annual budget . . . must be
46 approved by the board. . . .

1 Revised Law

2 Sec. 1108.153. AMENDMENTS TO BUDGET. After the annual
3 budget is adopted, the budget may be amended as required by
4 circumstances. The board must approve all amendments. (Acts 67th
5 Leg., R.S., Ch. 265, Sec. 8 (part).)

6 Source Law

7 Sec. 8. . . . The annual budget, after it is
8 adopted, may be amended from time to time as
9 circumstances require, but [the annual budget] and all
10 amendments to it must be approved by the board. . . .

11 Revisor's Note

12 Section 8, Chapter 265, Acts of the 67th
13 Legislature, Regular Session, 1981, states that the
14 budget may be amended "from time to time." The revised
15 law omits the quoted language because the authority to
16 take an action implies the authority to do so at any
17 time.

18 Revised Law

19 Sec. 1108.154. RESTRICTION ON EXPENDITURES. Money may be
20 spent only for an expense included in the budget or an amendment to
21 the budget. (Acts 67th Leg., R.S., Ch. 265, Sec. 8 (part).)

22 Source Law

23 Sec. 8. . . . An expenditure may not be made
24 for any expense not included in the annual budget or an
25 amendment to it. . . .

26 Revised Law

27 Sec. 1108.155. FISCAL YEAR. (a) The district operates
28 according to a fiscal year established by the board.

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

30 (1) during a period that district revenue bonds are
31 outstanding; or

32 (2) more than once in any 24-month period. (Acts 67th
33 Leg., R.S., Ch. 265, Sec. 8 (part).)

34 Source Law

35 Sec. 8. The district shall be operated on the
36 basis of a fiscal year established by the board. The
37 fiscal year may not be changed during the time revenue
38 bonds of the district are outstanding or more than once
39 in any 24-month period. . . .

1 Revised Law

2 Sec. 1108.156. ANNUAL AUDIT. The board annually shall have
3 an audit made of the district's financial condition. (Acts 67th
4 Leg., R.S., Ch. 265, Sec. 8 (part).)

5 Source Law

6 Sec. 8. . . . The board shall have an annual
7 audit made of the financial condition of the
8 district. . . .

9 Revised Law

10 Sec. 1108.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
11 RECORDS. The annual audit and other district records shall be open
12 to inspection at the district's principal office. (Acts 67th Leg.,
13 R.S., Ch. 265, Sec. 8 (part).)

14 Source Law

15 Sec. 8. . . . The annual audit and other
16 records of the district shall be open to inspection at
17 the principal office of the district. . . .

18 Revised Law

19 Sec. 1108.158. 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 67th Leg., R.S., Ch. 265, Sec. 8 (part).)

26 Source Law

27 Sec. 8. . . . As soon as practicable after the
28 close of each fiscal year, the administrator shall
29 prepare for the board a full sworn statement of all
30 money belonging to the district and a full account of
31 the disbursements of that money.

32 Revised Law

33 Sec. 1108.159. DEPOSITORY. (a) The board shall select one
34 or more banks inside or outside the district to serve as a
35 depository for district money.

36 (b) District money, other than money invested as provided by
37 Section 1108.160(b) and money transmitted to a bank for payment of
38 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on
2 deposit.

3 (c) This chapter, including Subsection (b), does not limit
4 the power of the board to place a part of district money on time
5 deposit or to purchase certificates of deposit. (Acts 67th Leg.,
6 R.S., Ch. 265, Sec. 13(a).)

7 Source Law

8 Sec. 13. (a) The board shall name one or more
9 banks within or without its boundaries to serve as
10 depository for the funds of the district. Funds of the
11 district, except those invested as provided by Section
12 6 of this Act and those transmitted to a bank or banks
13 of payment for bonds or obligations issued or assumed
14 by the district, shall be deposited as received with
15 the depository bank and shall remain on deposit,
16 provided that nothing in this Act limits the power of
17 the board to place a portion of the funds on time
18 deposit or to purchase certificates of deposit.

19 Revisor's Note

20 Section 13(b), Chapter 265, Acts of the 67th
21 Legislature, Regular Session, 1981, requires a bank to
22 provide a specified amount of collateral to ensure the
23 security of district funds deposited at the bank. The
24 revised law omits the provision as superseded by
25 Subchapter B, Chapter 2257, Government Code (enacted
26 in 1989 as Article 2529d, Vernon's Texas Civil
27 Statutes), and specifically by Sections 2257.021 and
28 2257.022 of that subchapter, which establish the
29 amount of collateral required for a deposit of public
30 funds. Subchapter B, Chapter 2257, Government Code,
31 applies to the security for district funds under
32 Sections 2257.002 and 2257.004, Government Code. The
33 omitted law reads:

34 (b) Before the district deposits
35 funds in a bank in an amount that exceeds
36 the maximum amount secured by the Federal
37 Deposit Insurance Corporation, the bank
38 must execute a bond or other security in an
39 amount sufficient to secure from loss the
40 district funds that exceed the amount
41 secured by the Federal Deposit Insurance
42 Corporation.

1 Revised Law

2 Sec. 1108.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
3 Except as provided by Section 1108.106(c) and by Subchapter E, the
4 district may not incur an obligation payable from district revenue
5 other than the revenue on hand or to be on hand in the current and
6 following district fiscal years.

7 (b) The board may invest operating, depreciation, or
8 building reserves only in funds or securities specified by Chapter
9 2256, Government Code. (Acts 67th Leg., R.S., Ch. 265, Secs. 6
10 (part), 12(b) (part).)

11 Source Law

12 Sec. 6. . . . in no event may operating,
13 depreciation, or building reserves be invested in
14 funds or securities other than those specified by
15 Article 836 or 837, Revised Civil Statutes of Texas,
16 1925, as amended. . . .

17 [Sec. 12]

18 (b) . . . Except as permitted in the preceding
19 sentence and Sections 9, 10, and 11 of this Act, the
20 district may not incur an obligation payable from
21 revenues of the district, whether from taxes or other
22 sources, except those on hand or to be on hand within
23 the then current and following fiscal years of the
24 district.

25 Revisor's Note

26 (1) Section 6, Chapter 265, Acts of the 67th
27 Legislature, Regular Session, 1981, refers to "Article
28 836 or 837, Revised Civil Statutes of Texas, 1925, as
29 amended." Those articles were impliedly repealed by
30 the enactment of the Public Funds Investment Act of
31 1987 (Article 842a-2, Vernon's Texas Civil Statutes),
32 which was revised in 1993 as Chapter 2256, Government
33 Code. Chapter 2256 defines "local government" to
34 include hospital districts and applies to the district
35 by its own terms. The revised law therefore
36 substitutes a reference to Chapter 2256, Government
37 Code, for the references to Articles 836 and 837.

38 (2) Section 12(b), Chapter 265, Acts of the 67th
39 Legislature, Regular Session, 1981, provides that,
40 "[e]xcept as permitted in the preceding sentence and

1 Sections 9, 10, and 11," the district may not incur
2 certain obligations. The "preceding sentence" in
3 Section 12(b) is revised in Section 1108.106(c). As
4 explained in the revisor's note to the end of
5 Subchapter A, Section 10 is omitted from the revised
6 law as executed. Sections 9 and 11 are revised in
7 Subchapter E. The revised law is drafted accordingly.

8 [Sections 1108.161-1108.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Revised Law

11 Sec. 1108.201. GENERAL OBLIGATION BONDS. The board may
12 issue and sell general obligation bonds in the name and on the faith
13 and credit of the district for any purpose relating to:

14 (1) the purchase, construction, acquisition, repair,
15 or renovation of buildings or improvements;

16 (2) equipping buildings or improvements for hospital
17 purposes; and

18 (3) the acquisition and operation of mobile emergency
19 medical services to assist the district in carrying out its
20 hospital purposes. (Acts 67th Leg., R.S., Ch. 265, Sec. 9(a)
21 (part).)

22 Source Law

23 Sec. 9. (a) The board may issue and sell bonds
24 in the name and on the faith and credit of the hospital
25 district for any purpose related to the purchase,
26 construction, acquisition, repair, and renovation of
27 buildings and improvements; equipping the buildings
28 and improvements for hospital purposes; and the
29 acquisition and operation of mobile emergency medical
30 services to assist the district in carrying out its
31 hospital purposes. . . .

32 Revisor's Note

33 Section 9(a), Chapter 265, Acts of the 67th
34 Legislature, Regular Session, 1981, provides that the
35 board may issue and sell bonds in the name and on the
36 faith and credit of the district. Because the type of
37 bonds described by Section 9(a) are known as "general
38 obligation bonds," the revised law is drafted

1 accordingly.

2 Revised Law

3 Sec. 1108.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
4 the time general obligation bonds are issued by the district, the
5 board shall impose an ad valorem tax at a rate sufficient to create
6 an interest and sinking fund to pay the principal of and interest on
7 the bonds as the bonds mature.

8 (b) The tax required by this section together with any other
9 ad valorem tax imposed for the district may not in any year exceed
10 75 cents on each \$100 valuation of all taxable property in the
11 district subject to hospital district taxation. (Acts 67th Leg.,
12 R.S., Ch. 265, Sec. 9(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 the bonds
18 as they mature. The tax together with any other taxes
19 levied for the district may not exceed 75 cents on each
20 \$100 of valuation of all taxable property located in
21 the district subject to hospital district taxation in
22 any one year. . . .

23 Revisor's Note

24 Section 9(a), Chapter 265, Acts of the 67th
25 Legislature, Regular Session, 1981, 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. Section
30 1(b), Article VIII, Texas Constitution, requires all
31 property that is taxed to be taxed in proportion to its
32 value, and accordingly "ad valorem" tax is the term
33 most commonly used in Texas law to refer to a tax on
34 property.

35 Revised Law

36 Sec. 1108.203. GENERAL OBLIGATION BOND ELECTION. (a) The
37 district may issue general obligation bonds only if the bonds are
38 authorized by a majority of the district voters.

1 (b) The board, in ordering a bond election, must provide for
2 clerks as in county elections and must specify:

- 3 (1) the date of the election;
- 4 (2) the location of the polling places;
- 5 (3) the presiding and alternate election judges for
6 each polling place;
- 7 (4) the amount of the bonds to be authorized; and
- 8 (5) the maximum maturity of the bonds.

9 (c) Notice of a bond election shall be given as provided by
10 Section 1251.003, Government Code.

11 (d) Section 41.001(a), Election Code, does not apply to an
12 election held under this section.

13 (e) The board shall declare the results of the election.
14 (Acts 67th Leg., R.S., Ch. 265, Sec. 9(a) (part).)

15 Source Law

16 (a) . . . bonds may not be issued by the
17 hospital district until authorized by a majority of
18 the qualified electors of the district. The board, in
19 ordering a bond election, shall specify the date of the
20 election, the amount of bonds to be authorized, the
21 maximum maturity of the bonds, the place or places at
22 which the election will be held, and the presiding
23 judge and alternate judge for each voting place and
24 shall provide for clerks as in county elections.
25 Section 9b, Texas Election Code, as amended (Article
26 2.01b, Vernon's Texas Election Code), does not apply to
27 a bond election. Notice of any bond election shall be
28 given as provided in Article 704, Revised Civil
29 Statutes of Texas, 1925, as amended, and the election
30 shall be conducted in accordance with the Texas
31 Election Code, as amended, except as modified by this
32 Act. The board shall canvass the returns and declare
33 the results.

34 Revisor's Note

35 (1) Section 9(a), Chapter 265, Acts of the 67th
36 Legislature, Regular Session, 1981, refers to a
37 majority of the "qualified" voters of 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
41 state and allows only "qualified" voters who are
42 residents of the territory covered by the election to
43 vote in an election.

1 (2) acquire and operate mobile emergency medical
2 services to assist the district in carrying out its hospital
3 purposes; and

4 (3) acquire sites to be used for hospital purposes.

5 (b) The bonds must be payable from and secured by a pledge of
6 all or part of district revenue derived from the operation of the
7 district's hospitals.

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

10 (d) The bonds must be issued in the manner and in accordance
11 with the procedures and requirements prescribed by Sections
12 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
13 and Safety Code, for issuance of revenue bonds by a county hospital
14 authority. (Acts 67th Leg., R.S., Ch. 265, Sec. 11 (part).)

15 Source Law

16 Sec. 11. In addition to the power to issue bonds
17 payable from taxes levied by the district as
18 contemplated by Section 9 of this Act, the board may
19 issue and . . . revenue bonds for purchasing,
20 constructing, acquiring, repairing, equipping, or
21 renovating buildings and improvements for hospital
22 purposes and for acquiring and operating mobile
23 emergency medical services to assist the district in
24 carrying out its hospital purposes and for acquiring
25 sites for hospital purposes. The bonds shall be
26 payable from and secured by a pledge of all or any part
27 of the revenues of the district to be derived from the
28 operation of its hospital or hospitals, and the bonds
29 may be additionally secured by a mortgage or deed of
30 trust lien on any part or all of its property. The
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, as
36 amended (Article 4494r, Vernon's Texas Civil
37 Statutes).

38 Revisor's Note

39 Section 11, Chapter 265, Acts of the 67th
40 Legislature, Regular Session, 1981, refers to Sections
41 8 and 10 through 13 of Chapter 122, Acts of the 58th
42 Legislature, Regular Session, 1963 (Article 4494r,
43 Vernon's Texas Civil Statutes). Those provisions were
44 codified in 1989 as Sections 264.042, 264.043,
45 264.046, 264.047, 264.048, and 264.049, Health and

1 Safety Code. The revised law is drafted accordingly.

2 Revised Law

3 Sec. 1108.205. REFUNDING BONDS. (a) The board may, without
4 an election, issue refunding bonds to refund outstanding
5 indebtedness issued or assumed by the district.

6 (b) A refunding bond may be:

7 (1) sold, with the proceeds of the refunding bond
8 applied to the payment of the outstanding indebtedness; or

9 (2) exchanged wholly or partly for not less than a
10 similar principal amount of outstanding indebtedness. (Acts 67th
11 Leg., R.S., Ch. 265, Secs. 9(a) (part), (b) (part), 11 (part).)

12 Source Law

13 (a) . . . Except for refunding bonds, [bonds
14 may not be issued by the hospital district until
15 authorized by a majority of the qualified electors of
16 the district.] . . .

17 (b) Refunding bonds of the district may be
18 issued for the purpose of refunding and paying off any
19 outstanding indebtedness the district has issued or
20 assumed. The refunding bonds may be sold and the
21 proceeds applied to the payment of outstanding
22 indebtedness or may be exchanged in whole or in part
23 for not less than a similar principal amount of
24 outstanding indebtedness. . . .

25 Sec. 11. . . . [the board may issue and] refund
26 any previously issued [revenue bonds]

27 Revisor's Note

28 Section 9(b), Chapter 265, Acts of the 67th
29 Legislature, Regular Session, 1981, requires the
30 district to issue refunding bonds in the manner
31 specified by Chapter 503, Acts of the 54th
32 Legislature, Regular Session, 1955, as amended
33 (Article 717k, Vernon's Texas Civil Statutes), and in
34 conformity with Chapter 784, Acts of the 61st
35 Legislature, Regular Session, 1969 (Article 717k-3,
36 Vernon's Texas Civil Statutes). Articles 717k and
37 717k-3 were codified in 1999 as Chapter 1207,
38 Government Code. The revised law omits the provisions
39 because Chapter 1207, Government Code, applies to the
40 district by its own terms under Section 1207.001,

1 Government Code. The omitted law reads:

2 (b) . . . If the refunding bonds are
3 to be sold and the proceeds applied to the
4 payment of any outstanding indebtedness,
5 the refunding bonds shall be issued and
6 payments made in the manner specified by
7 Chapter 503, Acts of the 54th Legislature,
8 1955, as amended (Article 717k, Vernon's
9 Texas Civil Statutes). Refunding bonds
10 shall be issued in conformity with Chapter
11 784, Acts of the 61st Legislature, Regular
12 Session, 1969, as amended (Article 717k-3,
13 Vernon's Texas Civil Statutes).

14 Revised Law

15 Sec. 1108.206. MATURITY OF BONDS. District bonds must
16 mature not later than 40 years after their date of issuance. (Acts
17 67th Leg., R.S., Ch. 265, Sec. 9(c) (part).)

18 Source Law

19 (c) Bonds of the district shall mature within 40
20 years of their date,

21 Revised Law

22 Sec. 1108.207. EXECUTION OF BONDS. The board president
23 shall execute the district's bonds in the district's name, and the
24 board secretary shall countersign the bonds in the manner provided
25 by Chapter 618, Government Code. (Acts 67th Leg., R.S., Ch. 265,
26 Sec. 9(c) (part).)

27 Source Law

28 (c) [Bonds of the district] . . . shall be
29 executed in the name of the hospital district and on
30 the district's behalf by the president of the board,
31 shall be countersigned by the secretary in the manner
32 provided by the Texas Uniform Facsimile of Public
33 Officials Act, as amended (Article 717j-1, Vernon's
34 Texas Civil Statutes),

35 Revisor's Note

36 (1) Section 9(c), Chapter 265, Acts of the 67th
37 Legislature, Regular Session, 1981, refers to the
38 "Texas Uniform Facsimile of Public Officials Act, as
39 amended (Article 717j-1, Vernon's Texas Civil
40 Statutes)." That statute was codified in 1999 as
41 Chapter 618, Government Code, and the revised law is
42 drafted accordingly.

43 (2) Section 9(c), Chapter 265, Acts of the 67th

1 Legislature, Regular Session, 1981, provides that
2 district bonds issued must bear interest at a rate that
3 does not exceed the rate provided by Chapter 3, Acts of
4 the 61st Legislature, Regular Session, 1969, as
5 amended (Article 717k-2, Vernon's Texas Civil
6 Statutes). The revised law omits the reference
7 because the maximum interest rate noted in Article
8 717k-2 was codified in 1999 as Section 1204.006,
9 Government Code, and applies to the district under
10 Section 1204.001, Government Code. The omitted law
11 reads:

12 (c) [Bonds of the district] . . .
13 shall bear interest at a rate not to exceed
14 that prescribed by Chapter 3, Acts of the
15 61st Legislature, Regular Session, 1969, as
16 amended (Article 717k-2, Vernon's Texas
17 Civil Statutes), and

18 (3) Section 9(c), Chapter 265, Acts of the 67th
19 Legislature, Regular Session, 1981, provides that
20 district bonds are subject to the law governing
21 counties that relates to bond approval by the attorney
22 general and registration of the bonds by the
23 comptroller. Section 9(c) also provides that after
24 approval and registration the bonds are "incontestable
25 for any cause." The revised law omits those provisions
26 as superseded by Chapter 1202, Government Code
27 (enacted as Article 3, Chapter 53, Acts of the 70th
28 Legislature, 2nd Called Session, 1987). Section
29 1202.003(a), Government Code, requires bonds to be
30 submitted to the attorney general. Section
31 1202.003(b), Government Code, provides for approval of
32 the bonds by the attorney general and requires the
33 attorney general to submit the approved bonds to the
34 comptroller for registration. Section 1202.005,
35 Government Code, requires registration of the bonds by
36 the comptroller. Section 1202.006, Government Code,
37 provides that after approval and registration the

1 bonds are incontestable and binding obligations.
2 Chapter 1202, Government Code, applies to bonds issued
3 under this chapter by application of Section 1202.001,
4 Government Code. The omitted law reads:

5 (c) [Bonds of the district] . . .
6 shall be subject to the same requirements in
7 the manner of approval by the attorney
8 general and registration by the comptroller
9 of public accounts as are by law provided
10 for approval and registration of bonds
11 issued by counties. On the approval of the
12 bonds by the attorney general and
13 registration by the comptroller, the bonds
14 are incontestable for any cause.

15 Revised Law

16 Sec. 1108.208. 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) any profits made in the sale of the bonds. (Acts
22 67th Leg., R.S., Ch. 265, Sec. 24 (part).)

23 Source Law

24 Sec. 24. . . . any bonds issued by it and their
25 transfer and issuance by the district, including any
26 profits made in the sale of the bonds, are at all times
27 free from taxation by the state or municipality or
28 political subdivision of the state.

29 Revisor's Note

30 Section 24, Chapter 265, Acts of the 67th
31 Legislature, Regular Session, 1981, refers to a
32 "municipality or political subdivision" of this state.
33 The revised law omits "municipality" when used in
34 conjunction with "political subdivision" because
35 "municipality" is included in the meaning of
36 "political subdivision" of this state.

37 Revisor's Note
38 (End of Subchapter)

39 (1) Section 17(a), Chapter 265, Acts of the 67th
40 Legislature, Regular Session, 1981, 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 17(a) has been superseded and
4 impliedly repealed. Investments in securities by
5 banks are regulated by Section 34.101, Finance Code
6 (enacted in 1995 as Section 5.101, Texas Banking Act
7 (Article 342-5.101, Vernon's Texas Civil Statutes)).
8 Investments in securities by savings banks are
9 regulated by Section 93.001(c)(10), Finance Code
10 (enacted in 1993 as Section 7.15(10), Texas Savings
11 Bank Act (Article 489e, Vernon's Texas Civil
12 Statutes)). Investments in securities by trust
13 companies are regulated by Section 184.101, Finance
14 Code (enacted in 1997 as Section 5.101, Texas Trust
15 Company Act (Article 342a-5.101, Vernon's Texas Civil
16 Statutes)). Investments in securities by savings and
17 loan associations are regulated by Sections 63.002 and
18 64.001, Finance Code. As to the remaining entities
19 listed, Section 17(a) is superseded by Section
20 1201.041, Government Code, enacted as Section 9, Bond
21 Procedures Act of 1981 (Article 717k-6, Vernon's Texas
22 Civil Statutes). While Section 17(a) lists
23 "guardians" and Section 1201.041 does not, Section
24 1201.041 includes a "fiduciary" and a guardian is a
25 fiduciary. Section 1201.041, Government Code, applies
26 to district bonds by application of Section 1201.002,
27 Government Code. The revised law omits the reference
28 to public funds of this state because it has been
29 superseded by Section 404.024, Government Code
30 (enacted in 1985 as Section 2.014, Treasury Act
31 (Article 4393-1, Vernon's Texas Civil Statutes)),
32 which governs the investment of state funds. Section
33 404.024(b)(10), Government Code, authorizes the
34 investment of state funds in obligations of political

1 subdivisions, including hospital districts. The
2 revised law omits the reference to public funds of
3 political subdivisions or public agencies of the state
4 because it has been superseded by Chapter 2256,
5 Government Code (enacted in 1987 as the Public Funds
6 Investment Act of 1987 (Article 842a-2, Vernon's Texas
7 Civil Statutes)), which governs the investment of
8 local funds. The omitted law reads:

9 Sec. 17. (a) Bonds of the district,
10 including bonds assumed by the district,
11 are legal and authorized investments for:

- 12 (1) banks;
- 13 (2) savings banks;
- 14 (3) trust companies;
- 15 (4) savings and loan
16 associations;
- 17 (5) insurance companies;
- 18 (6) fiduciaries;
- 19 (7) trustees;
- 20 (8) guardians; and
- 21 (9) sinking and other public
22 funds of the state, cities, towns,
23 villages, counties, school districts, and
24 other political subdivisions and public
25 agencies of the state.

26 (2) Section 17(b), Chapter 265, Acts of the 67th
27 Legislature, Regular Session, 1981, effectively
28 provides that district bonds may secure deposits of
29 public funds of the state or public agencies. The
30 revised law omits the provisions relating to deposits
31 of state funds by the comptroller 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. As to deposits of
35 other funds, the provision duplicates Chapter 2257,
36 Government Code, which governs eligible collateral for
37 deposits of funds of other public agencies, including
38 political subdivisions, and permits those deposits to
39 be secured by obligations issued by hospital
40 districts. The omitted law reads:

41 (b) Bonds of the district, including
42 bonds assumed by the district, are eligible
43 and lawful security for deposits of public
44 funds of the state and public agencies, to

1 the extent of the par or market value of the
2 bonds, whichever is greater, when
3 accompanied by any unmatured interest
4 coupons appurtenant to the bonds.

5 [Sections 1108.209-1108.250 reserved for expansion]

6 SUBCHAPTER F. TAXES

7 Revised Law

8 Sec. 1108.251. IMPOSITION OF AD VALOREM TAX. (a) The board
9 may impose a tax on all property in the district subject to district
10 taxation.

11 (b) The board shall impose the tax to pay:

12 (1) indebtedness issued or assumed by the district;
13 and

14 (2) district maintenance and operating expenses.

15 (c) The board may not impose a tax to pay the principal of or
16 interest on revenue bonds issued under Section 1108.204. (Acts
17 67th Leg., R.S., Ch. 265, Secs. 14(a) (part), (c).)

18 Source Law

19 Sec. 14. (a) The board may annually levy taxes
20 . . . for the purpose of paying:

21 (1) the indebtedness issued or assumed by
22 the district, but taxes may not be levied to pay the
23 principal of or interest on revenue bonds issued under
24 Section 11 of this Act; and

25 (2) the maintenance and operating expenses
26 of the district.

27 (c) In a year that the board levies taxes, the
28 board shall levy the taxes on all property in the
29 district subject to hospital district taxation.

30 Revised Law

31 Sec. 1108.252. TAX RATE. (a) The board may impose the tax
32 at a rate not to exceed 75 cents on each \$100 valuation of taxable
33 property in the district subject to district taxation.

34 (b) In setting the tax rate, the board shall consider the
35 income of the district from sources other than taxation. (Acts 67th
36 Leg., R.S., Ch. 265, Secs. 4(b) (part), 14(a) (part), (d) (part).)

37 Source Law

38 [Sec. 4]

39 (b) . . . [hospital district shall be created
40 with authority to levy annual taxes] at a rate not to
41 exceed 75 cents on each \$100 of valuation on all
42 taxable property located within the hospital district,
43 subject to hospital district taxation, . . .

1 [Sec. 14]

2 (a) [The board may annually levy taxes] not to
3 exceed the amount permitted by this Act

4 (d) In setting the tax rate, the board shall
5 take into consideration the income of the district
6 from sources other than taxation. . . .

7 Revisor's Note

8 Section 14(d), Chapter 265, Acts of the 67th
9 Legislature, Regular Session, 1981, requires the board
10 to levy the tax and to certify the tax rate to the tax
11 assessor-collector. The revised law omits that
12 provision because Section 26.05(a), Tax Code, requires
13 the governing body of a taxing unit to adopt a tax rate
14 for the current tax year and to notify the tax assessor
15 for the taxing unit of that rate. The omitted law
16 reads:

17 (d) On determination of the
18 amount of tax required to be levied, the
19 board shall make the levy and certify it to
20 the tax assessor-collector.

21 Revised Law

22 Sec. 1108.253. TAX ASSESSOR-COLLECTOR. The board may
23 provide for the appointment of a tax assessor-collector for the
24 district or may contract for the assessment and collection of taxes
25 as provided by Title 1, Tax Code. (Acts 67th Leg., R.S., Ch. 265,
26 Sec. 16(b).)

27 Source Law

28 (b) For tax years following 1981, the board may
29 provide for the appointment of an assessor-collector
30 of taxes for the district or may contract for the
31 assessment and collection of taxes as provided by the
32 Property Tax Code.

33 Revisor's Note

34 Section 16(a), Chapter 265, Acts of the 67th
35 Legislature, Regular Session, 1981, provides that the
36 Property Tax Code (Title 1, Tax Code) governs the
37 appraisal, assessment, and collection of district
38 taxes. The revised law omits this provision because
39 Section 1.02, Tax Code, requires all taxing units of
40 government, including hospital districts, to

1 administer the assessment and collection of an ad
2 valorem tax in conformity with Title 1, Tax Code. The
3 omitted law reads:

4 Sec. 16. (a) The Property Tax Code
5 governs the appraisal, assessment, and
6 collection of district taxes beginning
7 January 1, 1982.

8 Revisor's Note
9 (End of Subchapter)

10 (1) Section 14(b), Chapter 265, Acts of the 67th
11 Legislature, Regular Session, 1981, provides that the
12 board may levy taxes for the entire year in which the
13 district is created. The revised law omits that
14 provision as executed. The omitted law reads:

15 (b) The board may levy taxes for the
16 entire year in which the district is
17 created.

18 (2) Section 15, Chapter 265, Acts of the 67th
19 Legislature, Regular Session, 1981, provides for the
20 assessment and collection of district taxes in 1981.
21 The revised law omits that provision as executed. The
22 omitted law reads:

23 Sec. 15. (a) If the hospital
24 district is created in 1981, the assessment
25 and collection of the district's taxes in
26 1981, if any, shall be based on county tax
27 values as provided by this subsection
28 unless the board by majority vote elects to
29 have taxes assessed and collected by its own
30 tax assessor-collector under Subsection (b)
31 of this section. District taxes shall be
32 assessed and collected on county tax values
33 in the same manner as provided by law with
34 relation to county taxes. The
35 assessor-collector of taxes of Trinity
36 County shall be charged and required to
37 accomplish the assessment and collection of
38 all taxes levied by and on behalf of the
39 district. The assessor-collector of taxes
40 shall charge and deduct from payments to the
41 hospital district an amount as fees for
42 assessing and collecting the taxes at a rate
43 of one percent of the taxes assessed and one
44 percent of the taxes collected, but in no
45 event shall the amount paid exceed \$5,000.
46 Those fees shall be deposited in the
47 officers salary fund of the county and
48 reported as fees of office of the
49 assessor-collector of county taxes.
50 Interest and penalties on taxes paid to the
51 hospital district shall be the same as in
52 the case of county taxes. Discounts shall be

1 the same as allowed by the county. The
2 residue of tax collections after deductions
3 of discounts and fees for assessing and
4 collecting shall be deposited in the
5 district's depository. The bond of the
6 assessor-collector of county taxes shall
7 serve as security for the proper
8 performance of his duties as
9 assessor-collector of the district; or, if
10 in the judgment of the board it is
11 necessary, additional bond payable to the
12 district may be required. In all matters
13 pertaining to the assessment, collection,
14 and enforcement of taxes for the district,
15 the assessor-collector of county taxes may
16 act in all respects according to the laws of
17 the State of Texas relating to state and
18 county taxes.

19 (b) If the board so elects, as
20 provided by Subsection (a) of this section,
21 district taxes for 1981 shall be assessed
22 and collected by a tax assessor-collector
23 appointed by the board. The board shall fix
24 the terms of the assessor-collector's
25 employment, compensation, and requirement
26 for bond to assure the faithful performance
27 of his duties, but the bond may not be for
28 less than \$5,000. The directors shall
29 appoint five persons to serve as a board of
30 equalization and shall fix their
31 compensation. The members of the board of
32 equalization and the tax assessor-collector
33 must be residents of the district, and each
34 shall have the same duties, including the
35 obligation to execute the oath of office, as
36 required of county officials exercising
37 those powers and duties. Except as provided
38 in this law to the contrary, Title 122,
39 Revised Civil Statutes of Texas, 1925, as
40 amended, applies to the district.

41 Revisor's Note
42 (End of Chapter)

43 (1) Sections 3 and 22, Chapter 265, Acts of the
44 67th Legislature, Regular Session, 1981, provide for
45 the transfer of certain land, buildings, improvements,
46 equipment, funds, and taxes to the district after the
47 district is created and provide for the assumption of
48 debt by the district on creation. The revised law
49 omits the provisions as executed. The omitted law
50 reads:

51 Sec. 3. [The district] shall take
52 over and there shall be transferred to it
53 title to all land, buildings, improvements,
54 and equipment pertaining to the hospitals
55 or hospital system owned by Trinity County
56 and The district shall assume any
57 outstanding indebtedness incurred by
58 Trinity County to provide medical care for
59 residents of the district before the

1 creation of the district.

2 Sec. 22. After creation of the
3 hospital district and acquisition of
4 existing county hospital facilities,
5 Trinity County may not levy taxes or issue
6 bonds or other obligations for hospital
7 purposes or for providing medical care for
8 the residents of the district. . . . When
9 the district is created and established,
10 Trinity County shall convey and transfer to
11 the district:

12 (1) title to all land,
13 buildings, improvements, and equipment in
14 any way pertaining to its hospital or
15 hospital system;

16 (2) operating funds and
17 reserves for operating expenses that are on
18 hand and funds that have been budgeted to
19 provide medical care for residents of the
20 district by the county for the remainder of
21 the fiscal year in which the district is
22 established;

23 (3) taxes levied for hospital
24 purposes by the county for the current year;
25 and

26 (4) all sinking funds
27 established for payment of indebtedness
28 assumed by the district.

29 (2) Section 25, Chapter 265, Acts of the 67th
30 Legislature, Regular Session, 1981, states that public
31 notice of enactment of the statute was provided in a
32 manner that satisfies the requirements of the Texas
33 Constitution. The revised law omits that section as
34 executed. The omitted law reads:

35 Sec. 25. The legislature finds
36 publication of the notice required in the
37 enactment of this Act under Article IX,
38 Section 9, of the Texas Constitution has
39 been made in the manner and form provided by
40 law pertaining to the enactment of local and
41 special laws.

42 CHAPTER 1111. WALKER COUNTY HOSPITAL DISTRICT

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21 CHAPTER 1111. WALKER COUNTY HOSPITAL DISTRICT

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Revised Law

24 Sec. 1111.001. DEFINITIONS. In this chapter:

25 (1) "Board" means the board of hospital managers of
26 the district.

27 (2) "District" means the Walker County Hospital
28 District of Walker County, Texas.

29 (3) "Manager" means a member of the board. (New.)

30 Revisor's Note

31 The definitions of "board," "district," and
32 "manager" are added to the revised law for drafting
33 convenience and to eliminate frequent, unnecessary
34 repetition of the substance of the definitions.

1 Revised Law

2 Sec. 1111.002. AUTHORITY FOR CREATION. The Walker County
3 Hospital District of Walker County, Texas, is created under the
4 authority of Section 9, Article IX, Texas Constitution. (Acts 62nd
5 Leg., R.S., Ch. 848, Sec. 1 (part).)

6 Source Law

7 Sec. 1. Pursuant to authority granted by the
8 provisions of Section 9, Article IX, Constitution of
9 the State of Texas, Walker County Hospital District of
10 Walker County, Texas, is hereby authorized to be
11 created and

12 Revised Law

13 Sec. 1111.003. POLITICAL SUBDIVISION. The district is a
14 political subdivision of this state. (Acts 62nd Leg., R.S., Ch.
15 848, Sec. 14 (part).)

16 Source Law

17 Sec. 14. The hospital district created under
18 this Act shall be and is declared to be a political
19 subdivision of the State of Texas, and

20 Revised Law

21 Sec. 1111.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of Walker County,
23 Texas. (Acts 62nd Leg., R.S., Ch. 848, Sec. 1 (part).)

24 Source Law

25 Sec. 1. . . . [Walker County Hospital District]
26 . . . as created shall have boundaries coextensive
27 with the boundaries of Walker County, Texas.

28 Revised Law

29 Sec. 1111.005. CORRECTION OF INVALID PROCEDURES. If a
30 court holds that any procedure under this chapter violates the
31 constitution of this state or of the United States, the district by
32 resolution may provide an alternative procedure that conforms with
33 the constitution. (Acts 62nd Leg., R.S., Ch. 848, Sec. 16 (part).)

34 Source Law

35 Sec. 16. . . . [federal or State constitution]
36 Where any procedure hereunder may be held by
37 any court to be violative of either of such
38 constitutions, the District shall have the power by
39 resolution to provide an alternative procedure
40 conformable with such constitutions. . . .

1 Revisor's Note

2 Section 16, Chapter 848, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 act may not be construed to violate the federal or
5 state constitution and requires that action under the
6 act comply with the constitutions. The revised law
7 omits the reference to the federal constitution
8 because, under the Supremacy Clause of the United
9 States Constitution (Clause 2, Article VI), federal
10 law always takes precedence over a state statute. The
11 revised law omits the reference to the state
12 constitution because the state legislature cannot
13 modify constitutional provisions by statute. The
14 omitted law reads:

15 Sec. 16. Nothing in this Act shall be
16 construed to violate any provision of the
17 federal or State constitution, and all
18 things done under this Act shall be in such
19 manner as will conform thereto, whether
20 expressly so provided or not. . . .

21 Revised Law

22 Sec. 1111.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
23 OBLIGATION. The support and maintenance of the district's hospital
24 system may not become a charge against or obligation of this state.
25 (Acts 62nd Leg., R.S., Ch. 848, Sec. 6 (part).)

26 Source Law

27 Sec. 6. . . . It is provided specifically that
28 the support and maintenance of the District's hospital
29 system shall never become a charge against or
30 obligation of the State of Texas.

31 Revisor's Note
32 (End of Subchapter)

33 Sections 3 and 4, Chapter 848, Acts of the 62nd
34 Legislature, Regular Session, 1971, provide
35 procedures for holding an election on the creation of
36 the district and the imposition of an ad valorem tax.
37 Section 5, Chapter 848, Acts of the 62nd Legislature,
38 Regular Session, 1971, provides that the election may
39 include a bond proposition. Because the election has

1 been held, the revised law omits the provisions as
2 executed. The omitted law reads:

3 Sec. 3. Such District shall not be
4 created nor shall any tax therein be
5 authorized unless and until such creation
6 and such tax are approved by a majority of
7 the electors of the District qualified to
8 vote thereon, voting at an election called
9 for such purpose. Such election shall be
10 initiated by a petition to the Walker County
11 Commissioners Court signed by at least
12 fifty (50) qualified property taxpaying
13 electors residing within the boundaries of
14 the proposed District. Within ten (10) days
15 after the presentation of said petition to
16 the Commissioners Court of Walker County,
17 Texas, said court shall order an election to
18 be held within said District not less than
19 thirty (30) days from the date said election
20 is ordered. The order calling such election
21 shall specify the date and place or places
22 of holding same, the form of ballot and the
23 presiding judge for each voting place. At
24 such election there shall be submitted to
25 the resident electors of said proposed
26 District who are qualified to vote thereon
27 under the Constitution and laws of the State
28 of Texas and of the United States the
29 proposition of whether or not Walker County
30 Hospital District of Walker County, Texas,
31 shall be created with authority to levy
32 annual taxes at a rate not to exceed
33 seventy-five cents (75¢) on the One Hundred
34 Dollars (\$100) valuation of all taxable
35 property within such District for the
36 purpose of meeting the requirements of the
37 District's bonds, the indebtedness assumed
38 by it and its maintenance and operating
39 expenses, and a majority of said qualified
40 electors of the District voting in said
41 election in favor of the proposition shall
42 be sufficient for its adoption. Except as
43 provided herein, said election shall be
44 held in accordance with the Texas Election
45 Code as amended, and the ballots of said
46 election shall conform to the requirements
47 of said Code and shall have printed thereon
48 the following:

49 "FOR the creation of Walker County
50 Hospital District of Walker County, Texas;
51 providing for the levy of annual taxes at a
52 rate not to exceed seventy-five cents (75¢)
53 on the One Hundred Dollars (\$100) valuation
54 of all taxable property within such
55 District; and the assumption by said
56 Hospital District of the outstanding
57 indebtedness previously incurred for
58 hospital purposes by Walker County in said
59 District;

60 "AGAINST the creation of Walker County
61 Hospital District of Walker County, Texas;
62 providing for the levy of annual taxes at a
63 rate not to exceed seventy-five cents (75¢)
64 on the One Hundred Dollars (\$100) valuation
65 of all taxable property within such
66 District; and the assumption by said

1 Hospital District of the outstanding
2 indebtedness previously incurred for
3 hospital purposes by Walker County in said
4 District."

5 Said court may elect to call and hold
6 two separate but simultaneous elections and
7 submit said proposition to both the
8 qualified electors of the District and to
9 the duly qualified property taxpaying
10 electors of the District. If said court so
11 calls such elections, it may require that
12 the votes cast at each of said separate but
13 simultaneous elections be recorded,
14 returned and canvassed separately.

15 Notice of said election or elections
16 shall be given by publishing a substantial
17 copy of the election order in a newspaper of
18 general circulation in Walker County, once
19 a week for two consecutive weeks, the first
20 publication to appear at least fourteen
21 (14) days prior to the date set for the
22 election. The failure of any such election
23 shall not operate to prohibit the calling
24 and holding of subsequent elections for the
25 same purpose.

26 Sec. 4. (a) After such creation and
27 tax levy election is held, the officials
28 conducting same shall make due returns to
29 the Walker County Commissioners Court which
30 shall canvass the returns thereof. If a
31 majority of said qualified electors voting
32 at said election voted in favor of the
33 proposition to create said District and
34 levy said tax, said court shall so find and
35 declare said District established and
36 created.

37 Sec. 5. A bond election may also be
38 held on the same day as said creation and
39 tax levy election, and said petition
40 mentioned in Section 3 hereof may also
41 include a proposition on the issuance of
42 bonds of said District. Such bond election
43 may be called by a separate election order,
44 or as a part of the order calling such
45 election provided for in said Section 3.
46 The provisions of Section 10 hereof shall
47 apply to such bond election, except that
48 such election or elections shall be called
49 by said Walker County Commissioners Court
50 and the returns canvassed by said court. If
51 the bonds are authorized at said election,
52 they shall then be issued by the Board of
53 Managers, assuming that the proposition
54 specified in Section 3 is favored by a
55 majority vote. With the exception of bonds
56 authorized by this Section 5,

57 [Sections 1111.007-1111.050 reserved for expansion]

58 SUBCHAPTER B. DISTRICT ADMINISTRATION

59 Revised Law

60 Sec. 1111.051. BOARD ELECTION; TERM. (a) The board
61 consists of five elected managers.

62 (b) Unless four-year terms are established under Section

1 285.081, Health and Safety Code, managers serve staggered two-year
2 terms with the terms of two or three managers expiring each year as
3 appropriate. (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(b) (part).)

4 Source Law

5 (b) . . . elect five (5) Hospital Managers.
6 . . . The three candidates receiving the largest
7 number of votes cast shall serve for two years from the
8 date of such election, and the two candidates
9 receiving the fewest number of votes shall serve for
10 one year from the date of their election. Thereafter,
11 their successors shall be elected to serve two year
12 terms from the date of their respective election and
13 until their successors are elected and qualified.
14 . . .

15 Revisor's Note

16 (1) Section 4(b), Chapter 848, Acts of the 62nd
17 Legislature, Regular Session, 1971, names the
18 temporary managers and prescribes the procedure for
19 electing the initial board of permanent managers.
20 Because the terms of the temporary and initial board
21 members have expired, the revised law omits those
22 provisions as executed. The omitted law reads:

23 (b) If said District is created, the
24 following persons are hereby appointed to
25 serve as its first Board of Hospital
26 Managers: Dr. H. R. Conwell; Mrs. Ross
27 Woodall; Reverend Carroll L. Pickett; Mr.
28 Boley F. O'Bannon; and Robert R. Hardy. As
29 soon as practicable after said District is
30 created, If for any reason any
31 member of said Board shall refuse to act or
32 fail to qualify, the County Judge of Walker
33 County shall fill such vacancy. Said first
34 Board of Hospital Managers shall serve
35 until the first election of Hospital
36 Managers, as provided in this Act, and until
37 their successors are elected and qualified.
38 On the first Tuesday after the first Monday
39 in November during the second calendar year
40 following the year in which such creation
41 election was held, a general election shall
42 be held to

43 (2) Section 4(b), Chapter 848, Acts of the 62nd
44 Legislature, Regular Session, 1971, prescribes the
45 procedure for electing the initial board of permanent
46 managers. The revised law omits those provisions as
47 executed (see Revisor's Note (1)) but codifies the
48 establishment of a board consisting of five elected

1 managers. Section 4(b) also establishes staggered
2 two-year terms for the initial elected managers that
3 expire in the first or second year after the election.
4 The revised law omits the provision relating to the
5 year on which the initial terms expire as executed but
6 codifies the requirement that the managers serve
7 staggered two-year terms.

8 (3) Section 4(b), Chapter 848, Acts of the 62nd
9 Legislature, Regular Session, 1971, provides that
10 managers serve two-year terms. Section 285.081, Health
11 and Safety Code, applicable to this district, provides
12 a mechanism by which the governing board of a hospital
13 district, on its own motion, may order that the members
14 are to be elected in even-numbered years to serve
15 staggered four-year terms. The revised law is drafted
16 accordingly and adds a reference to Section 285.081,
17 Health and Safety Code, for the convenience of the
18 reader.

19 (4) Section 4(b), Chapter 848, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that the
21 managers serve "until their successors are elected and
22 qualified." The revised law omits this provision as
23 unnecessary because it duplicates Section 17, Article
24 XVI, Texas Constitution. That section provides that an
25 officer of this state is to continue to perform the
26 officer's official duties until a successor has
27 qualified.

28 Revised Law

29 Sec. 1111.052. NOTICE OF ELECTION. At least 10 days before
30 the date of a managers' election, notice of the election must be
31 published one time in a newspaper of general circulation in Walker
32 County. (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(b) (part).)

33 Source Law

34 (b) . . . Notice of such election shall be
35 published in a newspaper of general circulation in the

1 county one (1) time at least ten (10) days prior to the
2 date of election. . . .

3 Revisor's Note

4 Section 4(b), Chapter 848, Acts of the 62nd
5 Legislature, Regular Session, 1971, requires notice of
6 a managers' election to be published in "the county."
7 Throughout this chapter, the revised law substitutes
8 "Walker County" for the quoted language because Walker
9 County is the county in which the district is located.

10 Revised Law

11 Sec. 1111.053. REQUEST TO APPEAR ON BALLOT. A person who
12 wants to have the person's name printed on the ballot as a candidate
13 for manager must file a written request with the board secretary.
14 The request must be:

- 15 (1) signed by at least 20 district voters; and
16 (2) filed by the deadline imposed by Section 144.005,
17 Election Code. (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(b) (part).)

18 Source Law

19 (b) . . . Any person desiring his name to be
20 printed on the ballot as a candidate shall file a
21 written request with the secretary of the Board at
22 least twenty-one (21) days prior to such election.
23 Such request must be signed by at least twenty (20)
24 qualified electors of the District. . . .

25 Revisor's Note

26 (1) Section 4(b), Chapter 848, Acts of the 62nd
27 Legislature, Regular Session, 1971, refers to a
28 written request signed by 20 "qualified electors."
29 The revised law omits "qualified" as unnecessary in
30 this context because Chapter 11, Election Code,
31 governs eligibility to vote in an election in this
32 state and allows only "qualified" voters who are
33 residents of the territory covered by the election to
34 vote in an election. The revised law also substitutes
35 "voter" for "elector" because "voter" is the term used
36 in the Election Code.

37 (2) Section 4(b), Chapter 848, Acts of the 62nd
38 Legislature, Regular Session, 1971, requires a

1 candidate for manager to file a written request signed
2 by at least 20 qualified district voters at least 21
3 days before the date of the election to have the
4 candidate's name appear on the ballot. Under Section
5 144.003, Election Code (applicable to the district
6 under Section 144.001, Election Code), a candidate for
7 office must submit an application for a place on the
8 ballot. The application must be filed by the deadline
9 imposed by Section 144.005, Election Code, which is
10 either 71 or 78 days before the date of the election,
11 depending on when the election is held. Because the
12 written request serves as an additional requirement
13 for a candidate to appear on the ballot, the revised
14 law conforms the date the written request must be filed
15 to the date the application must be filed.

16 Revised Law

17 Sec. 1111.054. QUALIFICATIONS FOR OFFICE. A person may not
18 serve as a manager unless the person is:

- 19 (1) a resident of the district; and
20 (2) at least 18 years of age. (Acts 62nd Leg., R.S.,
21 Ch. 848, Sec. 4(b) (part).)

22 Source Law

23 (b) . . . No person shall be a member of said
24 Board unless he is a resident thereof and is at least
25 21 years of age.

26 Revisor's Note

27 Section 4(b), Chapter 848, Acts of the 62nd
28 Legislature, Regular Session, 1971, states that a
29 person must be "at least 21 years of age" to serve as a
30 manager. The revised law substitutes "at least 18
31 years of age" for the quoted language because Section
32 129.002, Civil Practice and Remedies Code, provides
33 that a law adopted before August 27, 1973, that extends
34 a right, privilege, or obligation to an individual on
35 the basis of a minimum age of 19, 20, or 21 years shall

1 be interpreted as prescribing a minimum age of 18
2 years. The qualification of minimum age established in
3 Section 4(b) was enacted in 1971 and that
4 qualification has not been amended.

5 Revised Law

6 Sec. 1111.055. BOND; RECORD OF BOND AND OATH. (a) Each
7 manager shall execute a good and sufficient bond for \$5,000 that is:

8 (1) approved by the board;

9 (2) payable to the district; and

10 (3) conditioned on the faithful performance of the
11 manager's duties.

12 (b) Each manager's bond and constitutional oath of office
13 must be kept in the district's permanent records. (Acts 62nd Leg.,
14 R.S., Ch. 848, Sec. 4(b) (part).)

15 Source Law

16 (b) . . . each member of said Board shall . . .
17 make a good and sufficient bond [to be approved by the
18 Commissioners Court of Walker County, Texas,] for Five
19 Thousand Dollars (\$5,000) payable to said District and
20 conditioned upon the faithful performance of his
21 duties as such Director, and such oaths and bonds shall
22 be kept in the permanent records of said District.
23 [Except for said first Board of Hospital Managers,]
24 the bonds of said Hospital Managers shall be approved
25 by the District's Board of Hospital Managers. . . .

26 Revisor's Note

27 (1) Section 4(b), Chapter 848, Acts of the 62nd
28 Legislature, Regular Session, 1971, requires each
29 manager to execute the constitutional oath of office.
30 The revised law omits that provision because Section
31 1, Article XVI, Texas Constitution, requires an
32 officer of this state to take the constitutional oath
33 (or affirmation) before assuming office. The omitted
34 law reads:

35 (b) . . . [each member of said Board
36 shall] execute the constitutional oath of
37 office and

38 (2) Section 4(b), Chapter 848, Acts of the 62nd
39 Legislature, Regular Session, 1971, requires the bonds
40 of the initial managers to be approved by the

1 Commissioners Court of Walker County. The revised law
2 omits that provision as executed. The omitted law
3 reads:

4 (b) . . . [shall . . . make a good
5 and sufficient bond] to be approved by the
6 Commissioners Court of Walker County,
7 Texas, Except for said first Board
8 of Hospital Managers, [the bonds of said
9 Hospital Managers shall be approved by the
10 District's Board of Hospital Managers.
11 . . .]

12 Revised Law

13 Sec. 1111.056. OFFICERS. (a) The board shall select from
14 among the managers a presiding officer.

15 (b) A presiding officer pro tem shall preside in the absence
16 of the presiding officer.

17 (c) The district administrator or any manager may be
18 appointed secretary. (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(e)
19 (part).)

20 Source Law

21 (e) . . . From among its members, the Board
22 shall choose a chairman, who shall preside, or in his
23 absence a chairman pro tem shall preside; and the
24 Administrator or any member of the Board may be
25 appointed secretary. . . .

26 Revisor's Note

27 Section 4(e), Chapter 848, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to a
29 "chairman" and a "chairman pro tem." Throughout this
30 chapter, the revised law substitutes "presiding
31 officer" and "presiding officer pro tem" for those
32 terms because, in context, the terms have the same
33 meaning and "presiding officer" is more commonly used
34 and is gender neutral.

35 Revised Law

36 Sec. 1111.057. OFFICE; MEETINGS. (a) The board:

37 (1) shall establish an office and meeting place in the
38 district;

39 (2) shall establish regular meetings to conduct
40 district business; and

1 notice. The omitted law reads:

2 (e) . . . Notice of the time, place
3 and purpose of any meeting of said Board
4 shall be given by posting at a place
5 convenient to the public within the
6 District. A copy of the notice shall be
7 furnished to the Walker County Clerk, who
8 shall post same on a bulletin board in the
9 county courthouse used for such purpose.
10 The notice of a meeting shall be posted for
11 at least three (3) days before a meeting,
12

13 (2) Section 4(e), Chapter 848, Acts of the 62nd
14 Legislature, Regular Session, 1971, refers to "Chapter
15 271, Acts of the 60th Legislature, 1967, as amended
16 (Article 6252-17, Vernon's Texas Civil Statutes)."
17 That statute was codified in 1993 as Chapter 551,
18 Government Code. The revised law is drafted
19 accordingly. In addition, throughout this chapter,
20 the revised law omits the references to "as amended"
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 expressly provided otherwise.

25 Revised Law

26 Sec. 1111.058. RECORDS OF PROCEEDINGS. (a) The board shall
27 require the board secretary to keep suitable records of all
28 proceedings of each board meeting.

29 (b) After each meeting:

30 (1) the manager presiding at the meeting shall read
31 and sign the record; and

32 (2) the board secretary shall attest the record.
33 (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(e) (part).)

34 Source Law

35 (e) . . . The Board shall require the secretary
36 to keep suitable records of all proceedings of each
37 meeting of the Board. Such records shall be read and
38 signed after each meeting by the chairman or the member
39 presiding, and attested by the secretary. . . .

40 Revised Law

41 Sec. 1111.059. DISTRICT ADMINISTRATOR. (a) The board may

1 appoint a qualified person as district administrator.

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

4 (c) Before assuming the duties of district administrator,
5 the administrator must execute a bond payable to the district in an
6 amount of not less than \$10,000 that:

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

9 (2) contains any other condition the board requires.

10 (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(c) (part).)

11 Source Law

12 (c) . . . The Board of Hospital Managers may
13 appoint a qualified person to be known as the
14 Administrator of the District. Such Administrator, if
15 any, shall serve at the will of the Board and shall
16 receive such compensation as may be fixed by the Board.
17 The Administrator shall, before entering into the
18 discharge of his duties, execute a bond payable to the
19 District in the amount of not less than Ten Thousand
20 Dollars (\$10,000) conditioned that he will well and
21 faithfully perform the duties required of him and
22 containing such other conditions as the Board may
23 require. . . .

24 Revised Law

25 Sec. 1111.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

26 Subject to any limitations prescribed by the board, the district
27 administrator shall:

28 (1) supervise the work and activities of the district;
29 and

30 (2) direct the affairs of the district. (Acts 62nd
31 Leg., R.S., Ch. 848, Sec. 4(c) (part).)

32 Source Law

33 (c) . . . The Administrator shall supervise all
34 the work and activities of the District and shall have
35 general direction of the affairs of the District,
36 subject to such limitations as may be prescribed by the
37 Board. . . .

38 Revised Law

39 Sec. 1111.061. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
40 board may:

41 (1) appoint to the staff any doctors and employ any
42 technicians, nurses, and other employees considered necessary for

1 the efficient operation of the district; and

2 (2) provide that the district administrator has the
3 authority to employ district employees, including technicians and
4 nurses.

5 (b) The district may employ fiscal agents, accountants,
6 architects, and attorneys the board considers proper. (Acts 62nd
7 Leg., R.S., Ch. 848, Secs. 4(c) (part), 8.)

8 Source Law

9 [Sec. 4]

10 (c) . . . The Board of Hospital Managers shall
11 have the authority to appoint to the staff such doctors
12 and employ such technicians, nurses and other
13 employees of every kind and character as may be deemed
14 necessary for the efficient operation of the District.
15 The Board may provide that the Administrator shall
16 have the authority to employ technicians, nurses and
17 employees of the District. . . .

18 Sec. 8. The District may employ such fiscal
19 agents, accountants, architects and attorneys as the
20 board may consider proper.

21 Revised Law

22 Sec. 1111.062. RETIREMENT PROGRAM. The board may contract
23 with this state or the federal government as necessary to establish
24 or continue a retirement program for the benefit of district
25 employees. (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(c) (part).)

26 Source Law

27 (c) . . . Further, the Board of Hospital
28 Managers may enter into such contracts with the State
29 and federal government as may be necessary to
30 establish and continue a retirement program for the
31 benefit of its employees.

32 Revised Law

33 Sec. 1111.063. SEAL. The board shall have a seal engraved
34 with the district's name to authenticate the board's acts. The
35 board secretary shall keep the seal. (Acts 62nd Leg., R.S., Ch.
36 848, Sec. 4(e) (part).)

37 Source Law

38 (e) . . . The Board shall have a seal, on which
39 shall be engraved the name of the hospital district;
40 and said seal shall be kept by the secretary and used
41 in authentication of all acts of the Board.

1 Revisor's Note
2 (End of Subchapter)

3 Section 4(e), Chapter 848, Acts of the 62nd
4 Legislature, Regular Session, 1971, provides that a
5 majority of the board constitutes a quorum for the
6 transaction of business. The revised law omits that
7 provision because it duplicates Section 311.013,
8 Government Code (Code Construction Act), which
9 provides that a quorum of a public body is a majority
10 of the number of members fixed by statute. The revised
11 law also omits "for the transaction of any business"
12 because "quorum" means the number of persons or votes
13 necessary for a body to act. The omitted law reads:

14 (e) A majority of the Board of
15 Hospital Managers will constitute a quorum
16 for the transaction of any business. . . .

17 [Sections 1111.064-1111.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Revised Law

20 Sec. 1111.101. DISTRICT RESPONSIBILITY. The district has
21 full responsibility for providing hospital care for the district's
22 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 848, Sec. 2 (part).)

23 Source Law

24 Sec. 2. . . . Such District shall assume the
25 full responsibility for providing hospital care for
26 its needy inhabitants. . . .

27 Revisor's Note

28 Section 2, Chapter 848, Acts of the 62nd
29 Legislature, Regular Session, 1971, provides that the
30 district "shall assume" full responsibility for
31 providing hospital care for the district's needy
32 inhabitants. The revised law substitutes "has" for
33 the quoted language because the duty to assume the
34 responsibility is executed.

35 Revised Law

36 Sec. 1111.102. RESTRICTION ON POLITICAL SUBDIVISION
37 TAXATION AND DEBT. A political subdivision in Walker County, other

1 than the district, may not impose a tax or issue bonds or other
2 obligations for hospital purposes or to provide medical care in the
3 district. (Acts 62nd Leg., R.S., Ch. 848, Sec. 2 (part).)

4 Source Law

5 Sec. 2. . . . After establishment of such
6 District, no other municipality or political
7 subdivision in Walker County shall have the power to
8 levy taxes or issue bonds or other obligations for
9 hospital purposes or for providing medical care within
10 the boundaries of the District.

11 Revisor's Note

12 (1) Section 2, Chapter 848, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that
14 "[a]fter establishment of such District," certain
15 political subdivisions may not levy certain taxes or
16 issue certain bonds or other obligations. The revised
17 law omits the quoted language as executed. In
18 addition, throughout this chapter, the revised law
19 substitutes "impose" for "levy" because, in the
20 context of taxation, the terms are synonymous and
21 "impose" is more commonly used.

22 (2) Section 2, Chapter 848, Acts of the 62nd
23 Legislature, Regular Session, 1971, refers to a
24 "municipality or political subdivision." The revised
25 law omits the reference to "municipality" when used in
26 conjunction with "political subdivision" because
27 "municipality" is included in the meaning of
28 "political subdivision."

29 Revised Law

30 Sec. 1111.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
31 The board shall manage, control, and administer the district's
32 hospitals and hospital system. (Acts 62nd Leg., R.S., Ch. 848, Sec.
33 4(c) (part).)

34 Source Law

35 (c) The Board of Hospital Managers shall manage,
36 control and administer the hospitals and hospital
37 system of the District. . . .

1 Revised Law

2 Sec. 1111.104. HOSPITAL SYSTEM. (a) The district shall
3 provide for:

4 (1) the establishment of a hospital or hospital system
5 in the district to furnish hospital care to district residents by:

6 (A) purchasing, constructing, acquiring,
7 repairing, or renovating buildings and improvements; and

8 (B) equipping the buildings and improvements;
9 and

10 (2) the administration of the hospital system for
11 hospital purposes.

12 (b) The board shall determine the type, number, and location
13 of buildings required to maintain an adequate hospital system.

14 (c) The hospital system may include:

15 (1) domiciliary hospital care of the sick or injured;

16 (2) outpatient clinics;

17 (3) dispensaries;

18 (4) geriatric domiciliary care;

19 (5) convalescent home facilities;

20 (6) necessary nurses;

21 (7) domiciliaries and training centers;

22 (8) blood banks;

23 (9) community health centers;

24 (10) research centers or laboratories; and

25 (11) any other facilities the board considers
26 necessary for hospital care. (Acts 62nd Leg., R.S., Ch. 848, Secs.
27 2 (part), 4(d) (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 hospital care to persons residing in said
33 District by the purchase, construction, acquisition,
34 repair or renovation of buildings and improvements and
35 the equipping of same and the administration thereof
36 for hospital purposes. . . .

37 [Sec. 4]

38 (d) The Board of Hospital Managers is hereby
39 given complete discretion as to the type of buildings

1 (both as to number and location) required to establish
2 and maintain an adequate hospital system. The
3 hospital system may include domiciliary hospital care
4 of the sick, wounded and injured, out-patient clinic
5 or clinics, dispensaries, geriatric domiciliary care,
6 convalescent home facilities, necessary nurses,
7 domiciliaries and training centers, blood banks,
8 community health centers, and research centers or
9 laboratories, and any other facilities deemed
10 necessary for hospital care by the Board. . . .

11 Revisor's Note

12 (1) Section 4(d), Chapter 848, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 board shall determine the type, number, and location
15 of buildings to "establish" an adequate hospital
16 system. The revised law omits the reference to
17 establishing an adequate hospital system as executed.

18 (2) Section 4(d), Chapter 848, Acts of the 62nd
19 Legislature, Regular Session, 1971, refers to the care
20 of the "sick, wounded and injured." The revised law
21 omits the reference to "wounded" because "wounded" is
22 included in the meaning of "injured."

23 Revised Law

24 Sec. 1111.105. RULES. The district through the board may
25 adopt rules for the operation of the district. (Acts 62nd Leg.,
26 R.S., Ch. 848, Sec. 4(c) (part).)

27 Source Law

28 (c) . . . The District, through its Board of
29 Hospital Managers, shall have the power and authority
30 . . . to promulgate rules and regulations for the
31 operation of the District. . . .

32 Revisor's Note

33 Section 4(c), Chapter 848, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that the
35 board may "promulgate rules and regulations" for the
36 operation of the district. The revised law
37 substitutes "adopt" for "promulgate" because the terms
38 are synonymous and "adopt" is more commonly used. The
39 revised law also omits "regulations" because under
40 Section 311.005(5), Government Code (Code
41 Construction Act), a rule is defined to include a

1 regulation.

2 Revised Law

3 Sec. 1111.106. EMINENT DOMAIN. (a) The district may
4 exercise the power of eminent domain to acquire a fee simple or
5 other interest in any type of property, real, personal, or mixed,
6 located in district territory, if the interest is necessary or
7 convenient to exercise a right, power, privilege, or function
8 conferred on the district by this chapter.

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

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

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

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

19 (3) provide a bond for costs or a supersedeas bond on
20 an appeal or petition for review. (Acts 62nd Leg., R.S., Ch. 848,
21 Sec. 10.)

22 Source Law

23 Sec. 10. Said District shall have the right and
24 power of eminent domain for the purpose of acquiring by
25 condemnation any and all property of any kind or
26 character, real, personal or mixed, or any interest
27 therein, including outright ownership of such property
28 in fee simple absolute, within the boundaries of said
29 District, necessary or convenient to the exercise of
30 the rights, powers, privileges and functions conferred
31 upon it by this Act in the manner provided by general
32 law with respect to condemnation; provided that said
33 District shall not be required to make deposits in the
34 registry of the trial court of the sum required by
35 Paragraph 2 in Article 3268, Revised Civil Statutes of
36 Texas, 1925, as amended, or to make the bond required
37 therein. In condemnation proceedings being prosecuted
38 by said District, said District shall not be required
39 to pay in advance or to give bond or other security for
40 costs in the trial court, nor to give any bond
41 otherwise required for the issuance of a temporary
42 restraining order or a temporary injunction relating
43 to a condemnation proceeding, nor to give bond for
44 costs or for supersedeas on any appeal or writ of error
45 proceeding to any Court of Civil Appeals, or to the
46 Supreme Court.

1 Revisor's Note

2 (1) Section 10, Chapter 848, Acts of the 62nd
3 Legislature, Regular Session, 1971, 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 10, Chapter 848, Acts of the 62nd
12 Legislature, Regular Session, 1971, provides that the
13 district must exercise the power of eminent domain in
14 the manner provided by "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 (3) Section 10, Chapter 848, Acts of the 62nd
20 Legislature, Regular Session, 1971, refers to
21 "Paragraph 2 in Article 3268, Revised Civil Statutes
22 of Texas, 1925, as amended." That statute was codified
23 in 1983 as Section 21.021(a), Property Code, and the
24 revised law is drafted accordingly.

25 (4) Section 10, Chapter 848, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 district is not required to provide bond on any appeal
28 or "writ of error proceeding" to "any Court of Civil
29 Appeals, or to the Supreme Court." The revised law
30 substitutes "petition for review" for "writ of error"
31 because, effective September 1, 1997, the Texas
32 Supreme Court replaced the writ of error procedure
33 with the petition for review procedure. See Rule 53.1,
34 Texas Rules of Appellate Procedure. The revised law

1 omits the references to the court of civil appeals (now
2 court of appeals) and the supreme court because those
3 are the only courts to which the district may appeal or
4 with which the district may file a petition for review.

5 Revised Law

6 Sec. 1111.107. GIFTS AND ENDOWMENTS. The board may accept
7 for the district a gift or endowment to be held in trust and
8 administered by the board for the purposes and under any
9 directions, limitations, or other provisions prescribed in writing
10 by the donor that are not inconsistent with the proper management
11 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 848,
12 Sec. 15.)

13 Source Law

14 Sec. 15. Not by way of limitation, the Board of
15 Managers of said District is authorized in its behalf
16 to accept donations, gifts and endowments for the
17 District to be held in trust and administered by the
18 Board of Managers for such purposes and under such
19 direction, limitations and provisions as may be
20 prescribed in writing by donor, not inconsistent with
21 proper management and objects of the District.

22 Revisor's Note

23 (1) Section 15, Chapter 848, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that,
25 "[n]ot by way of limitation," the board has certain
26 specified powers. Throughout this chapter, the
27 revised law omits the quoted language because it is an
28 accepted general principle of statutory construction
29 that a grant of a power does not act as a limitation.
30 The general principle applies to this revision.

31 (2) Section 15, Chapter 848, Acts of the 62nd
32 Legislature, Regular Session, 1971, 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. 1111.108. LEASES. (a) The district through the board
38 may lease all or part of the buildings and facilities comprising the

1 hospital system to any person on terms considered to be in the
2 district's best interest. The term of a lease may not exceed 40
3 years.

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

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

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

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

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

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

29 (d) The lease, management agreement, bond resolution, or
30 trust indenture may prescribe systems, methods, routines,
31 procedures, and policies for the operation of the buildings and
32 other facilities owned by the district. If all or part of the
33 district's buildings or other facilities are leased, the district
34 may delegate to the lessee the duty to establish the systems,

1 methods, routines, procedures, and policies for the operation of
2 the leased premise. (Acts 62nd Leg., R.S., Ch. 848, Sec. 4(d)
3 (part).)

4 Source Law

5 (d) . . . In addition, the District, through its
6 Board, may lease all or part of the buildings and
7 facilities comprising the hospital system to any
8 person, upon terms and conditions considered to be to
9 its best interest. In connection with such lease, the
10 Board of Hospital Managers may delegate as it deems
11 appropriate such of its powers to manage, control and
12 administer the leased buildings and facilities to
13 furnish hospital care; . . . provided that in no event
14 shall any lease be for a period in excess of forty (40)
15 years from the date entered. In the event of a lease of
16 all or part of the District's buildings and facilities,
17 it shall be the duty of the Board of Hospital Managers
18 to provide that the lessee shall charge sufficient
19 rates for services rendered or goods provided at such
20 leased premises which, together with other sources of
21 the lessee's revenues, will produce revenues
22 sufficient to enable the lessee to pay such expenses of
23 operation and maintenance of the leased premises as
24 the lessee is required to pay under the lease and to
25 pay lease rentals to the District which will be
26 sufficient, when taken with any other sources of the
27 District's estimated revenues which are pledged for
28 the same purposes, to pay the interest on any revenue
29 or special obligation bonds, which are payable in
30 whole or in part from such lease rentals, to create and
31 maintain a sinking fund to pay the principal of and
32 premium, if any, on such bonds as they become due, to
33 create and maintain a bond reserve fund and such other
34 fund or funds as are provided for in the bond
35 resolution or trust indenture authorizing the issuance
36 of the bonds, and to pay all other charges, fees,
37 costs, and expenses as are required to be paid by such
38 lessee in accordance with said resolution or
39 indenture. The lease, management agreement, bond
40 resolution, or trust indenture may prescribe systems,
41 methods, routines, procedures, and policies under or
42 in accordance with which the buildings and facilities
43 owned by the District shall be operated, and in the
44 event that all or part of the District's buildings and
45 facilities are leased, the District may delegate to
46 the lessee the duty to establish the systems, methods,
47 routines, procedures, and policies under or in
48 accordance with which the leased premises shall be
49 operated. . . .

50 Revisor's Note

51 (1) Section 4(d), Chapter 848, Acts of the 62nd
52 Legislature, Regular Session, 1971, refers to "terms
53 and conditions." The revised law omits "conditions"
54 because, in this context, "conditions" is included in
55 the meaning of "terms."

56 (2) Section 4(d), Chapter 848, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides that the
2 district is subject to applicable laws and rules
3 adopted by the "Texas Department of Health Resources,
4 the Texas Health Facilities Commission or all other
5 agencies having jurisdiction" and to inspection by
6 representatives of those agencies. The revised law
7 omits that provision because any applicable laws and
8 rules apply on their own terms. In addition, various
9 state laws, including Chapters 222 and 241, Health and
10 Safety Code, provide the necessary regulatory and
11 inspection authority to appropriate state agencies.
12 The omitted law reads:

13 (d) . . . provided, that the
14 provision of hospital care at any leased
15 buildings and facilities shall be subject
16 to all applicable laws and all rules and
17 regulations promulgated by the Texas
18 Department of Health Resources, the Texas
19 Health Facilities Commission or all other
20 agencies having jurisdiction and shall be
21 subject to inspection by any duly
22 authorized representative of such agencies;
23 and

24 Revised Law

25 Sec. 1111.109. OPERATING AND MANAGEMENT CONTRACTS. The
26 district through the board may:

27 (1) enter into an operating or management contract
28 with any person regarding any district hospital or any part of the
29 district hospital system; and

30 (2) delegate to the person the power to:

31 (A) manage and operate the hospital or hospital
32 system or a portion of the hospital or hospital system; and

33 (B) employ and discharge employees or appoint and
34 remove doctors from the staff. (Acts 62nd Leg., R.S., Ch. 848, Sec.
35 4(d) (part).)

36 Source Law

37 (d) . . . The District, through its Board, is
38 further authorized to enter into an operating or
39 management contract with any person regarding all or
40 any of its hospitals and all or any part of its
41 hospital system, and it may delegate to the manager the
42 power to manage and operate such hospital, or

1 hospitals, and hospital system, or portion thereof,
2 and to employ and discharge employees or appoint and
3 remove doctors from the staff. . . .

4 Revised Law

5 Sec. 1111.110. CONTRACTS FOR CARE. The board may contract
6 with any lessee of the district's hospitals or any other person to
7 provide hospital care to needy district inhabitants for the
8 payments and terms and under the conditions the board considers to
9 be in the district's best interests. (Acts 62nd Leg., R.S., Ch.
10 848, Sec. 4(c) (part).)

11 Source Law

12 (c) . . . In addition, the Board shall be
13 authorized to contract with any lessee of its
14 hospitals or any other person for the provision of
15 hospital care to the needy inhabitants of the District
16 for such payments and terms and under such conditions
17 as the Board may deem to be in the best interests of the
18 District. . . .

19 Revised Law

20 Sec. 1111.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
21 HOSPITALIZATION. (a) The board may contract with a county or
22 municipality located outside the district's boundaries for the
23 hospitalization of a sick or injured person of that county or
24 municipality.

25 (b) The board may contract with this state or a federal
26 agency for the hospitalization of a sick or injured person. (Acts
27 62nd Leg., R.S., Ch. 848, Sec. 4(c) (part).)

28 Source Law

29 (c) . . . Such Board shall be authorized to
30 contract with any county or incorporated municipality
31 located outside its boundaries for the hospitalization
32 of the sick, diseased or injured persons of any such
33 county or municipality, and shall have the authority
34 to contract with the State of Texas or agencies of the
35 federal government for the hospitalization of sick,
36 diseased or injured persons. . . .

37 Revisor's Note

38 (1) Section 4(c), Chapter 848, Acts of the 62nd
39 Legislature, Regular Session, 1971, refers to an
40 "incorporated" municipality. The revised law omits
41 "incorporated" because under the Local Government
42 Code, all municipalities must be incorporated.

1 Legislature, Regular Session, 1971, provides
2 authority for the representatives of the "State Board
3 of Health, the State Department of Public Welfare or
4 other State agency created for a similar purpose that
5 may hereafter be created" to inspect hospital district
6 facilities and records. The revised law omits Section
7 12 because various state laws, including Chapters 222
8 and 241, Health and Safety Code, provide the necessary
9 inspection authority to appropriate state agencies.
10 The omitted law reads:

11 Sec. 12. After the creation and
12 establishment of said District, it shall be
13 subject to inspection by any duly
14 authorized representative of the State
15 Board of Health, the State Department of
16 Public Welfare or other State agency
17 created for a similar purpose that may
18 hereafter be created, and resident officers
19 shall admit such representatives into all
20 District facilities and give them access on
21 demand to all records, reports, books,
22 papers and accounts pertaining to said
23 District.

24 [Sections 1111.114-1111.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Revised Law

27 Sec. 1111.151. DEPOSITORY. (a) The board by resolution
28 shall designate a bank in Walker County as the district's
29 depository. A designated bank serves for two years and until a
30 successor is designated.

31 (b) All district money shall be secured in the manner
32 provided for securing county funds. (Acts 62nd Leg., R.S., Ch. 848,
33 Sec. 9.)

34 Source Law

35 Sec. 9. As soon as practicable after the
36 qualification of the first Board of Managers of said
37 District, said Board shall by resolution designate a
38 bank within the county as the District's depository,
39 and all funds of said District shall be secured in the
40 manner now provided for the security of county funds.
41 Such depository shall serve for a period of two (2)
42 years and until a successor has been selected.

43 Revisor's Note

44 Section 9, Chapter 848, Acts of the 62nd

1 Legislature, Regular Session, 1971, requires the board
2 to select a depository "[a]s soon as practicable after
3 the qualification of the first Board of Managers of
4 said District." The revised law omits the quoted
5 language as executed.

6 [Sections 1111.152-1111.200 reserved for expansion]

7 SUBCHAPTER E. BONDS

8 Revised Law

9 Sec. 1111.201. GENERAL OBLIGATION BONDS. The board may
10 issue and sell general obligation bonds in the name and on the faith
11 and credit of the district for any purpose relating to the purchase,
12 construction, acquisition, repair, or renovation of buildings or
13 improvements and equipping buildings or improvements for hospital
14 purposes. (Acts 62nd Leg., R.S., Ch. 848, Sec. 11(a) (part).)

15 Source Law

16 Sec. 11. (a) The Board of Managers shall have
17 the power and authority to issue and sell, as the
18 obligations of such District, and in the name and upon
19 the faith and credit of such District, bonds for the
20 purchase, construction, acquisition, repair or
21 renovation of buildings and improvements and equipping
22 the same for hospital purposes and for any or all of
23 such purposes. . . .

24 Revisor's Note

25 Section 11(a), Chapter 848, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 board may issue and sell bonds as obligations of the
28 district and in the name and on the faith and credit of
29 the district. Because the type of bonds described by
30 Section 11(a) are known as "general obligation bonds,"
31 the revised law is drafted accordingly.

32 Revised Law

33 Sec. 1111.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An
34 ad valorem tax shall be imposed at a rate sufficient to create an
35 interest and sinking fund to pay the principal of and interest on
36 general obligation bonds issued under Section 1111.201 as the bonds
37 mature.

38 (b) The tax required by this section together with any other

1 ad valorem tax imposed for the district may not in any year exceed
2 75 cents on each \$100 valuation of all taxable property in the
3 district. (Acts 62nd Leg., R.S., Ch. 848, Sec. 11(a) (part).)

4 Source Law

5 (a) . . . A sufficient annual tax shall be
6 levied to create an interest and sinking fund to pay
7 the interest on and principal of said bonds as same
8 mature, providing said tax together with any other
9 taxes levied for said District shall not exceed a rate
10 of seventy-five cents (75¢) on the One Hundred Dollars
11 (\$100) valuation of all taxable property within said
12 District in any one year. . . .

13 Revisor's Note

14 Section 11(a), Chapter 848, Acts of the 62nd
15 Legislature, Regular Session, 1971, requires the levy
16 of an annual tax to pay the principal of and interest
17 on bonds. The revised law specifies that the tax is an
18 "ad valorem" tax because it is clear from the source
19 law that the tax is a property tax. Section 1(b),
20 Article VIII, Texas Constitution, requires all
21 property that is taxed to be taxed in proportion to its
22 value, and accordingly "ad valorem" tax is the term
23 most commonly used in Texas law to refer to a tax on
24 property.

25 Revised Law

26 Sec. 1111.203. 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 in an
29 election held for that purpose.

30 (b) The board may order a bond election on its own motion.

31 (c) The order calling the election must specify:

32 (1) the date of the election;

33 (2) the location of the polling places;

34 (3) the presiding election officers;

35 (4) each proposition to be voted on; and

36 (5) any other matter considered necessary or desirable
37 by the board.

38 (d) Notice of a bond election shall be given by publishing a

1 substantial copy of the order calling the election in a newspaper of
2 general circulation in the district once each week for two
3 consecutive weeks. The first publication must occur at least 14
4 days before the date of the election. (Acts 62nd Leg., R.S., Ch.
5 848, Secs. 5 (part), 11(a) (part).)

6 Source Law

7 Sec. 5. . . . all bond elections shall be
8 ordered and

9 Sec. 11. (a) . . . No bonds (except refunding
10 bonds and revenue or special obligation bonds) shall
11 be issued by such District until authorized by a
12 majority vote of the resident electors of said
13 District who are qualified to vote thereon under the
14 Constitution and laws of the State of Texas and of the
15 United States, voting in an election (or elections as
16 permitted in Section 5) called and held for such
17 purpose. Such election shall be called, except as
18 provided in Section 5, by the Board of Managers on its
19 own motion, and the order calling said election shall
20 specify the date of same, the place or places where the
21 election shall be held, the presiding officers
22 thereof, the proposition or propositions to be voted
23 on and any other matters deemed necessary or desirable
24 by such Board or court. Notice of said election shall
25 be given by publishing a substantial copy of the order
26 calling the election in a newspaper of general
27 circulation within the area of such District once a
28 week for two (2) consecutive weeks, the date of the
29 first publication to be at least fourteen (14) days
30 prior to the date set for said election. . . .

31 Revisor's Note

32 (1) Section 5, Chapter 848, Acts of the 62nd
33 Legislature, Regular Session, 1971, requires the board
34 to canvass bond election returns. The revised law
35 omits that requirement because it duplicates Section
36 67.002, Election Code, which requires the governing
37 body of a political subdivision that orders an
38 election to canvass election returns. The omitted law
39 reads:

40 Sec. 5. . . . all bond elections
41 . . . the returns thereof shall be
42 canvassed by said Board of Managers.

43 (2) Section 11(a), Chapter 848, Acts of the 62nd
44 Legislature, Regular Session, 1971, provides that
45 "[n]o bonds (except refunding bonds and revenue or
46 special obligation bonds)" may be issued without an

1 election. Section 11 authorizes the issuance of
2 general obligation bonds, refunding bonds, and revenue
3 or special obligation bonds. The revised law omits the
4 exception for refunding bonds because Chapter 1207,
5 Government Code, provides general authority for an
6 issuer, including a hospital district, to issue
7 refunding securities, and Section 1207.003,
8 Government Code, authorizes an issuer to issue
9 refunding bonds without an election. The revised law
10 omits the exception for revenue and special obligation
11 bonds because Section 11(b), Chapter 848, Acts of the
12 62nd Legislature, Regular Session, 1971, revised in
13 this chapter as Section 1111.207, provides authority
14 for the district to issue revenue and special
15 obligation bonds as authorized by the laws of this
16 state and authorizes the district to issue revenue and
17 special obligation bonds without an election. The
18 revised law is drafted accordingly.

19 (3) Section 11(a), Chapter 848, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that
21 general obligation bonds may not be issued until
22 authorized by a majority vote of the "resident
23 electors of said District who are qualified to vote
24 thereon." The revised law substitutes "district
25 voters" for the quoted phrase for the reason stated in
26 Revisor's Note (1) to Section 1111.053.

27 (4) Section 11(a), Chapter 848, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to an
29 election "called and held." The revised law omits the
30 reference to "calling" an election because, in this
31 context, "calling" an election is included in the
32 meaning of "holding" an election. Under Chapter 3,
33 Election Code, all elections must be ordered (called)
34 before they may be held.

1 amended (Article 717k-2, Vernon's Texas Civil
2 Statutes)." The revised law omits the provision
3 because the maximum interest rate noted in Chapter 3
4 was codified in 1999 as Section 1204.006, Government
5 Code, which applies to the district by its own terms
6 under Section 1204.001, Government Code. The omitted
7 law reads:

8 (a) . . . [Said bonds] . . . bearing
9 interest at any rate or rates as provided by
10 Chapter 3, Acts of the 61st Legislature,
11 1969, as amended (Article 717k-2, Vernon's
12 Texas Civil Statutes),

13 (2) Section 11(a), Chapter 848, Acts of the 62nd
14 Legislature, Regular Session, 1971, provides that
15 district bonds must bear the seal of the district and
16 authorizes facsimile signatures. The revised law
17 omits those provisions as unnecessary. The
18 requirement that the bonds bear the seal of the
19 district was impliedly repealed by Section 3, Bond
20 Procedures Act of 1981 (Article 717k-6, Vernon's Texas
21 Civil Statutes), which was revised in relevant part in
22 1999 as Section 1201.026(a), Government Code, and
23 provides that bonds may be signed with or without a
24 seal. The authorization for the use of facsimile
25 signatures duplicates Section 1201.026(a), Government
26 Code, which also provides that bonds may be executed
27 with a manual or facsimile signature. The omitted law
28 reads:

29 (a) [. . . the chairman of the Board
30 of Managers and . . . the secretary . . .]
31 or either or both of their facsimile
32 signatures may be printed thereon, and the
33 seal of the District shall be impressed or
34 printed thereon. . . .

35 Revised Law

36 Sec. 1111.206. INVESTMENT OF GENERAL OBLIGATION BOND
37 PROCEEDS. Until general obligation bond proceeds are needed to
38 carry out the bond purpose, the proceeds may be:

39 (1) invested in direct obligations of the United

1 States; or

2 (2) placed on time deposit. (Acts 62nd Leg., R.S., Ch.
3 848, Sec. 11(a) (part).)

4 Source Law

5 (a) . . . Until such time as the bond proceeds
6 are needed to carry out the bond purpose, such proceeds
7 may be invested in direct obligations of the United
8 States of America or may be placed on time deposit
9 (either or both). . . .

10 Revised Law

11 Sec. 1111.207. REVENUE AND SPECIAL OBLIGATION BONDS. (a)
12 The district may, without an election, issue revenue or special
13 obligation bonds as authorized by the laws of this state relating to
14 the issuance of revenue or special obligation bonds, including
15 Sections 264.042-264.049 and 284.031, Health and Safety Code.

16 (b) Bonds issued under this section may be payable from and
17 secured by revenue, encumbrances, and mortgages as authorized by
18 law. Any maintenance and operating expense of the hospital system
19 that is charged against the revenue of the system may include only
20 items set forth and defined in the proceedings authorizing the bond
21 issuance. (Acts 62nd Leg., R.S., Ch. 848, Sec. 11(b).)

22 Source Law

23 (b) The District may, without election, issue
24 its revenue or special obligation bonds and may also
25 issue its refunding bonds to refund and/or pay off any
26 validly issued and outstanding District bonds, all in
27 the manner and to the extent as is now or may hereafter
28 be authorized and permitted by the laws of this State
29 relating to the issuance of revenue or special
30 obligation bonds and/or refunding bonds,
31 respectively, including, but not by way of limitation,
32 Sections 8 through 13 of Chapter 122, Acts of the 58th
33 Legislature, 1963, as amended, and Chapter 285, Acts
34 of the 60th Legislature, 1967, as amended, and Chapter
35 784, Acts of the 61st Legislature, 1969, as amended
36 (Sections 8 through 13 of Article 4494r, and Articles
37 4494r-1 and 717k-3, Vernon's Texas Civil Statutes),
38 and such revenue and special obligation bonds may be
39 payable from and secured by such revenues,
40 encumbrances, and mortgages as provided by law. As to
41 such revenue or special obligation bonds, any
42 maintenance and operating expenses of the system which
43 shall be charged against the revenues of the system
44 shall include only such items as are set forth and
45 defined in the proceedings authorizing the issuance of
46 the bonds.

47 Revisor's Note

48 (1) Section 11(b), Chapter 848, Acts of the 62nd

1 Legislature, Regular Session, 1971, authorizes the
2 district to issue "its refunding bonds to refund
3 and/or pay off any validly issued and outstanding
4 District bonds" as provided by the laws of this state,
5 including Chapter 784, Acts of the 61st Legislature,
6 Regular Session, 1969 (Article 717k-3, Vernon's Texas
7 Civil Statutes). Article 717k-3 was codified in 1999
8 in relevant part as Chapter 1207, Government Code. The
9 revised law omits the quoted language and the
10 reference to Chapter 1207, Government Code, as
11 unnecessary because Chapter 1207 provides general
12 authority for an issuer, including a hospital
13 district, to issue refunding securities.

14 (2) Section 11(b), Chapter 848, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to Sections
16 8-13, Chapter 122, Acts of the 58th Legislature, 1963
17 (Sections 8-13, Article 4494r, Vernon's Texas Civil
18 Statutes), and Chapter 285, Acts of the 60th
19 Legislature, Regular Session, 1967 (Article 4494r-1,
20 Vernon's Texas Civil Statutes). Sections 8-13 of
21 Article 4494r were codified in 1989 as Sections
22 264.042-264.049, Health and Safety Code, and Article
23 4494r-1 was codified in 1989 as Section 284.031,
24 Health and Safety Code. The revised law is drafted
25 accordingly.

26 Revisor's Note
27 (End of Subchapter)

28 (1) Section 11(a), Chapter 848, Acts of the 62nd
29 Legislature, Regular Session, 1971, provides that
30 district bonds shall be sold at the time, in the
31 manner, at the price, and on the terms provided by the
32 board. The revised law omits that provision because it
33 duplicates or is superseded by provisions of general
34 law. Sections 1201.005 and 1201.024, Government Code,
35 provide that an issuer, including a hospital district,

1 may specify the form of a bond it issues. Section
2 1201.021, Government Code, provides that the governing
3 body of an issuer may issue bonds in any denomination.
4 Sections 1201.005 and 1201.022, Government Code,
5 provide that a governmental entity may specify the
6 terms under which a bond is issued. Those sections
7 apply to district bonds by application of Section
8 1201.002, Government Code. The omitted law reads:

9 (a) . . . Said bonds shall be sold at
10 such time or times, in such manner, at such
11 price, on such terms and . . . all as may be
12 determined by said Board. . . .

13 (2) Section 11(a), Chapter 848, Acts of the 62nd
14 Legislature, Regular Session, 1971, 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 11(a) also provides that after
19 approval and registration, the bonds are
20 "incontestable for any cause." The revised law omits
21 those provisions as superseded by Chapter 1202,
22 Government Code (enacted as Article 3, Chapter 53,
23 Acts of the 70th Legislature, 2nd Called Session,
24 1987). Section 1202.003(a), Government Code, requires
25 bonds to be 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:

1 (a) . . . The bonds shall be subject
2 to the same requirements in the manner of
3 approval thereof by the Attorney General of
4 the State of Texas and the registration
5 thereof by the Comptroller of Public
6 Accounts of the State of Texas as are by law
7 provided for such approval and registration
8 of bonds of counties of this State. Upon
9 the approval of such bonds by the Attorney
10 General of Texas and registration by the
11 Comptroller, the same shall be
12 incontestable for any cause. . . .

13 (3) Section 11(a), Chapter 848, Acts of the 62nd
14 Legislature, Regular Session, 1971, provides that
15 district bonds may be made optional for redemption
16 before maturity. The revised law omits that provision
17 because it duplicates Section 1201.021, Government
18 Code, which provides that a public security may be
19 issued as redeemable before maturity at one or more
20 specified times. Section 1201.021, Government Code,
21 applies to district bonds by application of Section
22 1201.002, Government Code. The omitted law reads:

23 (a) . . . said bonds may be made
24 optional for redemption prior to their
25 maturity date at the discretion of the
26 Board.

27 (4) Section 13, Chapter 848, Acts of the 62nd
28 Legislature, Regular Session, 1971, provides that
29 district bonds are legal and authorized investments
30 for certain entities. The revised law omits the
31 provision as unnecessary. As to several of the
32 entities listed, Section 13 has been superseded and
33 impliedly repealed. Investments in securities by
34 banks are regulated by Section 34.101, Finance Code
35 (enacted in 1995 as Section 5.101, Texas Banking Act
36 (Article 342-5.101, Vernon's Texas Civil Statutes)).
37 Investments in securities by savings banks are
38 regulated by Section 93.001(c)(10), Finance Code
39 (enacted in 1993 as Section 7.15(10), Texas Savings
40 Bank Act (Article 489e, Vernon's Texas Civil
41 Statutes)). Investments in securities by trust

1 companies are regulated by Section 184.101, Finance
2 Code (enacted in 1997 as Section 5.101, Texas Trust
3 Company Act (Article 342a-5.101, Vernon's Texas Civil
4 Statutes)). Investments in securities by building and
5 loan associations (now called savings and loan
6 associations) are regulated by Sections 63.002 and
7 64.001, Finance Code. As to the remaining entities
8 listed, Section 13 is superseded by Section 1201.041,
9 Government Code, enacted as Section 9, Bond Procedures
10 Act of 1981 (Article 717k-6, Vernon's Texas Civil
11 Statutes). While Section 13 lists "guardians" and
12 Section 1201.041 does not, the latter statute includes
13 "fiduciaries" and a guardian is a fiduciary. Section
14 1201.041, Government Code, applies to district bonds
15 by application of Section 1201.002, Government Code.
16 The revised law omits the reference to public funds of
17 political subdivisions or public agencies of the state
18 because it has been superseded by Chapter 2256,
19 Government Code (enacted in 1987 as the Public Funds
20 Investment Act of 1987 (Article 842a-2, Vernon's Texas
21 Civil Statutes)), which governs the investment of
22 local funds. The omitted law reads:

23 Sec. 13. All bonds issued by said
24 District shall be and are hereby declared to
25 be legal and authorized investments for
26 banks, savings banks, trust companies,
27 building and loan associations, insurance
28 companies, fiduciaries, trustees,
29 guardians, and for the sinking funds of
30 cities, towns, villages, counties, school
31 districts or other political corporations
32 or subdivisions of the State of Texas; and
33

34 (5) Section 13, Chapter 848, Acts of the 62nd
35 Legislature, Regular Session, 1971, provides that
36 district bonds may secure deposits. Although Section
37 13 does not specifically mention the deposits the
38 bonds are eligible to secure, the only deposits they
39 could secure would be deposits of public funds of this

1 District taxation for the benefit of the District, a
2 tax . . . which shall be levied for, and may be pledged
3 to, the purposes of: (1) meeting the requirements of
4 the District's bonds and the indebtedness assumed by
5 it; (2) providing for the District's maintenance and
6 operating expenses, including, but not limited to, the
7 costs or contract payments for hospital care for the
8 needy inhabitants of the District; and (3) making
9 improvements and additions to its hospitals or
10 hospital system, and for the acquisition of the
11 necessary sites therefor, by gift, purchase, lease or
12 condemnation. . . .

13 Sec. 7. . . . Hospital taxes shall be levied
14 upon all taxable property within said district subject
15 to hospital district taxation.

16 Revisor's Note

17 Section 6, Chapter 848, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that
19 "[u]pon the creation of such District, and proper
20 qualification of said first Board of Managers," the
21 board shall impose taxes. The revised law omits the
22 quoted language as executed.

23 Revised Law

24 Sec. 1111.252. TAX RATE. The board shall impose the tax at
25 a rate not to exceed 75 cents on each \$100 valuation of all taxable
26 property in the district. (Acts 62nd Leg., R.S., Ch. 848, Sec. 6
27 (part).)

28 Source Law

29 Sec. 6. . . . [said Board shall . . . levy . . .
30 a tax] at a rate not to exceed seventy-five cents (75¢)
31 on the One Hundred Dollars (\$100) valuation of all
32 taxable property within such District,

33 Revised Law

34 Sec. 1111.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
35 ASSESSOR-COLLECTOR. Unless the board elects to have taxes assessed
36 and collected by its own tax assessor-collector under Section
37 1111.254, the tax assessor-collector of Walker County shall assess
38 and collect taxes imposed by and for the district. (Acts 62nd Leg.,
39 R.S., Ch. 848, Secs. 7 (part), 7(a) (part).)

40 Source Law

41 Sec. 7. . . . unless the Board of Managers, [by
42 majority vote,] elects to have taxes assessed and
43 collected by its own tax assessor-collector under
44 Subsection (b) hereof. . . .

1 (a) Under this subsection, The Tax
2 Assessor-Collector of Walker County shall be charged
3 and required to accomplish the assessment and
4 collection of all taxes levied by and on behalf of the
5 district. . . .

6 Revisor's Note

7 (1) Sections 7 and 7(a), Chapter 848, Acts of
8 the 62nd Legislature, Regular Session, 1971, refer to
9 the assessment and collection of district taxes on
10 county tax values. The revised law omits the
11 provisions because they were repealed by Section 6(b),
12 Chapter 841, Acts of the 66th Legislature, Regular
13 Session, 1979, which repealed all "general, local, and
14 special laws" that conflicted with that act. The 1979
15 act enacted the Property Tax Code (Title 1, Tax Code),
16 a comprehensive, substantive codification of property
17 tax law. Title 1, Tax Code, provides the exclusive
18 procedures for the appraisal of property for taxation
19 by a taxing unit, including a hospital district. The
20 omitted law reads:

21 Sec. 7. . . . All taxes of the
22 District shall be assessed and collected on
23 county tax values as provided in Subsection
24 (a) hereof

25 (a) . . . district taxes shall be
26 assessed and collected on county tax values
27 in the same manner as provided by law with
28 relation to county taxes. . . .

29 (2) Section 7(a), Chapter 848, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 tax assessor-collector shall charge a fee 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. See Revisor's
36 Note (1). Section 6.27(b), Tax Code, provides for the
37 compensation of a county tax assessor-collector
38 assessing and collecting taxes for another taxing
39 unit. The omitted law reads:

40 (a) . . . The Assessor-Collector of

1 Taxes shall charge and deduct from payments
2 to the hospital district an amount as fees
3 for assessing and collecting the taxes at a
4 rate of one per cent (1%) of the taxes
5 assessed and one per cent (1%) of the taxes
6 collected, but in no event shall the amount
7 paid exceed Five Thousand Dollars (\$5,000)
8 in any one calendar year. Such fees shall
9 be deposited in the officers salary fund of
10 the county and reported as fees of office of
11 the County Tax Assessor-Collector. . . .

12 (3) Section 7(a), Chapter 848, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that
14 interest and penalties on district taxes and discounts
15 are the same as for county taxes. The revised law
16 omits that provision because it was repealed by
17 Section 6(b), Chapter 841, Acts of the 66th
18 Legislature, Regular Session, 1979. See Revisor's
19 Note (1). Chapter 33, Tax Code, provides for penalties
20 and interest on delinquent taxes, and Section 31.05,
21 Tax Code, provides for discounts on the early payment
22 of taxes. The omitted law reads:

23 (a) . . . Interest and penalties on
24 taxes paid to the District shall be the same
25 as in the case of county taxes. Discounts
26 shall be the same as allowed by the county.
27 . . .

28 (4) Section 7(a), Chapter 848, Acts of the 62nd
29 Legislature, Regular Session, 1971, provides that tax
30 revenue shall be deposited in the district's
31 depository. The revised law omits the provision
32 because Section 31.10, Tax Code, requires the tax
33 collector for a taxing unit to deposit taxes collected
34 in the unit's depository. The omitted law reads:

35 (a) . . . The residue of tax
36 collections after deduction of discounts
37 and fees for assessing and collecting shall
38 be deposited in the District's depository.
39 . . .

40 (5) Section 7(a), Chapter 848, Acts of the 62nd
41 Legislature, Regular Session, 1971, provides that the
42 bond of the county tax assessor-collector is security
43 for the performance of district duties unless the
44 board determines that an additional bond is necessary.

1 The revised law omits that provision because it
2 duplicates Section 6.29(b), Tax Code, which authorizes
3 a taxing unit for which the county tax
4 assessor-collector collects a tax to require that
5 collector to post an additional bond. The omitted law
6 reads:

7 (a) . . . The bond of the County Tax
8 Assessor-Collector shall stand as security
9 for the proper performance of his duties as
10 assessor-collector of the District; or, if
11 in the judgment of the District Board of
12 Managers it is necessary, additional bond
13 payable to the District may be required.
14 . . .

15 (6) Section 7(a), Chapter 848, Acts of the 62nd
16 Legislature, Regular Session, 1971, states that the
17 tax assessor-collector may act in accordance with
18 state law relating to the assessment, collection, and
19 enforcement of state and county taxes. The revised law
20 omits that provision as unnecessary. The state law
21 relating to the assessment, collection, and
22 enforcement of all ad valorem taxes is Title 1, Tax
23 Code. Section 1.02, Tax Code, requires all taxing
24 units of government to administer the assessment,
25 collection, and enforcement of taxes in conformity
26 with that title. The omitted law reads:

27 (a) . . . In all matters pertaining
28 to the assessment, collection and
29 enforcement of taxes for the District, the
30 County Tax Assessor-Collector shall be
31 authorized to act in all respects according
32 to the laws of the State of Texas relating
33 to State and county taxes.

34 Revised Law

35 Sec. 1111.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
36 ASSESSOR-COLLECTOR. (a) The board by majority vote may elect to
37 have district taxes assessed and collected by a tax
38 assessor-collector appointed by the board. An election under this
39 subsection must be made before December 1 and governs the manner in
40 which taxes are assessed and collected, until changed by the board.

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

- 1 (1) reside in the district; and
2 (2) own real property subject to district taxation.

3 (c) The board shall prescribe the district tax
4 assessor-collector's term of employment and compensation. (Acts
5 62nd Leg., R.S., Ch. 848, Secs. 7 (part), 7(b) (part).)

6 Source Law

7 Sec. 7. . . . [unless the Board of Managers,] by
8 majority vote, [elects to have taxes assessed and
9 collected by its own tax assessor-collector under
10 Subsection (b) hereof.] Any such election may be made
11 prior to December 1 annually and shall govern the
12 manner in which taxes are thereafter assessed and
13 collected, until changed by said Board. . . .

14 (b) Under this subsection, taxes shall be
15 assessed and collected by a tax assessor-collector
16 appointed by the Board of Managers, who shall also fix
17 the term of his employment, compensation and
18 the tax assessor shall be residents of the District and
19 own real property subject to hospital district
20 taxation, and

21 Revisor's Note

22 (1) Section 7(b), Chapter 848, Acts of the 62nd
23 Legislature, Regular Session, 1971, requires the board
24 to set a bond amount of not less than \$5,000 as
25 security for the district tax assessor-collector. The
26 revised law omits the 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) to Section 1111.253. Section 6.29(a), Tax
30 Code, authorizes the governing body of a taxing unit,
31 including a hospital district, to require the unit's
32 tax assessor-collector to post bond without limiting
33 the amount. The omitted law reads:

34 (b) . . . [the Board of Managers, who
35 shall also fix the] . . . requirement for
36 bond to assure the faithful performance of
37 his duties, but in no event shall such bond
38 be for less than Five Thousand Dollars
39 (\$5,000). . . .

40 (2) Section 7(b), Chapter 848, Acts of the 62nd
41 Legislature, Regular Session, 1971, states that the
42 board shall appoint a board of equalization and
43 establishes the duties of that board and the tax

1 assessor-collector. The revised law omits the
2 reference to a board of equalization because boards of
3 equalization were abolished and their functions and
4 duties transferred to appraisal review boards by the
5 1979 enactment of the Property Tax Code, Title 1, Tax
6 Code (Section 1, Chapter 841, Acts of the 66th
7 Legislature, Regular Session, 1979). The provisions
8 relating to the duties of the tax assessor-collector
9 are omitted because the Tax Code specifies the duties
10 of a tax assessor-collector for a taxing unit. The
11 omitted law reads:

12 (b) . . . The Board of Managers shall
13 also annually appoint five (5) persons to
14 serve as a Board of Equalization and shall
15 fix their compensation. Each member of the
16 Board and . . . [shall be residents of the
17 District and own real property subject to
18 hospital district taxation, and] each shall
19 have the same duties (including the
20 obligation to execute the oath of office) as
21 required by county officials exercising
22 such powers and duties. . . .

23 (3) Section 7(b), Chapter 848, Acts of the 62nd
24 Legislature, Regular Session, 1971, refers to the
25 applicability of Title 122 of the Revised Statutes
26 (Taxation). Before its repeal and recodification,
27 Title 122 was composed of V.A.C.S. Articles
28 7041-7359a. The relevant parts of those provisions
29 were revised in 1979 as the Property Tax Code, Title 1,
30 Tax Code (Section 1, Chapter 841, Acts of the 66th
31 Legislature, Regular Session, 1979). The revised law
32 omits the provision because Title 1 applies to the
33 district on its own terms. The omitted law reads:

34 (b) . . . Except as in this law
35 provided to the contrary, all the
36 provisions of Title 122, Revised Civil
37 Statutes of Texas, 1925, as amended, shall
38 apply to the District.

39 Revisor's Note
40 (End of Subchapter)

41 Section 7, Chapter 848, Acts of the 62nd
42 Legislature, Regular Session, 1971, provides that the

1 board may impose taxes for the entire year in which the
2 district is established. The revised law omits the
3 provision as executed. The omitted law reads:

4 Sec. 7. The Board of Managers shall
5 have the authority to levy taxes for the
6 entire year in which the District is
7 established. . . .

8 Revisor's Note
9 (End of Chapter)

10 (1) Section 2, Chapter 848, Acts of the 62nd
11 Legislature, Regular Session, 1971, provides for the
12 transfer of certain land, buildings, improvements, and
13 equipment to the district after the district is
14 created and provides for the assumption of debt by the
15 district on creation. The revised law omits the
16 provisions as executed. The omitted law reads:

17 Sec. 2. . . . Any and all lands,
18 buildings, improvements and equipment in
19 said District owned by Walker County, which
20 has incurred outstanding indebtedness for
21 hospital purposes (no incorporated city,
22 town or village in said county having
23 incurred any such indebtedness for said
24 hospital purposes), prior to the creation
25 of said District, shall become the property
26 of the District if the proposition set out
27 in Section 3 hereof carries, and title to
28 said lands, buildings, improvements and
29 equipment shall vest in the District. All
30 obligations under contract legally incurred
31 by said county for the building of, or the
32 support and maintenance of, hospital
33 facilities in said District, prior to the
34 creation of said District but outstanding
35 at the time of the creation of said
36 District, shall be assumed and discharged
37 by it without prejudice to the rights of
38 third parties. All outstanding bonded
39 indebtedness incurred by said county in the
40 acquisition of such lands, buildings,
41 improvements and equipment, or in the
42 construction and equipping of such hospital
43 facilities, shall be assumed by the
44 District and become the obligation of the
45 District. Said Walker County, which has
46 issued such bonds, shall be by the District
47 relieved of any further liability for the
48 payment thereof, or for providing interest
49 and sinking fund requirements thereon;
50 provided that nothing herein contained
51 shall limit or affect any of the rights of
52 any of the holders of such bonds against
53 said county in the event of default in the
54 payment of the principal of or interest on
55 any of such bonds in accordance with their
56 respective terms. As soon as practicable

1 after the District is created and
2 authorized at the election provided for in
3 Section 3 hereof and there shall have been
4 qualified the Board of Hospital Managers
5 hereinafter provided for, the Walker County
6 Commissioners Court shall execute and
7 deliver to said District an instrument in
8 writing conveying to said District all the
9 hospital property heretofore mentioned,
10 including said lands, buildings,
11 improvements and equipment. . . .

12 (2) Section 16, Chapter 848, 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. 16. . . . If any provision of
21 this Act should be invalid, such fact shall
22 not affect the authorization for the
23 creation of the District or the validity of
24 any other provisions of this Act, and the
25 Legislature hereby declares that it would
26 have created the District and enacted the
27 valid provisions of this Act
28 notwithstanding the invalidity of any other
29 provision or provisions hereof.

30 (3) Section 17, Chapter 848, Acts of the 62nd
31 Legislature, Regular Session, 1971, states that public
32 notice of enactment of the statute was provided in a
33 manner that satisfies the requirements of the Texas
34 Constitution. The revised law omits that section as
35 executed. The omitted law reads:

36 Sec. 17. Proof of publication of the
37 Constitutional Notice required in the
38 enactment hereof under the provisions of
39 Section 9 of Article IX of the Texas
40 Constitution has been made in the manner and
41 form provided by law pertaining to the
42 enactment of local and special laws and is
43 hereby found and declared to be proper and
44 sufficient to satisfy such requirement.

45 TITLE 6. WATER AND WASTEWATER
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1 CHAPTER 7806. NORTHWEST DALLAS COUNTY FLOOD CONTROL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Revised Law

4 Sec. 7806.001. DEFINITIONS. In this chapter:

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

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

7 (3) "District" means the Northwest Dallas County Flood
8 Control District. (Acts 69th Leg., R.S., Ch. 472, Sec. 2; New.)

9 Source Law

10 Sec. 2. In this Act, "district" means the
11 Northwest Dallas County Flood Control District.

12 Revisor's Note

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

17 Revised Law

18 Sec. 7806.002. NATURE OF DISTRICT; POLITICAL SUBDIVISION.

19 The district is:

20 (1) a conservation and reclamation district created
21 under Section 59, Article XVI, Texas Constitution; and

22 (2) a political subdivision of this state. (Acts 69th
23 Leg., R.S., Ch. 472, Sec. 1 (part).)

24 Source Law

25 Sec. 1. The Northwest Dallas County Flood
26 Control District is created under Article XVI, Section
27 59, of the Texas Constitution as a conservation and
28 reclamation district . . . and a political subdivision
29 of this state.

30 Revisor's Note

31 Section 1, Chapter 472, Acts of the 69th
32 Legislature, Regular Session, 1985, provides that the
33 district is created as a conservation and reclamation
34 district to operate and exist as a governmental agency
35 and a body politic and corporate. The revised law
36 omits the references to "governmental agency" and
37 "body politic and corporate" because they duplicate a

1 portion of Section 59(b), Article XVI, Texas
2 Constitution, which provides that a conservation and
3 reclamation district is a governmental agency and a
4 body politic and corporate. The omitted law reads:

5 Sec. 1. [The Northwest Dallas County
6 Flood Control District is created] . . . to
7 operate and exist as a governmental agency,
8 a body politic and corporate,

9 Revised Law

10 Sec. 7806.003. 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's
13 boundaries will benefit from the works and projects of the
14 district.

15 (c) The creation of the district will accomplish the
16 purposes of Section 59, Article XVI, Texas Constitution. (Acts
17 69th Leg., R.S., Ch. 472, Sec. 4 (part).)

18 Source Law

19 Sec. 4. The legislature finds that:

20 (1) the purposes of Article XVI, Section
21 59, of the Texas Constitution will be accomplished by
22 the creation of the district;

23 (2) all land and other property included
24 within the district's boundaries will be benefitted by
25 the works and projects to be accomplished by the
26 district;

27 (3) the district is created to serve a
28 public use and benefit; and

29 . . .

30 Revised Law

31 Sec. 7806.004. DISTRICT TERRITORY. (a) The district is
32 composed of the territory described by Section 3, Chapter 472, Acts
33 of the 69th Legislature, Regular Session, 1985, as that territory
34 may have been modified under:

35 (1) Section 7806.103 of this chapter or its
36 predecessor statute, former Section 14, Chapter 472, Acts of the
37 69th Legislature, Regular Session, 1985;

38 (2) Subchapter J, Chapter 49, Water Code; or

39 (3) other law.

40 (b) The boundaries of the district form a closure. A
41 mistake in the description of the district's boundaries does not

1 affect:

2 (1) the district's organization, existence, or
3 validity; or

4 (2) the exercise of a power, function, or purpose
5 under this chapter. (Acts 69th Leg., R.S., Ch. 472, Sec. 4 (part);
6 New.)

7 Source Law

8 Sec. 4. [The legislature finds that:]

9
10 (4) the boundaries of the district form a
11 closure and if any mistake is made in the description
12 of the boundaries of the district, the mistake in no
13 way affects the organization, existence, and validity
14 of the district or the exercise of any powers,
15 functions, purposes, or authority provided by this
16 Act.

17 Revisor's Note

18 (1) The revision of the law governing the
19 district does not revise the statutory language
20 describing the territory of the district to avoid the
21 lengthy recitation of the description and because that
22 description may not be accurate on the effective date
23 of the revision or at the time of a later reading. For
24 the reader's convenience, the revised law includes
25 references to the statutory description of the
26 district's territory and to the authority to change the
27 district's territory under Section 7806.103 and under
28 Subchapter J, Chapter 49, Water Code, applicable to
29 the district under Sections 49.001 and 49.002 of that
30 chapter. The revised law also includes a reference to
31 the general authority of the legislature to enact a law
32 to change the district's territory.

33 (2) Section 4, Chapter 472, Acts of the 69th
34 Legislature, Regular Session, 1985, refers to "powers,
35 functions, purposes, or authority." The revised law
36 omits "authority" because, in context, "authority" is
37 included in the meaning of "power."

1 Revisor's Note
2 (End of Subchapter)

3 (1) Section 5(a), Chapter 472, Acts of the 69th
4 Legislature, Regular Session, 1985, provides that the
5 act prevails over general law in case of a conflict or
6 other inconsistency. The revised law omits that
7 provision because it duplicates in substance Section
8 311.026, Government Code (Code Construction Act). The
9 omitted law reads:

10 (a) . . . If any provision of the
11 general law is in conflict or inconsistent
12 with this Act, this Act prevails.

13 (2) Section 5(b), Chapter 472, Acts of the 69th
14 Legislature, Regular Session, 1985, refers to the
15 continuing right of this state to supervise the
16 district through the "Texas Department of Water
17 Resources." The revised law omits the provision
18 because the Texas Commission on Environmental Quality
19 is the successor to the Texas Department of Water
20 Resources, and therefore the provision duplicates, in
21 substance, part of Section 12.081, Water Code, which
22 applies to the district. The omitted law reads:

23 (b) The rights, powers, privileges,
24 functions, and authority granted to the
25 district under this Act are subject to the
26 continuing right of supervision of the
27 state to be exercised by and through the
28 Texas Department of Water Resources.

29 (3) Section 7, Chapter 472, Acts of the 69th
30 Legislature, Regular Session, 1985, provides
31 procedures for holding an election to confirm the
32 district's creation. Because the creation of the
33 district has been confirmed, the revised law omits
34 those provisions as executed. The omitted law reads:

35 Sec. 7. The board of directors shall
36 call and hold a confirmation election to
37 determine if the district shall be
38 established. The election shall be held in
39 the time and manner provided in Chapter 54,
40 Water Code, and may be called and held at
41 the same time as a bond election for the
42 district.

1 [Sections 7806.005-7806.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Revised Law

4 Sec. 7806.051. COMPOSITION OF BOARD. The district is
5 governed by a board of three elected directors. (Acts 69th Leg.,
6 R.S., Ch. 472, Secs. 9(a), (g) (part).)

7 Source Law

8 Sec. 9. (a) The district shall be governed by a
9 board of directors composed of three members.

10 (g) An election shall be held . . . to elect the
11 directors of the district.

12 Revised Law

13 Sec. 7806.052. ELIGIBILITY. To serve as a director, a
14 person must:

15 (1) own taxable property in the district; or

16 (2) be a resident of the district. (Acts 69th Leg.,
17 R.S., Ch. 472, Sec. 9(b).)

18 Source Law

19 (b) To serve as a director, a person must be at
20 least 18 years old and must own taxable property within
21 the district or must be a resident of the district.

22 Revisor's Note

23 Section 9(b), Chapter 472, Acts of the 69th
24 Legislature, Regular Session, 1985, provides that to
25 be eligible to serve as a director, a person must be at
26 least 18 years of age. The revised law omits that
27 provision because it duplicates Section 141.001,
28 Election Code, which provides the minimum age for a
29 public officer.

30 Revised Law

31 Sec. 7806.053. BOARD VACANCY. A vacancy on the board shall
32 be filled by the remaining directors for the unexpired term. (Acts
33 69th Leg., R.S., Ch. 472, Sec. 9(1).)

34 Source Law

35 (1) A vacancy on the board shall be filled by the
36 remaining directors for the unexpired term.

1 Revised Law

2 Sec. 7806.054. OFFICERS. (a) The board shall elect a
3 president, a vice president, and a secretary-treasurer at the first
4 board meeting after each directors' election.

5 (b) The secretary-treasurer:

6 (1) is the custodian of district records; and

7 (2) shall attest to all legal documents executed by
8 the district.

9 (c) The board may employ an assistant secretary to act in
10 the absence of the secretary. (Acts 69th Leg., R.S., Ch. 472, Sec.
11 9(n) (part).)

12 Source Law

13 (n) At the first meeting of the board following
14 each directors' election the board shall elect a
15 president, a vice-president, and a
16 secretary-treasurer. . . . The secretary-treasurer
17 shall be the custodian of district records and shall
18 attest to all legal documents executed by the
19 district. The board may employ an assistant secretary
20 to act in the absence of the secretary.

21 Revisor's Note

22 Section 9(n), Chapter 472, Acts of the 69th
23 Legislature, Regular Session, 1985, provides certain
24 duties of the president and vice president. The
25 revised law omits those provisions because they
26 duplicate in substance Section 49.054, Water Code.
27 Throughout this chapter, the revised law omits law
28 that is superseded by Chapter 49, Water Code, or that
29 duplicates law contained in that chapter. Chapter 49
30 applies to the district under Sections 49.001 and
31 49.002 of that chapter. The omitted law reads:

32 (n) . . . The president shall
33 preside at meetings of the board and shall
34 execute orders, resolutions, deeds, and
35 contracts for the district. In the
36 president's absence, the vice-president
37 shall preside at district meetings and
38 shall perform the president's duties. . . .

39 Revised Law

40 Sec. 7806.055. COMPENSATION. Unless the board by
41 resolution increases the fee to an amount authorized by Section

1 49.060, Water Code, each director is entitled to receive \$50 for
2 each day the director is actually engaged in duties for the
3 district, but not more than \$200 in any month. (Acts 69th Leg.,
4 R.S., Ch. 472, Sec. 9(i) (part); New.)

5 Source Law

6 (i) Each director is entitled to receive \$50 a
7 day for each day he is actually engaged in his duties
8 for the district but is not entitled to receive more
9 than \$200 in any single month. . . .

10 Revisor's Note

11 (1) Section 9(i), Chapter 472, Acts of the 69th
12 Legislature, Regular Session, 1985, provides for
13 directors to receive a fee for engaging in district
14 duties. Section 49.060, Water Code, enacted in 1995
15 and applicable by its own terms to the district,
16 authorizes higher fees. Section 49.060(e), however,
17 provides that if the amount of the fee set by Section
18 49.060 would result in a fee increase, the increase
19 does not apply to a district unless the district's
20 board by resolution adopts a higher fee. Accordingly,
21 the revised law adds a reference to the board's
22 authority to increase the fee under Section 49.060,
23 Water Code.

24 (2) Section 9(i), Chapter 472, Acts of the 69th
25 Legislature, Regular Session, 1985, provides for
26 reimbursement of a director's actual expenses. The
27 revised law omits the provision because it is
28 expressly superseded by Section 49.060, Water Code,
29 enacted in 1995. The omitted law reads:

30 (i) . . . Each director also is
31 entitled to reimbursement for his actual
32 expenses incurred in the performance of his
33 duties of director.

34 Revised Law

35 Sec. 7806.056. MEETINGS. (a) The board shall:

36 (1) establish a regular meeting time and place; and

37 (2) publish notice of the meeting time and place in a

1 newspaper with general circulation in the district.

2 (b) The board by order may change the meeting time and place
3 if the board gives notice as provided by this section. (Acts 69th
4 Leg., R.S., Ch. 472, Sec. 9(m).)

5 Source Law

6 (m) The board shall establish a regular meeting
7 time and place and shall publish notice of that meeting
8 time and place in a newspaper with general circulation
9 in the district. The time and place for meetings may
10 be changed by order of the board if the board gives
11 notice as provided by this subsection.

12 Revisor's Note
13 (End of Subchapter)

14 (1) Section 9, Chapter 472, Acts of the 69th
15 Legislature, Regular Session, 1985, refers in part to
16 the temporary directors of the district and to the
17 initial elected directors. Section 9(c) names the
18 temporary directors, and Section 9(e) provides for
19 filling vacancies on the temporary board. Section
20 9(d) provides the term of office for the temporary
21 directors, and Section 9(f) provides terms for the
22 initial directors elected on April 5, 1986. The
23 revised law omits Sections 9(c), (d), (e), and (f) as
24 executed because the terms of the temporary directors
25 and of the directors elected on April 5, 1986, have
26 expired. The omitted law reads:

27 (c) On the effective date of this Act
28 the following persons shall take office and
29 shall serve as the temporary board of
30 directors for the proposed district:

- 31 (1) M. Paul Spain;
32 (2) Bobby Harrell; and
33 (3) Jay Patterson.

34 (d) Members of the temporary board
35 shall serve until the persons elected as
36 directors on April 5, 1986, have been
37 elected and have qualified for office.

38 (e) A vacancy on the temporary board
39 shall be filled by appointment of the
40 remaining members of the temporary board.

41 (f) Each director elected on April 5,
42 1986, is elected for a two-year term.

43 (2) Section 9(g), Chapter 472, Acts of the 69th
44 Legislature, Regular Session, 1985, provides that
45 director elections shall be held "on the first

1 Saturday in April" of each even-numbered year. The
2 revised law omits that provision as superseded by
3 Section 49.103(b), Water Code, enacted in 1995 and
4 amended in 2001 and 2005. That section requires
5 elections of boards to be held on the uniform election
6 date established by the Election Code in May of each
7 even-numbered year. The omitted law reads:

8 (g) [An election shall be held] on
9 the first Saturday in April in each
10 even-numbered year [to elect the directors
11 of the district].

12 (3) Section 9(h), Chapter 472, Acts of the 69th
13 Legislature, Regular Session, 1985, provides that each
14 director shall take the constitutional oath of office
15 and execute a bond payable by the district. The
16 revised law omits the provision relating to the oath of
17 office because Section 1, Article XVI, Texas
18 Constitution, requires all officers in this state to
19 take the oath (or affirmation) before assuming office.
20 The revised law omits the provisions relating to the
21 bond because those provisions duplicate in substance
22 Section 49.055, Water Code. The omitted law reads:

23 (h) Each director shall qualify for
24 office by taking the oath and executing a
25 bond in the amount of \$10,000, payable to
26 the district, conditioned on the faithful
27 performance of his duties. The district
28 shall pay for the bond.

29 (4) Section 9(j), Chapter 472, Acts of the 69th
30 Legislature, Regular Session, 1985, authorizes the
31 board to employ or contract with necessary staff. The
32 revised law omits that provision because it
33 duplicates, in substance, parts of Sections 49.056 and
34 49.057, Water Code. The omitted law reads:

35 (j) The board may employ or contract
36 with any persons or entities necessary to
37 conducting the affairs of the district.

38 (5) Section 9(k), Chapter 472, Acts of the 69th
39 Legislature, Regular Session, 1985, requires the board

1 to adopt a seal for the district. The revised law
2 omits that provision because it duplicates Section
3 49.061, Water Code. The omitted law reads:

4 (k) The board shall adopt a seal for
5 the district.

6 [Sections 7806.057-7806.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Revised Law

9 Sec. 7806.101. LEVEE IMPROVEMENT DISTRICT POWERS. The
10 district may exercise all of the rights, powers, privileges, and
11 functions conferred or imposed by the general law of this state
12 applicable to a levee improvement district created under Section
13 59, Article XVI, Texas Constitution, including those provided by
14 Chapters 49 and 57, Water Code. (Acts 69th Leg., R.S., Ch. 472,
15 Sec. 5(a) (part); New.)

16 Source Law

17 Sec. 5. (a) The district may exercise all of
18 the rights, powers, privileges, functions, and
19 authority conferred and imposed by general law
20 applicable to levee improvement districts created
21 under Article XVI, Section 59, of the Texas
22 Constitution, including those provided by Chapter 57,
23 Water Code. . . .

24 Revisor's Note

25 (1) Section 5(a), Chapter 472, Acts of the 69th
26 Legislature, Regular Session, 1985, refers to the
27 district's "rights, powers, privileges, functions, and
28 authority." The revised law omits "authority" for the
29 reason stated in Revisor's Note (2) to Section
30 7806.004.

31 (2) Section 5(a), Chapter 472, Acts of the 69th
32 Legislature, Regular Session, 1985, refers to the
33 general laws applicable to levee improvement
34 districts, including Chapter 57, Water Code. For the
35 reader's convenience, the revised law adds a reference
36 to Chapter 49, Water Code, generally applicable under
37 Sections 49.001 and 49.002 of that chapter to
38 districts created under Section 59, Article XVI, Texas

1 Constitution.

2 Revised Law

3 Sec. 7806.102. RECLAMATION AND DRAINAGE. (a) The district
4 may purchase, acquire, construct, own, operate, maintain, repair,
5 rebuild, add to, and make improvements to any works, materials,
6 facilities, plants, equipment, and improvements necessary,
7 helpful, or incident to the reclamation of land in the district and
8 for the proper drainage of land in the district.

9 (b) To accomplish the purposes of Subsection (a), the
10 district may issue bonds and notes, enter into contracts, or incur
11 obligations in the manner provided by this chapter. (Acts 69th
12 Leg., R.S., Ch. 472, Sec. 6.)

13 Source Law

14 Sec. 6. The district may purchase, acquire,
15 construct, own, operate, maintain, repair, rebuild,
16 add to, and make improvements to any works, materials,
17 facilities, plants, equipment, and improvements
18 necessary, helpful, or incident to the reclamation of
19 land within the district and for the proper drainage of
20 land in the district. In the accomplishment of those
21 purposes, the district may issue bonds and notes,
22 enter into contracts, or incur obligations in the
23 manner provided by this Act.

24 Revised Law

25 Sec. 7806.103. ANNEXATION OR EXCLUSION OF LAND. (a) The
26 district may annex land to or may, before holding a bond election,
27 exclude land from the district in accordance with Subchapter J,
28 Chapter 49, or Subchapter H, Chapter 54, Water Code.

29 (b) The district is not required to hold an exclusion
30 hearing unless the board determines the hearing should be held.
31 (Acts 69th Leg., R.S., Ch. 472, Sec. 14; New.)

32 Source Law

33 Sec. 14. The district may annex additional land
34 to or may, before holding a bond election, exclude land
35 from the district in the manner and subject to the
36 procedures and requirements of Chapter 54, Water Code.
37 The district is not required to hold an exclusion
38 hearing unless the board determines the hearing should
39 be held.

40 Revisor's Note

41 Section 14, Chapter 472, Acts of the 69th
42 Legislature, Regular Session, 1985, provides that land

1 may be annexed to or excluded from the district "in the
2 manner and subject to the procedures and requirements
3 of Chapter 54, Water Code." A portion of that chapter,
4 Sections 54.701-54.727, Water Code, which provided for
5 the annexation or exclusion of territory by a
6 municipal utility district, was repealed by Section
7 43, Chapter 715, Acts of the 74th Legislature, Regular
8 Session, 1995. Section 2 of that act added Chapter 49,
9 Water Code, including Subchapter J of that chapter,
10 which now provides for the annexation or exclusion of
11 territory by certain districts. The reference to the
12 repealed annexation provisions in Chapter 54 may be
13 considered to be a reference to the similar provisions
14 in Chapter 49, and the revised law reflects that
15 change. For the reader's convenience, the revised law
16 adds a reference to Subchapter H, Chapter 54, Water
17 Code, which provides alternative exclusion
18 procedures.

19 Revised Law

20 Sec. 7806.104. COST OF RELOCATING OR ALTERING PROPERTY. If
21 the district's exercise of the powers granted under this chapter
22 makes necessary the relocating, raising, rerouting, changing the
23 grade of, or altering the construction of any highway, railroad,
24 electric transmission or distribution line, pipeline, or telephone
25 or telegraph properties or facilities, the district shall pay all
26 of the actual cost of:

27 (1) the relocating, raising, rerouting, changing in
28 grade, or altering of construction; and

29 (2) providing comparable replacement of facilities
30 without enhancement, less the net salvage value of the facilities.

31 (Acts 69th Leg., R.S., Ch. 472, Sec. 16.)

32 Source Law

33 Sec. 16. If the district makes necessary the
34 relocating, raising, rerouting, changing the grade of,
35 or altering the construction of any highway, railroad,
36 electric transmission or distribution line, pipeline,

1 or telephone or telegraph properties or facilities in
2 the exercise of powers granted under this chapter, the
3 district shall pay all of the actual cost of the
4 relocating, raising, rerouting, changing in grade, or
5 altering of construction and shall pay all of the
6 actual cost of providing comparable replacement of
7 facilities without enhancement, less the net salvage
8 value of the facilities.

9 Revised Law

10 Sec. 7806.105. DISTRICT ELECTIONS. (a) Notice of an
11 election must be published once a week for two consecutive weeks in
12 a newspaper with general circulation in the district, with the
13 first publication occurring at least 14 days before the date of the
14 election.

15 (b) A bond or maintenance tax election may be held at the
16 same time. (Acts 69th Leg., R.S., Ch. 472, Secs. 10(a), (b)
17 (part).)

18 Source Law

19 Sec. 10. (a) Elections required to be held by
20 the district must be held as provided by the Texas
21 Election Code, except that notice of all elections
22 shall be given by publication in a newspaper with
23 general circulation in the district once a week for two
24 consecutive weeks, with the first publication to be at
25 least 14 days before the date of the election.

26 (b) A bond or maintenance tax election may be
27 held at the same time, and

28 Revisor's Note

29 (1) Section 10(a), Chapter 472, Acts of the 69th
30 Legislature, Regular Session, 1985, provides that an
31 election must be held "as provided by the Texas
32 Election Code." The revised law omits that provision
33 because Section 1.002, Election Code, provides that
34 the Election Code applies to all elections held in this
35 state, and an exception to the application of the
36 Election Code would apply by its own terms.

37 (2) Section 10(b), Chapter 472, Acts of the 69th
38 Legislature, Regular Session, 1985, provides that the
39 board shall call all elections and canvass the
40 results. The revised law omits those provisions
41 because they duplicate in substance provisions of the
42 Election Code. Section 3.004, Election Code,

1 applicable to the district under Sections 1.002 and
2 3.001, Election Code, requires the governing body of a
3 political subdivision that has elective offices to
4 order the general election for those officers and any
5 other election relating to the affairs of the
6 political subdivision. Section 67.002, Election Code,
7 applicable to district elections under Section 67.001,
8 Election Code, requires the governing body of a
9 political subdivision that orders an election to
10 canvass the returns. The omitted law reads:

11 (b) . . . all elections shall be
12 called and the results canvassed by the
13 board.

14 [Sections 7806.106-7806.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Revised Law

17 Sec. 7806.151. TAX METHOD. (a) The district shall use the
18 ad valorem plan of taxation.

19 (b) The board is not required to hold a hearing on the
20 adoption of a plan of taxation. (Acts 69th Leg., R.S., Ch. 472,
21 Sec. 8.)

22 Source Law

23 Sec. 8. The board of directors is not required
24 to hold a hearing on the adoption of a plan of
25 taxation. The district shall use the ad valorem plan of
26 taxation.

27 Revised Law

28 Sec. 7806.152. TAX ASSESSMENT AND COLLECTION. The district
29 may:

- 30 (1) employ a tax collector; or
31 (2) contract with any qualified person to assess and
32 collect taxes for the district. (Acts 69th Leg., R.S., Ch. 472,
33 Secs. 9(o) (part), 13(b).)

34 Source Law

35 [Sec. 9]

36 (o) The board may employ a tax collector and
37

38 [Sec. 13]

1 (b) The district may contract with any qualified
2 person to assess and collect taxes for the district.

3 Revisor's Note

4 Section 13(a), Chapter 472, Acts of the 69th
5 Legislature, Regular Session, 1985, provides that the
6 Tax Code governs the appraisal, assessment, and
7 collection of district taxes. The revised law omits
8 that provision because Section 1.02, Tax Code,
9 requires all taxing units of government to administer
10 the assessment and collection of an ad valorem tax in
11 conformity with Title 1, Tax Code. The omitted law
12 reads:

13 Sec. 13. (a) The Tax Code governs
14 the appraisal, assessment, and collection
15 of district taxes.

16 Revised Law

17 Sec. 7806.153. DEPOSITORY. The board may select one or more
18 depositories. (Acts 69th Leg., R.S., Ch. 472, Sec. 9(o) (part).)

19 Source Law

20 (o) The board . . . may select one or more
21 depositories. . . .

22 Revisor's Note

23 Section 9(o), Chapter 472, Acts of the 69th
24 Legislature, Regular Session, 1985, requires a bank to
25 provide a specified amount of collateral to ensure the
26 security of district funds deposited at the bank. The
27 revised law omits the provision as superseded by
28 Subchapter B, Chapter 2257, Government Code (enacted
29 in 1989 as Article 2529d, Vernon's Texas Civil
30 Statutes), and specifically by Sections 2257.021 and
31 2257.022, which establish the amount of collateral
32 required for a deposit of public funds. Subchapter B,
33 Chapter 2257, Government Code, applies to the security
34 for district funds under Sections 2257.002 and
35 2257.004, Government Code. The omitted law reads:

36 (o) . . . Before the district
37 deposits funds in a bank in an amount that
38 exceeds the maximum amount secured by the

1 Federal Deposit Insurance Corporation, the
2 bank must execute a bond or provide other
3 security in an amount sufficient to secure
4 from loss the district's funds that exceed
5 the amount secured by the Federal Deposit
6 Insurance Corporation.

7 Revised Law

8 Sec. 7806.154. INVESTMENT OF DISTRICT MONEY. District
9 money may be invested by the board or the board's designee under
10 Subchapter E, Chapter 49, Water Code. (Acts 69th Leg., R.S., Ch.
11 472, Sec. 9(p).)

12 Source Law

13 (p) Funds of the district may be invested and
14 reinvested by the board or a person designated by the
15 board as provided by Section 54.308, Water Code.

16 Revisor's Note

17 (1) Section 9(p), Chapter 472, Acts of the 69th
18 Legislature, Regular Session, 1985, 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 (2) Section 9(p), Chapter 472, Acts of the 69th
24 Legislature, Regular Session, 1985, refers to the
25 investment and reinvestment of district funds. The
26 revised law omits the reference to "reinvested"
27 because "reinvested" in this context is included in
28 the meaning of "invested."

29 (3) Section 9(p), Chapter 472, Acts of the 69th
30 Legislature, Regular Session, 1985, governs the
31 investment and reinvestment of district funds as
32 provided by Section 54.308, Water Code. Section
33 54.308 was repealed by Section 43, Chapter 715, Acts of
34 the 74th Legislature, Regular Session, 1995. Section
35 2 of that act added Chapter 49, Water Code, including
36 Subchapter E, which governs the district's fiscal
37 matters. The reference to the repealed fiscal
38 provisions in Chapter 54 may be considered to be a

1 reference to the similar provisions in Chapter 49, and
2 the revised law reflects that change.

3 Revised Law

4 Sec. 7806.155. EXPENDITURES. An expenditure of the
5 district must be made by check signed by two directors. (Acts 69th
6 Leg., R.S., Ch. 472, Sec. 9(q).)

7 Source Law

8 (q) Expenditures of the district must be made by
9 check signed by two directors.

10 Revisor's Note
11 (End of Subchapter)

12 Section 12, Chapter 472, Acts of the 69th
13 Legislature, Regular Session, 1985, authorizes the
14 board to levy and collect a maintenance tax for the
15 purposes described by Section 54.311, Water Code, if
16 the tax is approved by the voters. Chapter 715, Acts
17 of the 74th Legislature, Regular Session, 1995,
18 repealed Section 54.311, Water Code, and enacted
19 Section 49.107, Water Code, which authorizes an
20 operation and maintenance tax for certain purposes if
21 approved by the voters. The revised law therefore
22 omits Section 12 because it duplicates in substance
23 Sections 49.107(a) and (b), Water Code. The omitted
24 law reads:

25 Sec. 12. The board of directors may
26 levy and collect a tax for the purposes
27 specified in Section 54.311, Water Code,
28 after that tax is approved by a majority
29 vote of the qualified voters of the district
30 voting at an election called and held for
31 that purpose.

32 [Sections 7806.156-7806.200 reserved for expansion]

33 SUBCHAPTER E. BONDS

34 Revised Law

35 Sec. 7806.201. AUTHORITY TO ISSUE BONDS. (a) The board may
36 issue bonds or notes of the district for any authorized purpose or
37 combination of purposes under Chapter 54, Water Code.

38 (b) Sections 49.181 and 49.182, Water Code, do not apply to

1 the district. (Acts 69th Leg., R.S., Ch. 472, Sec. 11(a).)

2 Source Law

3 Sec. 11. (a) The board may issue bonds or notes
4 of the district for any authorized purpose or
5 combination of purposes under Chapter 54, Water Code.
6 Sections 54.516 and 54.517, Water Code, do not apply to
7 the district.

8 Revisor's Note

9 Section 11(a), Chapter 472, Acts of the 69th
10 Legislature, Regular Session, 1985, refers to
11 "Sections 54.516 and 54.517, Water Code." Chapter 715,
12 Acts of the 74th Legislature, Regular Session, 1995,
13 repealed Sections 54.516 and 54.517, Water Code, and
14 enacted similar provisions as Sections 49.181 and
15 49.182, Water Code, respectively, to govern matters
16 previously governed by the repealed sections. The
17 revised law is drafted accordingly.

18 Revised Law

19 Sec. 7806.202. ELECTION REQUIRED. The district may not
20 issue bonds, except refunding bonds, secured wholly or partly by
21 the imposition of ad valorem taxes unless the issuance is
22 authorized by a majority of the district voters voting at an
23 election called for that purpose. (Acts 69th Leg., R.S., Ch. 472,
24 Sec. 11(b).)

25 Source Law

26 (b) Except for refunding bonds, bonds of the
27 district secured in whole or in part by the levy of ad
28 valorem taxes may not be issued until authorized by a
29 majority vote of the qualified voters of the district
30 voting at an election called for that purpose.

31 Revisor's Note

32 (1) Section 11(b), Chapter 472, Acts of the 69th
33 Legislature, Regular Session, 1985, refers to district
34 bonds "secured in whole or in part by the levy of ad
35 valorem taxes." The revised law substitutes
36 "imposition" for "levy" in the context of taxation
37 because "impose" is the term generally used in Title 1,
38 Tax Code, and includes the levy, assessment, and

1 collection of a tax.

2 (2) Section 11(b), Chapter 472, Acts of the 69th
3 Legislature, Regular Session, 1985, limits a bond
4 election to "qualified" voters. The revised law omits
5 "qualified" as unnecessary in this context because
6 Chapter 11, Election Code, governs eligibility to vote
7 in an election in this state and allows only "qualified
8 voters" who are residents of the territory covered by
9 the election to vote in an election.

10 Revisor's Note
11 (End of Subchapter)

12 Section 15, Chapter 472, Acts of the 69th
13 Legislature, Regular Session, 1985, provides that the
14 bonds and notes issued by the district are legal and
15 authorized investments and eligible and lawful
16 security as provided by Section 54.515, Water Code.
17 Chapter 1070, Acts of the 75th Legislature, Regular
18 Session, 1997, repealed Section 54.515, Water Code.
19 Section 9 of that act enacted a similar provision in
20 Section 49.186, Water Code. Section 49.186, Water
21 Code, lists certain entities for which bonds and notes
22 are legal and authorized investments and also states
23 that bonds and notes are lawful security for public
24 funds of the state and of political subdivisions of the
25 state. Therefore, the revised law omits Section 15
26 because it duplicates in substance Section 49.186,
27 Water Code. The omitted law reads:

28 Sec. 15. All bonds and notes of the
29 district are legal and authorized
30 investments and eligible and lawful
31 security for all deposits of public funds in
32 the manner and to the extent provided by
33 Section 54.515, Water Code.

34 CHAPTER 7807. VALWOOD IMPROVEMENT AUTHORITY OF DALLAS COUNTY, TEXAS

35 SUBCHAPTER A. GENERAL PROVISIONS

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10 Sec. 7807.206. TAXES FOR BONDS 865

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12 BONDS 865

13 Sec. 7807.208. REFUNDING BONDS 867

14 CHAPTER 7807. VALWOOD IMPROVEMENT AUTHORITY OF DALLAS COUNTY, TEXAS

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 7807.001. 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 the Valwood Improvement

21 Authority of Dallas County, Texas. (Acts 64th Leg., R.S., Ch. 201,

22 Sec. 2; New.)

23 Source Law

24 Sec. 2. The district shall hereinafter be known

25 and designated as the "Valwood Improvement Authority

26 of Dallas County, Texas," hereinafter referred to as

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. 7807.002. NATURE OF DISTRICT. The district is a

35 conservation and reclamation district established under Section

36 59, Article XVI, Texas Constitution. (Acts 64th Leg., R.S., Ch.

1 201, Sec. 1 (part).)

2 Source Law

3 Sec. 1. Under and pursuant to the provisions of
4 Article XVI of the Constitution of Texas, there was
5 heretofore established by order of the Commissioners
6 Court of Dallas County, Texas, a conservation and
7 reclamation district designated as "Dallas County
8 Levee Improvement District No. 16," and the district
9 is hereby declared to be a validly existing
10 conservation and reclamation district. . . .

11 Revisor's Note

12 Section 1, Chapter 201, Acts of the 64th
13 Legislature, Regular Session, 1975, states that the
14 district was "heretofore established by order of the
15 Commissioners Court of Dallas County, Texas," as the
16 "'Dallas County Levee Improvement District No. 16'" and
17 that the district "is hereby declared to be a validly
18 existing" conservation and reclamation district. The
19 name of the district was changed by Section 2 of
20 Chapter 201 from the "Dallas County Levee Improvement
21 District No. 16" to the "Farmers Branch-Carrollton
22 Flood Control District of Dallas County, Texas."
23 Chapter 588, Acts of the 71st Legislature, Regular
24 Session, 1989, changed the name of the district to its
25 current name, "Valwood Improvement Authority of Dallas
26 County, Texas." The revised law omits the language
27 regarding the establishment and validation of the
28 district because it served its purpose on the day it
29 took effect and is executed law. Section
30 311.031(a)(2), Government Code (Code Construction
31 Act), provides that the repeal of a statute does not
32 affect any validation previously made under the
33 statute. Therefore, the omission of the executed
34 validation provision does not affect the validation.

35 Revised Law

36 Sec. 7807.003. DISSOLUTION AND ABOLITION OF DISTRICT. The
37 Cities of Carrollton and Farmers Branch, and any other municipality
38 in which the district is located, may dissolve and abolish the

1 district at the municipalities' discretion on written notice of the
2 dissolution and abolition to the board, in the same manner and on
3 the same terms and obligations as prescribed by Section 43.076,
4 Local Government Code. (Acts 64th Leg., R.S., Ch. 201, Sec. 11.)

5 Source Law

6 Sec. 11. It is further expressly provided that
7 the cities of Carrollton and Farmers Branch, and any
8 other city in which the district may hereinafter be
9 situated, shall have the right to dissolve and abolish
10 the district at their discretion on written notice
11 thereof to the board of directors of the district, in
12 the same manner and on the same terms, conditions, and
13 obligations as prescribed in Chapter 228, Acts of the
14 56th Legislature, Regular Session, 1959, as amended
15 (Article 1182c-5, Vernon's Texas Civil Statutes).

16 Revisor's Note

17 (1) Section 11, Chapter 201, Acts of the 64th
18 Legislature, Regular Session, 1975, refers to a
19 "city." Throughout this chapter, the revised law
20 substitutes the term "municipality" for "city" because
21 that is the term used in the Local Government Code.

22 (2) Section 11, Chapter 201, Acts of the 64th
23 Legislature, Regular Session, 1975, refers to the
24 "terms" and "conditions" under which the district may
25 be dissolved and abolished. The revised law omits the
26 reference to "conditions" because "conditions" is
27 included in the meaning of "terms."

28 (3) Section 11, Chapter 201, Acts of the 64th
29 Legislature, Regular Session, 1975, provides that
30 certain municipalities may dissolve and abolish the
31 district in accordance with "Chapter 228, Acts of the
32 56th Legislature, Regular Session, 1959, as amended
33 (Article 1182c-5, Vernon's Texas Civil Statutes)."
34 Article 1182c-5 was codified by Chapter 149, Acts of
35 the 70th Legislature, Regular Session, 1987, as
36 Sections 43.076, 43.077, 43.078, and 43.079, Local
37 Government Code. Sections 43.077 and 43.078, Local
38 Government Code, were repealed by Chapter 1339, Acts
39 of the 75th Legislature, Regular Session, 1997.

1 Section 43.079, Local Government Code, applies only to
2 annexation by a municipality of territory in certain
3 conservation and reclamation districts and not to the
4 dissolution or abolition of a district. Accordingly,
5 the revised law substitutes a reference to Section
6 43.076, Local Government Code, for the reference to
7 Article 1182c-5.

8 The revised law also omits "as amended" because,
9 under Section 311.027, Government Code (Code
10 Construction Act), a reference to a statute applies to
11 all reenactments, revisions, or amendments of that
12 statute, unless expressly provided otherwise.

13 Revised Law

14 Sec. 7807.004. LIBERAL CONSTRUCTION OF CHAPTER. This
15 chapter shall be liberally construed to effect the purposes,
16 powers, rights, and functions stated in this chapter. (Acts 71st
17 Leg., R.S., Ch. 588, Sec. 4 (part).)

18 Source Law

19 Sec. 4. . . . All the terms and provisions of
20 this Act shall be liberally construed to effectuate
21 the purposes, powers, rights, functions, and
22 authorities herein set forth.

23 Revisor's Note

24 Section 4, Chapter 588, Acts of the 71st
25 Legislature, Regular Session, 1989, refers to
26 "purposes, powers, rights, functions, and
27 authorities." Throughout this chapter, the revised
28 law omits "authority" and "authorities" in this
29 context as included in the meaning of "power" and
30 "powers."

31 Revisor's Note
32 (End of Subchapter)

33 Section 1, Chapter 201, Acts of the 64th
34 Legislature, Regular Session, 1975, provides that the
35 act prevails over general law in case of a conflict or
36 other inconsistency and that all general laws

1 applicable to levee improvement districts not in
2 conflict or inconsistent with the provisions of the
3 act are adopted and incorporated by reference. The
4 revised law omits the portion of the provision
5 relating to the act prevailing over general law
6 because it duplicates in substance Section 311.026(b),
7 Government Code (Code Construction Act). The revised
8 law omits the portion of the provision relating to
9 adoption and incorporation of general laws because
10 other language in Section 1 (revised as Section
11 7807.101) provides that those laws apply to the
12 district, and it is unnecessary to repeat that
13 authority. The omitted law reads:

14 Sec. 1. . . . if any provision of
15 such general law shall be in conflict or
16 inconsistent with the provisions of this
17 Act, the provisions of this Act shall
18 prevail. All such general laws 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 . . .

24 [Sections 7807.005-7807.050 reserved for expansion]

25 SUBCHAPTER B. DISTRICT ADMINISTRATION

26 Revised Law

27 Sec. 7807.051. COMPOSITION OF BOARD; TERMS. (a) The board
28 consists of seven directors.

29 (b) Directors serve staggered two-year terms and are
30 appointed as follows:

31 (1) the Commissioners Court of Dallas County shall
32 appoint one director to a term expiring each even-numbered year;

33 (2) the city council of the City of Carrollton shall
34 appoint one director to a term expiring each even-numbered year and
35 two directors to terms expiring each odd-numbered year; and

36 (3) the city council of the City of Farmers Branch
37 shall appoint one director to a term expiring each even-numbered
38 year and two directors to terms expiring each odd-numbered year.
39 (Acts 64th Leg., R.S., Ch. 201, Sec. 3 (part).)

1 1991 as executed but preserves the effect of these
2 provisions, which is to create staggered two-year
3 terms, with three directors appointed for terms
4 expiring each even-numbered year and four directors
5 appointed for terms expiring each odd-numbered year.

6 Revised Law

7 Sec. 7807.052. QUALIFICATIONS FOR OFFICE. (a) A director
8 must own land in the district subject to taxation at the time the
9 person qualifies for office.

10 (b) Each director must be fully qualified to serve as
11 director before taking office. (Acts 64th Leg., R.S., Ch. 201, Sec.
12 3 (part).)

13 Source Law

14 Sec. 3. . . . Each director shall own land
15 within the district subject to taxation at the time of
16 his qualification as a director, and All
17 directors . . . shall otherwise be fully qualified to
18 serve as directors prior to taking office. . . .

19 Revised Law

20 Sec. 7807.053. DIRECTOR'S BOND. (a) Each director shall
21 qualify by giving bond in the amount of \$5,000 for the faithful
22 performance of the director's duties.

23 (b) The bond must be:

24 (1) approved by the board; and

25 (2) recorded in the official bond records of the
26 county clerk of Dallas County.

27 (c) Each director shall file the bond as soon as practicable
28 after the director's appointment. (Acts 64th Leg., R.S., Ch. 201,
29 Sec. 3 (part).)

30 Source Law

31 Sec. 3. . . . Each director . . . shall qualify
32 by subscribing the constitutional oath of office and
33 by giving bond in the amount of \$5,000 for the faithful
34 performance of his duties. All directors' bonds shall
35 be approved by the district's board of directors and
36 recorded in the official bond records of the County
37 Clerk of Dallas County. . . . All directors shall file
38 their bonds as soon as practicable after their
39 appointment and

1 Carrollton and Farmers Branch appoint directors to
2 fill all vacancies on the board. . . .

3 Revisor's Note

4 Section 3, Chapter 201, Acts of the 64th
5 Legislature, Regular Session, 1975, provides that the
6 Commissioners Court of Dallas County shall fill
7 vacancies on the board when there are fewer than four
8 directors "because of failure or refusal of one or more
9 directors to qualify to serve, or because of death or
10 incapacity, or for any other reason." The revised law
11 omits the quoted language because it merely describes
12 every manner in which a vacancy may occur without
13 limiting in any way the commissioners court's duty to
14 fill a vacancy.

15 Revised Law

16 Sec. 7807.055. OFFICERS AND ASSISTANTS. (a) The board
17 shall annually elect a president, one or more vice presidents, a
18 secretary, and a treasurer.

19 (b) The board may appoint one or more assistant secretaries
20 and an assistant treasurer. An assistant secretary or assistant
21 treasurer is not required to be a director. (Acts 64th Leg., R.S.,
22 Ch. 201, Secs. 3 (part), 4 (part).)

23 Source Law

24 Sec. 3. . . . The board of directors shall
25 reorganize as soon as all additional directors
26 provided for herein have taken office and shall elect a
27 president, one or more vice-presidents, a secretary,
28 and a treasurer. The board of directors may designate
29 one or more assistant secretaries and an assistant
30 treasurer, who may, but need not be, a member of the
31 board of directors. . . .

32 Sec. 4. . . . One of the members of the board of
33 directors shall serve as treasurer of the district,
34 and

35 Revisor's Note

36 Section 3, Chapter 201, Acts of the 64th
37 Legislature, Regular Session, 1975, requires the board
38 to "reorganize as soon as all additional directors
39 provided for herein have taken office" and elect
40 officers. The revised law substitutes "annually" for

1 the quoted language because under another provision of
2 Section 3 (revised as Section 7807.051), three or four
3 new directors are appointed to the board each year.

4 Revised Law

5 Sec. 7807.056. SECRETARY'S DUTIES. The board secretary or
6 an assistant secretary shall keep the minutes of the board meetings
7 and all official records of the board and may certify to any action
8 the board takes. (Acts 64th Leg., R.S., Ch. 201, Sec. 3 (part).)

9 Source Law

10 Sec. 3. . . . The secretary of the board of
11 directors, or one of the assistant secretaries, shall
12 be responsible for keeping the minutes of the meetings
13 of the board of directors and all official records of
14 the board, and may certify to any action taken by the
15 board of directors. . . .

16 Revised Law

17 Sec. 7807.057. COMPENSATION. Unless the board by
18 resolution increases the fee to an amount authorized by Section
19 49.060, Water Code, each director shall receive a per diem payment
20 of \$50, not to exceed a maximum payment of \$200 per month. (Acts
21 64th Leg., R.S., Ch. 201, Sec. 3 (part); New.)

22 Source Law

23 Sec. 3. . . . Each member of the board of
24 directors shall receive a per diem payment of \$50, not
25 to exceed a maximum payment of \$200 per month and
26

27 Revisor's Note

28 (1) Section 3, Chapter 201, Acts of the 64th
29 Legislature, Regular Session, 1975, provides for
30 directors to receive a per diem of \$50. Section 49.060,
31 Water Code, enacted in 1995 and applicable by its own
32 terms to the district, authorizes higher fees.
33 Section 49.060(e), however, provides that if the
34 amount of the fee set by Section 49.060 would result in
35 a fee increase, the increase does not apply to a
36 district unless the district's board by resolution
37 adopts a higher fee. Accordingly, the revised law adds
38 a reference to the board's authority to increase the

1 fee under Section 49.060, Water Code.

2 (2) Section 3, Chapter 201, Acts of the 64th
3 Legislature, Regular Session, 1975, provides for
4 reimbursement of a director's actual expenses. The
5 revised law omits the provision because it is
6 expressly superseded by Section 49.060, Water Code
7 (enacted in 1995). The omitted law reads:

8 Sec. 3. . . . [Each member of the
9 board of directors] . . . shall be
10 reimbursed for actual expenses approved by
11 the board of directors. . . .

12 Revised Law

13 Sec. 7807.058. BOARD PROCEDURES. The board shall designate
14 the proper execution of all contracts, signing of checks, or
15 handling of any other matters entered into by the board as shown in
16 the district's official minutes. (Acts 64th Leg., R.S., Ch. 201,
17 Sec. 3 (part).)

18 Source Law

19 Sec. 3. . . . provided, however, that the board
20 of directors shall designate the proper execution of
21 all contracts, signing of checks, or handling of any
22 other matters entered into by the board of directors as
23 shown in the official minutes of the district. . . .

24 Revised Law

25 Sec. 7807.059. MEETING PLACE. (a) The board shall
26 designate a meeting place or places.

27 (b) Any meeting place of the district is a public place for
28 matters pertaining to the district's business.

29 (c) The board shall give notice of the meeting place and of
30 any changes in the meeting place by publishing the location in a
31 newspaper of general circulation in Dallas County. (Acts 64th
32 Leg., R.S., Ch. 201, Sec. 4 (part).)

33 Source Law

34 Sec. 4. . . . The board of directors shall
35 designate a meeting place or places and shall give
36 notice thereof, and any changes therein, by publishing
37 the location in a newspaper of general circulation in
38 Dallas County. Any meeting place of the district is
39 hereby declared a public place for matters pertaining
40 to the district's business.

1 Sec. 3. . . . The board of directors
2 shall hold regular and special meetings at
3 such times and on such dates as the board
4 shall determine upon giving of proper
5 notice thereof.

6 [Sections 7807.060-7807.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Revised Law

9 Sec. 7807.101. LEVEE IMPROVEMENT DISTRICT POWERS. (a) The
10 district has all of the rights, powers, privileges, and functions
11 provided by the general law of this state applicable to a levee
12 improvement district created under the authority of Section 59,
13 Article XVI, Texas Constitution, including those conferred by
14 Chapters 49 and 57, Water Code.

15 (b) In the accomplishment of the district's purposes, the
16 district may issue bonds, enter into contracts, or incur debt in the
17 manner prescribed by this chapter. (Acts 64th Leg., R.S., Ch. 201,
18 Sec. 1 (part); New.)

19 Source Law

20 Sec. 1. . . . The district is hereby vested with
21 and shall have and exercise 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 hereinafter enacted applicable to levee improvement
25 districts created under the authority of Article XVI,
26 Section 59 of the Texas Constitution, including,
27 without limitation, those conferred by Chapter 57,
28 Water Code, with all amendments and additions thereto;
29 but In the accomplishment of its purposes, the
30 district may or may not issue bonds, enter into
31 contracts, or incur indebtedness in the manner and
32 under the provisions hereinafter prescribed.

33 Revisor's Note

34 (1) Section 1, Chapter 201, Acts of the 64th
35 Legislature, Regular Session, 1975, provides that the
36 district "is hereby vested with and shall have and
37 exercise" certain powers. The revised law substitutes
38 "has" for the quoted language because, in context, the
39 terms are synonymous and "has" is more commonly used.

40 (2) Section 1, Chapter 201, Acts of the 64th
41 Legislature, Regular Session, 1975, states that the
42 district has the rights, powers, privileges,

1 authority, and functions conferred by the general laws
2 of this state "now in force or hereafter enacted." The
3 revised law omits the quoted language because it
4 duplicates accepted general principles of statutory
5 construction. The "general laws of this state" means
6 those laws "in force" at the time the provision was
7 adopted. It is unnecessary to state that the district
8 may be granted additional powers by later enacted laws
9 because those laws apply on their own terms.

10 (3) Section 1, Chapter 201, Acts of the 64th
11 Legislature, Regular Session, 1975, grants the
12 district certain powers "including, without
13 limitation" the enumerated powers. The revised law
14 omits "without limitation" because Section
15 311.005(13), Government Code (Code Construction Act),
16 provides that "including" is a term of enlargement and
17 not of limitation and does not create a presumption
18 that components not expressed are excluded.

19 (4) Section 1, Chapter 201, Acts of the 64th
20 Legislature, Regular Session, 1975, refers to the
21 general laws applicable to levee improvement
22 districts, including Chapter 57, Water Code. For the
23 reader's convenience, the revised law adds a reference
24 to Chapter 49, Water Code, generally applicable under
25 Sections 49.001 and 49.002 of that chapter to
26 districts created under Section 59, Article XVI, Texas
27 Constitution.

28 (5) Section 1, Chapter 201, Acts of the 64th
29 Legislature, Regular Session, 1975, refers to Chapter
30 57, Water Code, "with all amendments and additions
31 thereto." The revised law omits the quoted language
32 for the reason stated in Revisor's Note (3) to Section
33 7807.003.

34 (6) Section 1, Chapter 201, Acts of the 64th

1 Legislature, Regular Session, 1975, provides that the
2 district "may or may not" issue bonds, enter into
3 contracts, and incur indebtedness in accomplishing the
4 district's purposes. The revised law omits "or may
5 not" as unnecessary because the district's authority
6 to act is clearly discretionary in the absence of the
7 quoted language.

8 Revised Law

9 Sec. 7807.102. EXCLUSION OR ANNEXATION OF LAND. (a) The
10 board may exclude land from the district or add land to the district
11 in accordance with Subchapter J, Chapter 49, or Subchapter H,
12 Chapter 54, Water Code.

13 (b) Land may not be added to the district until the board has
14 obtained the written consent of the Cities of Carrollton and
15 Farmers Branch to approve any petition for annexation. (Acts 64th
16 Leg., R.S., Ch. 201, Sec. 6.)

17 Source Law

18 Sec. 6. The board of directors of the district
19 shall be authorized to exclude land from the district
20 and to add land to the district in accordance with the
21 provisions of Subchapter H, Chapter 54, Water Code;
22 provided, however, that no land shall be added to the
23 district until the board has obtained the written
24 consent of the cities of Carrollton and Farmers Branch
25 to approve any petition for annexation.

26 Revisor's Note

27 Section 6, Chapter 201, Acts of the 64th
28 Legislature, Regular Session, 1975, provides that land
29 may be annexed to or excluded from the district "in
30 accordance with the provisions of Subchapter H,
31 Chapter 54, Water Code." A portion of that subchapter,
32 Sections 54.701-54.727, Water Code, which provided for
33 the annexation or exclusion of territory by a
34 municipal utility district, was repealed by Section
35 43, Chapter 715, Acts of the 74th Legislature, Regular
36 Session, 1995. Section 2 of that act added Chapter 49,
37 Water Code, including Subchapter J of that chapter,
38 which now provides for the annexation or exclusion of

1 territory by certain districts. The reference to the
2 repealed annexation provisions in Chapter 54 may be
3 considered to be a reference to the similar provisions
4 in Chapter 49, and the revised law reflects this
5 change.

6 Revised Law

7 Sec. 7807.103. EMINENT DOMAIN. (a) The district may
8 exercise the power of eminent domain provided by Chapter 49, Water
9 Code.

10 (b) The district may not exercise the power of eminent
11 domain without first obtaining the approval of any municipality in
12 which the subject property is located. (Acts 64th Leg., R.S., Ch.
13 201, Sec. 10 (part).)

14 Source Law

15 Sec. 10. The district shall have and may
16 exercise all rights of eminent domain provided in
17 Chapter 57, Water Code, provided, however, that the
18 district shall not exercise this power without first
19 obtaining the approval of any city in which the subject
20 property is located. . . .

21 Revisor's Note

22 Section 10, Chapter 201, Acts of the 64th
23 Legislature, Regular Session, 1975, provides that the
24 district "shall have and may exercise all rights of
25 eminent domain" provided by Chapter 57, Water Code.
26 The revised law substitutes "may exercise the power of
27 eminent domain" for the quoted language because the
28 phrases have the same meaning and the revised phrase is
29 consistent with modern usage in law relating to
30 eminent domain. Additionally, the provisions of
31 Chapter 57, Water Code, that provided for the
32 condemnation of property by a levee improvement
33 district were repealed by Section 46, Chapter 715,
34 Acts of the 74th Legislature, Regular Session, 1995.
35 Section 2 of that act added Chapter 49, Water Code,
36 which now governs the exercise of the power of eminent
37 domain by certain districts. The reference to the

1 repealed condemnation provisions in Chapter 57 may be
2 considered to be a reference to the similar provisions
3 in Chapter 49, and the revised law reflects this
4 change.

5 Revised Law

6 Sec. 7807.104. COST OF RELOCATING OR ALTERING PROPERTY.

7 (a) In this section, "sole expense" means the actual cost of
8 relocating, raising, lowering, rerouting, changing the grade of, or
9 altering the construction of a facility described by Subsection (b)
10 in providing comparable replacement without enhancement of the
11 facility, after deducting from that cost the net salvage value of
12 the old facility.

13 (b) If the district's exercise of its power of eminent
14 domain, police power, or any other power conferred by this chapter
15 makes necessary the relocation, raising, lowering, rerouting,
16 changing the grade, or alteration of the construction of a
17 railroad, an electric transmission, telegraph, or telephone line,
18 property, or facility, or a pipeline, the necessary action shall be
19 accomplished at the sole expense of the district. (Acts 64th Leg.,
20 R.S., Ch. 201, Sec. 10 (part).)

21 Source Law

22 Sec. 10. . . . In the event that the district,
23 in the exercise of the power of eminent domain or
24 police power, or any other power granted thereunder,
25 makes necessary the relocation, raising, lowering,
26 rerouting, or changing the grade of, or altering the
27 construction of, any railroad, electric transmission,
28 telegraph or telephone lines, properties and
29 facilities, or pipeline, all such relocation, raising,
30 lowering, rerouting, changing of grade, or alteration
31 of construction shall be accomplished at the sole
32 expense of the district. The term "sole expense" shall
33 mean the actual cost of such relocation, raising,
34 lowering, rerouting, or change in grade or alteration
35 of construction in providing comparable replacement
36 without enhancement of such facilities, after
37 deducting therefrom the net salvage value derived from
38 the old facility.

39 Revised Law

40 Sec. 7807.105. CONTRACTS FOR FACILITIES AND IMPROVEMENTS;
41 ELECTION NOT REQUIRED. (a) The district may enter into a contract
42 with the United States, the City of Carrollton, the City of Farmers

1 Branch, another public body, or an individual, corporation, or
2 other entity for the operation and maintenance of or construction
3 of any facility or improvement authorized by this chapter.

4 (b) The district is not required to hold an election to
5 approve a contract described by Subsection (a). (Acts 64th Leg.,
6 R.S., Ch. 201, Sec. 9(a) (part).)

7 Source Law

8 Sec. 9. (a) The district may enter into
9 contracts with the United States of America or any of
10 its agencies, with the cities of Carrollton and
11 Farmers Branch and other public bodies, with
12 individuals, corporations, or any other entity for the
13 operation and maintenance of or construction of any
14 facility or improvement authorized herein, and no
15 election shall be required of the district to approve
16 said contracts. . . .

17 Revisor's Note

18 Section 9(a), Chapter 201, Acts of the 64th
19 Legislature, Regular Session, 1975, refers to the
20 "United States of America or any of its agencies." The
21 revised law omits the reference to "agencies" because
22 under Section 311.005(9), Government Code (Code
23 Construction Act), "United States" includes an agency
24 of the United States.

25 Revised Law

26 Sec. 7807.106. CONSTRUCTION CONTRACTS: MUNICIPAL APPROVAL
27 REQUIRED. Plans and specifications for a construction contract
28 must be approved, before the contract is awarded, by any
29 municipality in which the improvements or facilities are to be
30 constructed. (Acts 64th Leg., R.S., Ch. 201, Sec. 9(a) (part).)

31 Source Law

32 (a) . . . Plans and specifications for all
33 construction contracts shall be approved, prior to the
34 letting of such contracts, by any city in which said
35 improvements or facilities are to be constructed.

36 Revised Law

37 Sec. 7807.107. CONSTRUCTION CONTRACTS: AWARD. (a) The
38 board shall award all construction contracts.

39 (b) The board may award contracts to construct improvements
40 included in the approved plan of reclamation for the district at the

1 times and in the amounts that the board considers in the best
2 interest of the district. (Acts 64th Leg., R.S., Ch. 201, Sec. 9(b)
3 (part).)

4 Source Law

5 (b) All construction contracts shall be let by
6 the board of directors and The board may award
7 contracts to construct improvements included in the
8 approved plan of reclamation for the district at such
9 times and in such amounts as it deems in the best
10 interest of the district. . . .

11 Revisor's Note

12 (1) Section 9(b), Chapter 201, Acts of the 64th
13 Legislature, Regular Session, 1975, requires a person
14 to whom the district awards a construction contract to
15 give performance and payment bonds in accordance with
16 Article 5160, Revised Civil Statutes of Texas, 1925,
17 as amended. The revised law omits this reference
18 because Article 5160 was codified as Chapter 2253,
19 Government Code, and that chapter applies to levee
20 improvement districts on its own terms. Additionally,
21 this requirement duplicates in substance Section
22 49.275, Water Code. The omitted law reads:

23 (b) . . . The contractor must give
24 the district good and sufficient
25 performance and payment bonds in accordance
26 with Article 5160, Revised Civil Statutes
27 of Texas, 1925, as amended. . . .

28 (2) Section 9(b), Chapter 201, Acts of the 64th
29 Legislature, Regular Session, 1975, provides that a
30 district construction contract "must contain plans and
31 specifications for all work included in the contract."
32 The revised law omits this provision because it
33 duplicates in substance Section 49.271(b), Water Code.
34 The omitted law reads:

35 (b) . . . Such contracts must contain
36 plans and specifications for all work
37 included in the contract. . . .

38 Revised Law

39 Sec. 7807.108. CONSTRUCTION CONTRACTS: EXECUTION AND
40 AVAILABILITY. (a) A contract under Section 7807.107 must be in

1 writing and be signed by:

2 (1) the contractor; and

3 (2) the president and secretary of the board.

4 (b) A copy of each construction contract shall be kept in
5 the district's records and be subject to public inspection. (Acts
6 64th Leg., R.S., Ch. 201, Sec. 9(b) (part).)

7 Source Law

8 (b) All construction contracts . . . shall be in
9 writing and be signed by the contractor and the
10 president and secretary of the board of directors.
11 . . . A copy of all construction contracts shall be
12 kept in the district's records and be subject to public
13 inspection. . . .

14 Revised Law

15 Sec. 7807.109. CONSTRUCTION CONTRACTS: PAYMENT. (a) A
16 contract under Section 7807.107 may be paid for in partial payments
17 as the work progresses, based on estimates approved by the
18 district's engineer.

19 (b) The payments may not exceed 90 percent of the amount due
20 at the time of such payments as shown by approved estimates, except
21 that on certification by the district's engineer that the project
22 is substantially complete, the board may authorize payment of not
23 to exceed 95 percent of the amount due at the time of such
24 certification before the acceptance of the job and the certificate
25 of completion of the job. (Acts 64th Leg., R.S., Ch. 201, Sec. 9(b)
26 (part).)

27 Source Law

28 (b) . . . Construction contracts may be paid for
29 in partial payments as the work progresses, based on
30 estimates approved by the district's engineer, but
31 such payments shall not exceed 90 percent of the amount
32 due at the time of such payments as shown by approved
33 estimates; provided, however, that on certification by
34 the district's engineer that the project is
35 substantially complete, then the board, at its
36 discretion, may authorize payment of not to exceed 95
37 percent of the amount due at the time of such
38 certification prior to acceptance of the job and
39 certificate of completion thereof.

40 Revised Law

41 Sec. 7807.110. FLOOD HAZARD AREAS. (a) The board shall
42 designate flood hazard areas in the district if the board finds that

1 the public health and safety and the purposes of Section 59, Article
2 XVI, Texas Constitution, will be promoted by the designation.

3 (b) The area to be included in a flood hazard area shall be
4 described by field notes, map, or both.

5 (c) Before designating a flood hazard area, the board shall
6 hold a public hearing. The board must publish notice of the hearing
7 in a newspaper having general circulation in Dallas County at least
8 15 days before the hearing. Any interested person is entitled to an
9 opportunity to be heard.

10 (d) The board may, following notice and a hearing as
11 required by Subsection (c), amend the designated flood hazard areas
12 as necessary. (Acts 64th Leg., R.S., Ch. 201, Sec. 13.)

13 Source Law

14 Sec. 13. Whenever the board of directors shall
15 find after a hearing thereon that the public health and
16 safety, and the purposes of Article XVI, Section 59 of
17 the Texas Constitution, will be promoted thereby, it
18 shall designate flood hazard areas. The area to be
19 included within flood hazard areas shall be described
20 by either field notes or by map, or both. The board of
21 directors may amend the designation of flood hazard
22 areas thereafter as it may determine necessary. Before
23 designating flood hazard areas within the district,
24 the board of directors shall hold a public hearing
25 after giving notice thereof by publication in a
26 newspaper having general circulation in Dallas County
27 at least 15 days prior to the hearing. All interested
28 persons shall have had an opportunity to be heard. The
29 board of directors may, on public hearing with like
30 notice thereof, change and amend the designated flood
31 hazard areas as may be amended after the same notice
32 and hearings as provided herein.

33 Revisor's Note

34 Section 13, Chapter 201, Acts of the 64th
35 Legislature, Regular Session, 1975, provides that the
36 board may "change and amend" the designated flood
37 hazard areas. The revised law omits "change" because,
38 in context, "change" is included in the meaning of
39 "amend."

40 Revised Law

41 Sec. 7807.111. SETBACK LINES. (a) The board shall
42 establish building setback lines along any waterway in the
43 boundaries of the district if the board finds the setback lines are

1 needed to protect the public health and safety and to accomplish the
2 purposes of Section 59, Article XVI, Texas Constitution.

3 (b) After the establishment of building setback lines, no
4 structure may be erected within the setback lines. In any
5 subsequent eminent domain proceeding instituted by the district to
6 acquire the area within the setback lines, it shall constitute
7 prima facie showing that the person erecting the structure did so at
8 the person's own risk with knowledge of:

9 (1) the fact that erecting the structure interfered
10 with the district's setback provisions; and

11 (2) the district's right to remove the structure
12 erected after the establishment of the setback lines without
13 payment of the value of the structure.

14 (c) The area included within the building setback lines
15 shall be described by field notes, map or plat, or both. A
16 certified copy of the description shall be filed for record
17 immediately with the county clerk of Dallas County.

18 (d) Before establishing building setback lines, the board
19 shall hold a public hearing. The board must:

20 (1) publish notice of the hearing in a newspaper
21 having general circulation in Dallas County at least 15 days before
22 the hearing; and

23 (2) mail notice of the hearing to the latest available
24 address for each landowner affected by the proposed setback lines.

25 (e) After establishing building setback lines, the board
26 may, following notice and a hearing as required by Subsection (d),
27 amend or grant exceptions to the setback lines. (Acts 64th Leg.,
28 R.S., Ch. 201, Sec. 12.)

29 Source Law

30 Sec. 12. The district's board of directors may
31 establish building setback lines along any waterway
32 within the boundaries of the district. Notice of a
33 hearing thereon shall be published in a newspaper of
34 general circulation in Dallas County not less than 15
35 days prior to the hearing and mailed to the latest
36 available address for each landowner affected thereby.
37 If, after the hearing thereon, the board finds there is
38 a need for building setback lines to protect the public
39 health and safety and to accomplish the purposes of

1 Article XVI, Section 59 of the Texas Constitution, it
2 shall adopt building setback lines. The area included
3 within such building setback lines shall be described
4 by either field notes or by map or plat, or by both, and
5 a certified copy thereof shall be filed for record
6 immediately with the County Clerk of Dallas County,
7 Texas. Thereafter, the district's board of directors
8 may, on public hearing with like notice thereof,
9 amend, grant exceptions thereto, or alter the building
10 setback lines so established. After the establishment
11 of such building setback lines, no structure shall be
12 erected within those lines, and it shall constitute
13 prima facie showing in any subsequent eminent domain
14 proceeding instituted by the district to acquire the
15 area within said building lines that the person
16 erecting the structure did so at his own risk with
17 knowledge of the fact that the same interfered with
18 setback provisions of the district and with the right
19 of said district to remove such structure without
20 payment of the value of such structure erected after
21 the establishment of the setback line.

22 Revisor's Note

23 Section 12, Chapter 201, Acts of the 64th
24 Legislature, Regular Session, 1975, provides that the
25 board may "amend" and "alter" the building setback
26 lines. The revised law omits "alter" because, in
27 context, "alter" is included in the meaning of
28 "amend."

29 Revised Law

30 Sec. 7807.112. DISTRICT ELECTIONS. (a) The board shall
31 order each election the district is required to hold.

32 (b) Notice of a district election must be published once a
33 week for two consecutive weeks in a newspaper with general
34 circulation in Dallas County, with the first publication occurring
35 at least 14 days before the date of the election.

36 (c) A district election may be held separately or at the
37 same time as an election for another purpose, including a
38 maintenance tax election that may be held on the same day as a bond
39 election. An election held at the same time as an election for
40 another purpose may be ordered by the board in a single election
41 order, and the results may be canvassed in a single order. (Acts
42 64th Leg., R.S., Ch. 201, Sec. 5 (part).)

43 Source Law

44 Sec. 5. All elections required to be held by the
45 district shall be called by and the results thereof
46 canvassed by the board of directors of the district.

1 . . . Notice of all district elections shall be given
2 by publication in a newspaper of general circulation
3 in Dallas County, Texas, once a week for two
4 consecutive weeks, with the first publication at least
5 14 days before the election. Any elections held by the
6 district may be held separately or may be held at the
7 same time, including particularly the maintenance tax
8 election which may also be held on the same day as the
9 bond election. Any election held at the same time may
10 be called by the board of directors in a single
11 election order, and the results thereof canvassed in a
12 single order.

13 Revisor's Note

14 (1) Section 5, Chapter 201, Acts of the 64th
15 Legislature, Regular Session, 1975, provides that a
16 district election "shall be called" by the board. The
17 revised law substitutes "shall order" for "shall be
18 called" because "order" is the term used in Chapter 3,
19 Election Code.

20 (2) Section 5, Chapter 201, Acts of the 64th
21 Legislature, Regular Session, 1975, provides that the
22 board shall canvass the returns of all elections. The
23 revised law omits that requirement because it
24 duplicates Section 67.002, Election Code, which
25 requires the governing body of a political subdivision
26 that orders an election to canvass the returns.
27 Section 67.002, Election Code, applies to district
28 elections under Section 67.001, Election Code.

29 (3) Section 5, Chapter 201, Acts of the 64th
30 Legislature, Regular Session, 1975, provides that
31 "except as provided otherwise herein[,]" district
32 elections "shall be held in accordance with the Texas
33 Election Code, as amended." The revised law omits the
34 quoted language because Section 1.002, Election Code,
35 provides that the Election Code applies to all
36 elections held in this state. An exception to the
37 application of the Election Code would apply by its own
38 terms. The omitted law reads:

39 Sec. 5. . . . Elections shall be held
40 in accordance with the Texas Election Code,
41 as amended, except as provided otherwise
42 herein. . . .

1 Revisor's Note
2 (End of Subchapter)

3 Section 9(c), Chapter 201, Acts of the 64th
4 Legislature, Regular Session, 1975, provides that the
5 district shall comply with the provisions of Chapter
6 57, Water Code, that relate to the approval,
7 inspection, and report by the Texas Water Development
8 Board regarding the construction of levees or other
9 improvements by the district and the approval of the
10 district's plan of reclamation. The revised law omits
11 this provision because the requirements of Chapter 57,
12 Water Code, apply to the district under Section
13 7807.101 of this chapter and Section 57.001, Water
14 Code. As enacted by Chapter 58, Acts of the 62nd
15 Legislature, Regular Session, 1971, Section 57.117,
16 Water Code, required the Texas Water Development Board
17 to inspect levees and other improvements constructed
18 by levee improvement districts. Section 57.117 now
19 requires the executive director of the Texas
20 Commission on Environmental Quality (the agency with
21 the relevant regulatory authority) to perform those
22 duties. The omitted law reads:

23 (c) The district shall comply with
24 all provisions of Chapter 57 of the Texas
25 Water Code providing for the approval,
26 inspection, and report by the Texas Water
27 Development Board regarding the
28 construction of levees or other
29 improvements by the district and the
30 approval of the district's plan of
31 reclamation.

32 [Sections 7807.113-7807.150 reserved for expansion]

33 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

34 Revised Law

35 Sec. 7807.151. TAX METHOD. (a) The district shall use the
36 ad valorem plan of taxation.

37 (b) Subchapter G, Chapter 54, Water Code, applies to all
38 matters relating to the imposition of district taxes. (Acts 64th
39 Leg., R.S., Ch. 201, Sec. 8 (part).)

1 Revisor's Note

2 Section 4, Chapter 201, Acts of the 64th
3 Legislature, Regular Session, 1975, refers to the
4 district's "funds." Throughout this chapter the
5 revised law substitutes "money" for "funds" because,
6 in the context of district funds, the meaning is the
7 same and "money" is the more commonly used term.

8 Revised Law

9 Sec. 7807.154. INVESTMENT OF DISTRICT MONEY. District
10 money may be invested by the board, the treasurer, or another
11 qualified representative of the district in direct or indirect
12 obligations of the United States, the state, or any political
13 subdivision of the state, or may be placed in certificates of
14 deposit of state or national banks or savings and loan associations
15 in this state, if that money is secured in the manner provided for
16 the security of county funds. (Acts 64th Leg., R.S., Ch. 201, Sec.
17 4 (part).)

18 Source Law

19 Sec. 4. . . . Funds of the district may be
20 invested and reinvested by the board of directors, its
21 treasurer or other qualified representative in direct
22 or indirect obligations of the United States, the
23 state, or any county, city, or school district or other
24 political subdivision of the state, or may be placed in
25 certificates of deposit of state or national banks
26 within the state, provided that the same are secured in
27 the manner provided for the security of funds of
28 counties of this state. . . .

29 Revisor's Note

30 (1) Section 4, Chapter 201, Acts of the 64th
31 Legislature, Regular Session, 1975, refers to the
32 investment and reinvestment of district money. The
33 revised law omits the reference to "reinvestment"
34 because "reinvestment" in this context is included in
35 the meaning of "investment."

36 (2) Section 4, Chapter 201, Acts of the 64th
37 Legislature, Regular Session, 1975, refers to "any
38 county, city, or school district or other political
39 subdivision of the state." The revised law omits

1 "county," "city," and "school district" because those
2 terms are included in the meaning of "political
3 subdivision of the state."

4 Revisor's Note
5 (End of Subchapter)

6 Section 4, Chapter 201, Acts of the 64th
7 Legislature, Regular Session, 1975, provides that the
8 board shall appoint commissioners of appraisement who
9 shall be qualified, and shall organize, and have the
10 duties provided by Chapter 57, Water Code. The revised
11 law omits that provision as repealed by Chapter 841,
12 Acts of the 66th Legislature, Regular Session, 1979,
13 which, among its provisions, enacted appraisal
14 districts to provide ad valorem appraisals of property
15 for tax purposes under Section 6.01, Subtitle B, Title
16 1, Tax Code, and repealed all other general, local, and
17 special laws in conflict with that act. The omitted
18 law reads:

19 Sec. 4. . . . The board of directors
20 shall also appoint the commissioners of
21 appraisement who shall be qualified and who
22 shall organize and have the duties provided
23 in Chapter 57, Water Code. . . .

24 [Sections 7807.155-7807.200 reserved for expansion]

25 SUBCHAPTER E. BONDS

26 Revised Law

27 Sec. 7807.201. AUTHORITY TO ISSUE BONDS. The board may
28 issue district tax bonds to acquire money to carry out any power or
29 accomplish any purpose conferred by this chapter. The bonds may be
30 authorized by a board order. (Acts 64th Leg., R.S., Ch. 201, Secs.
31 7(a) (part), (b) (part).)

32 Source Law

33 Sec. 7. (a) The board of directors shall be
34 authorized to issue negotiable tax bonds of the
35 district for the purpose of acquiring funds with which
36 to accomplish and carry out any one or more of the
37 powers and purposes herein granted to the district,
38 and

39 (b) District bonds may be issued by order of the
40 board of directors, but

1 Revisor's Note

2 Section 7(a), Chapter 201, Acts of the 64th
3 Legislature, Regular Session, 1975, authorizes the
4 district to issue "negotiable" bonds. The revised law
5 omits the reference to "negotiable" bonds because
6 Section 1201.041, Government Code, provides that a
7 public security is a negotiable instrument. Section
8 1201.041 applies to district bonds under Sections
9 1201.002 and 1201.003, Government Code.

10 Revised Law

11 Sec. 7807.202. FORM OF BONDS. District bonds shall be
12 signed and executed as provided by the board in the order
13 authorizing the issuance of the bonds. (Acts 64th Leg., R.S., Ch.
14 201, Sec. 7(a) (part).)

15 Source Law

16 (a) . . . The bonds . . . shall be signed and
17 executed, as provided by said board in the order
18 authorizing their issuance.

19 Revised Law

20 Sec. 7807.203. MATURITY. District bonds must mature not
21 later than 40 years after their date of issuance. (Acts 64th Leg.,
22 R.S., Ch. 201, Sec. 7(a) (part).)

23 Source Law

24 (a) . . . The bonds . . . shall mature serially
25 or otherwise not more than 40 years from their date or
26 dates, and

27 Revisor's Note

28 Section 7(a), Chapter 201, Acts of the 64th
29 Legislature, Regular Session, 1975, provides that
30 district bonds shall mature "serially or otherwise."
31 The revised law omits the quoted language because it is
32 superseded by Section 1201.021, Government Code
33 (enacted as Section 3, Bond Procedures Act of 1981
34 (Article 717k-6, Vernon's Texas Civil Statutes)),
35 which provides that the governing body of an issuer may
36 determine the time of payment of public securities it

1 issues, and by Section 1201.022, Government Code
2 (enacted as Section 5(a), Bond Procedures Act of 1981
3 (Article 717k-6, Vernon's Texas Civil Statutes)),
4 which provides that a public security may be issued
5 with specified characteristics, on specified terms, or
6 in a specified manner. Sections 1201.021 and 1201.022
7 apply to district bonds under Sections 1201.002 and
8 1201.003, Government Code.

9 Revised Law

10 Sec. 7807.204. ELECTION REQUIRED. (a) Bonds, other than
11 refunding bonds, may not be issued unless authorized by a majority
12 of the votes cast in an election held to determine whether the bonds
13 should be issued and whether a tax should be imposed to pay the
14 principal of and interest on the bonds.

15 (b) The board may order and provide notice of an election
16 under this section.

17 (c) In addition to other requirements, the ballot shall be
18 printed to provide for voting for or against the proposition: "The
19 issuance of bonds and the imposition of a tax in payment thereof."
20 (Acts 64th Leg., R.S., Ch. 201, Sec. 7(b) (part).)

21 Source Law

22 (b) . . . no bonds, except refunding bonds,
23 shall be issued by the district until authorized by a
24 majority vote of the duly qualified resident electors
25 of the district who own taxable property within the
26 district and who have duly rendered same for taxation,
27 voting in an election called and held for the purpose
28 of determining whether or not the bonds shall be issued
29 and whether or not taxes shall be levied to pay the
30 principal of and interest on the bonds. The board of
31 directors may order the election and provide for
32 notice thereof In addition to other
33 requirements, the ballots shall be printed to provide
34 for voting for or against the proposition: "The
35 Issuance of Bonds and the Levy of Taxes in Payment
36 Thereof."

37 Revisor's Note

38 (1) Section 7(b), Chapter 201, Acts of the 64th
39 Legislature, Regular Session, 1975, provides that the
40 district may not issue bonds unless authorized by a
41 majority of "the duly qualified resident electors of

1 the district who own taxable property within the
2 district and who have duly rendered same for
3 taxation." The revised law omits the reference to
4 "duly qualified resident electors of the district" as
5 unnecessary in this context because Chapter 11,
6 Election Code, governs eligibility to vote in an
7 election in this state and allows only qualified
8 voters who are residents of the territory covered by
9 the election to vote in an election. The revised law
10 also omits the reference to voting by persons who own
11 taxable property and render that property for taxation
12 because in Hill v. Stone, 421 U.S. 289 (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 (2) Section 7(b), Chapter 201, Acts of the 64th
17 Legislature, Regular Session, 1975, refers to an
18 "election called and held" for the purpose of
19 authorizing the issuance of bonds. The revised law
20 omits "called" because under Chapter 3, Election Code,
21 all elections must be ordered (called) before they may
22 be held.

23 (3) Section 7(b), Chapter 201, Acts of the 64th
24 Legislature, Regular Session, 1975, prescribes the
25 contents of the notice of a district bond election. The
26 revised law omits this provision because it duplicates
27 in substance Section 49.106(b), Water Code. The
28 omitted law reads:

29 (b) . . . [The board of directors may
30 . . . provide for notice thereof] which
31 shall contain the proposition to be voted
32 upon, with an estimate of the probable cost
33 of construction and incidental expenses
34 connected therewith, the probable cost of
35 the purchase of improvements, if any, and
36 the construction of additions thereto.
37 . . .

1 Revised Law

2 Sec. 7807.205. USE OF BOND PROCEEDS. (a) The board may set
3 aside part of the bond proceeds to:

4 (1) pay interest on the bonds and administrative and
5 operational expenses expected to accrue during the period of
6 construction of the improvements or facilities; and

7 (2) create reserves for the payment of the principal
8 of and interest on the bonds.

9 (b) For purposes of Subsection (a), the period of
10 construction may not exceed two years. (Acts 64th Leg., R.S., Ch.
11 201, Sec. 7(c) (part).)

12 Source Law

13 (c) The board of directors may set aside part of
14 the bond proceeds to pay interest on the bonds and
15 administrative and operational expenses expected to
16 accrue during the period of construction of
17 improvements or facilities, such period not to exceed
18 two years, and to create reserves for the payment of
19 the principal of and interest on the bonds. . . .

20 Revised Law

21 Sec. 7807.206. TAXES FOR BONDS. The board of directors may
22 impose continuing direct annual ad valorem taxes on all taxable
23 property in the district sufficient to:

24 (1) provide for the payment of interest on bonds
25 issued under this subchapter as the interest accrues; and

26 (2) create and provide a sinking fund for the payment
27 of principal of the bonds as the principal matures. (Acts 64th
28 Leg., R.S., Ch. 201, Sec. 7(a) (part).)

29 Source Law

30 (a) The board of directors shall be authorized
31 . . . to provide for the payment of interest on said
32 bonds as it accrues and to create and provide a sinking
33 fund for the payment of principal of said bonds as it
34 matures by levying and causing to be assessed and
35 collected continuing direct annual ad valorem taxes on
36 all taxable property within the district sufficient
37 for such purposes. . . .

38 Revised Law

39 Sec. 7807.207. BOND ANTICIPATION NOTES AND PRELIMINARY
40 BONDS. (a) The district may issue either bond anticipation notes
41 or preliminary bonds, which need not be designated as such, to

1 provide a fund to pay:

2 (1) the cost of making surveys and investigations,
3 attorneys' fees, and engineers' work;

4 (2) the cost of issuing bonds; and

5 (3) all other costs and expenses incident to the
6 organization of the district and the district's operation in
7 investigating and determining plans for the district's plant and
8 improvements.

9 (b) Preliminary bonds shall be voted and authorized in the
10 manner and under the same provisions applicable to the district's
11 construction bonds and shall be of equal dignity with those
12 construction bonds.

13 (c) The district may issue bond anticipation notes as
14 provided by Section 49.154(c), Water Code. These notes shall be
15 sold on the best terms and for the best price possible. (Acts 64th
16 Leg., R.S., Ch. 201, Secs. 7(d) (part), (e) (part).)

17 Source Law

18 (d) . . . In addition, the district may either
19 issue its bond anticipation notes or its preliminary
20 bonds, which need not be designated as such, to provide
21 a fund to pay said costs . . . of making surveys,
22 investigations, attorneys' fees, engineers' work, cost
23 of issuance of bonds, and all other costs and expenses
24 incident to the organization of the district and its
25 operation in investigating and determining upon plans
26 for its plant and improvements. The preliminary bonds
27 shall be voted, authorized, . . . in the manner and
28 under the same provisions as are applicable to its
29 construction bonds and shall be of equal dignity
30 therewith.

31 (e) . . . These notes . . . shall be sold on the
32 best terms and for the best price possible.

33 Revisor's Note

34 (1) Section 7(e), Chapter 201, Acts of the 64th
35 Legislature, Regular Session, 1975, provides that the
36 district may issue bond anticipation notes for any
37 purpose for which district bonds have been previously
38 voted or to refund previously issued bond anticipation
39 notes. Section 7(e) also provides that the district
40 may covenant with the purchasers of bond anticipation
41 notes to use the proceeds of sale of any bonds to

1 refund the notes and requires the use of bond proceeds
2 to pay principal, interest, or the redemption price on
3 the bond's anticipation notes. The revised law omits
4 those provisions because they duplicate Section
5 49.154(c), Water Code, and substitutes a reference to
6 that section as a convenience to the reader. The
7 omitted law reads:

8 (e) Bond anticipation notes may be
9 issued for any purpose for which bonds of
10 the district may have previously been voted
11 or may be issued for the purpose of
12 refunding previously issued bond
13 anticipation notes. The district may
14 covenant with the purchasers of such notes
15 that the district will use the proceeds of
16 sale of any bonds in the process of issuance
17 for the purpose of refunding such notes, in
18 which case the board will be required to use
19 the proceeds received from sale of the bonds
20 in the process of issuance to pay principal,
21 interest, or the redemption price on the
22 bond's anticipation notes. . . .

23 (2) Section 7(e), Chapter 201, Acts of the 64th
24 Legislature, Regular Session, 1975, provides that
25 district bond anticipation notes must mature within
26 one year of their date of issuance. The revised law
27 omits this provision because it duplicates Section
28 49.154(a), Water Code. The omitted law reads:

29 (e) . . . [These notes] shall mature
30 within one year of their date and

31 Revised Law

32 Sec. 7807.208. REFUNDING BONDS. (a) The board may issue
33 refunding bonds to refund or refinance all or part of the district's
34 outstanding bonds and matured but unpaid interest coupons.

35 (b) District refunding bonds must mature not later than 40
36 years after their date of issuance. (Acts 64th Leg., R.S., Ch. 201,
37 Sec. 7(g) (part).)

38 Source Law

39 (g) The board of directors shall be authorized
40 to refund or refinance all or any part of the
41 district's outstanding bonds and matured but unpaid
42 interest coupons by the issuance of refunding bonds.
43 Such refunding bonds shall mature serially or
44 otherwise not more than 40 years from their date, and
45

1 Revisor's Note

2 Section 7(g), Chapter 201, Acts of the 64th
3 Legislature, Regular Session, 1975, provides that
4 district refunding bonds shall mature "serially or
5 otherwise." The revised law omits the quoted language
6 for the reason stated in the revisor's note to Section
7 7807.203.

8 Revisor's Note
9 (End of Subchapter)

10 (1) Section 7(a), Chapter 201, Acts of the 64th
11 Legislature, Regular Session, 1975, states that
12 district bonds may be issued in "various series and
13 issues." The revised law omits this provision because
14 it duplicates in substance a provision of Section
15 1201.022, Government Code, which applies to district
16 bonds under Sections 1201.002 and 1201.003, Government
17 Code. The omitted law reads:

18 (a) . . . [The bonds] may be issued
19 in various series and issues,

20 (2) Section 7(a), Chapter 201, Acts of the 64th
21 Legislature, Regular Session, 1975, provides that
22 district bonds shall bear interest at a rate
23 determined by the board that does not exceed the legal
24 maximum interest rate for political subdivisions.
25 Similarly, Section 7(g), Chapter 201, Acts of the 64th
26 Legislature, Regular Session, 1975, provides that
27 district refunding bonds shall bear interest at a rate
28 determined by the board. The revised law omits these
29 provisions because they are superseded by other law.
30 Chapter 3, Acts of the 61st Legislature, Regular
31 Session, 1969 (Article 717k-2, Vernon's Texas Civil
32 Statutes), now Chapter 1204, Government Code,
33 established a maximum interest rate for public
34 securities. Section 1204.006, Government Code,
35 reflecting the 1981 amendment of Article 717k-2 by

1 Section 1, Chapter 61, Acts of the 67th Legislature,
2 Regular Session, permits a public agency to issue
3 public securities at any net effective interest rate
4 of 15 percent or less. Section 1204.006, Government
5 Code, applies to district bonds under Section
6 1204.001, Government Code. The omitted law reads:

7 (a) . . . [The bonds] . . . shall
8 bear interest at any rate or rates as shall
9 be determined by the district's board of
10 directors; provided, however, the interest
11 rate shall not exceed the legal maximum for
12 political subdivisions. . . .

13 (g) . . . [Such refunding bonds]
14 . . . shall bear interest at any rate or
15 rates as shall be determined by the board.

16 (3) Section 7(a), Chapter 201, Acts of the 64th
17 Legislature, Regular Session, 1975, provides that
18 district bonds and interest coupons are negotiable
19 instruments. The revised law omits this provision for
20 the reason stated in the revisor's note to Section
21 7807.201. The omitted law reads:

22 (a) . . . [The bonds] and interest
23 coupons appertaining thereto shall be
24 negotiable instruments,

25 (4) Section 7(a), Chapter 201, Acts of the 64th
26 Legislature, Regular Session, 1975, provides that
27 district bonds and interest coupons may be registered
28 as to principal or as to principal and interest. The
29 revised law omits this provision because it duplicates
30 in substance Section 1201.024, Government Code, which
31 applies to district bonds under Sections 1201.002 and
32 1201.003, Government Code. The omitted law reads:

33 (a) . . . [The bonds] and interest
34 coupons appertaining thereto . . . may be
35 issued registrable as to principal or as to
36 both principal and interest,

37 (5) Section 7(a), Chapter 201, Acts of the 64th
38 Legislature, Regular Session, 1975, provides in part
39 that bonds issued under that act may be redeemed before
40 maturity. The revised law omits this provision because

1 it duplicates in substance Section 1201.021(4),
2 Government Code, which applies to district bonds under
3 Sections 1201.002 and 1201.003, Government Code. The
4 omitted law reads:

5 (a) [The bonds] . . . may be made
6 redeemable prior to maturity,

7 (6) Section 7(a), Chapter 201, Acts of the 64th
8 Legislature, Regular Session, 1975, provides that
9 district bonds may be issued in "such form,
10 denominations, and manner and under such terms,
11 conditions, and details" as provided by the board. The
12 revised law omits the provision because it duplicates
13 general law. Section 1201.021, Government Code,
14 provides that the governing body of an issuer may issue
15 bonds in any denomination. Section 1201.022,
16 Government Code, provides that a governmental entity
17 may specify the terms under which a bond is issued.
18 "Conditions" and "details" are included in the meaning
19 of "terms." Sections 1201.021 and 1201.022,
20 Government Code, apply to district bonds under
21 Sections 1201.002 and 1201.003, Government Code. The
22 omitted law reads:

23 (a) [The bonds] and interest coupons
24 appertaining thereto . . . may be issued in
25 such form, denominations, and manner and
26 under such terms, conditions, and details,
27 and . . . [as provided by said board in the
28 order authorizing their issuance].

29 (7) Section 7(c), Chapter 201, Acts of the 64th
30 Legislature, Regular Session, 1975, provides for the
31 investment of funds established in a bond order. The
32 revised law omits this provision because it
33 duplicates, in substance, Section 49.157, Water Code,
34 and is superseded by Subchapter A, Chapter 2256,
35 Government Code (enacted as Chapter 889, Acts of the
36 70th Legislature, Regular Session, 1987). The omitted
37 law reads:

1 (c) . . . District money in interest
2 and sinking funds, reserve funds, and in
3 other funds of the district respectively
4 established or provided for in the
5 district's bond orders may be invested in
6 such manner and in such securities as may be
7 provided therein.

8 (8) Section 7(d), Chapter 201, Acts of the 64th
9 Legislature, Regular Session, 1975, provides that the
10 district's preliminary bonds must be approved in the
11 same manner as the district's construction bonds.
12 Section 7(f), Chapter 201, Acts of the 64th
13 Legislature, Regular Session, 1975, requires the
14 district to deliver bonds it issues to the attorney
15 general for examination and approval. The revised law
16 omits these provisions because they duplicate, in
17 substance, Section 1202.003, Government Code, which
18 applies to the issuance of district bonds under
19 Section 1202.001, Government Code, and requires
20 compliance with Chapter 1202, Government Code. The
21 omitted law reads:

22 (d) . . . [The preliminary bonds
23 shall be . . .] approved, . . . [in the
24 manner and under the same provisions as are
25 applicable to its construction bonds
26]

27 (f) All bonds, including preliminary
28 bonds and refunding bonds, to be issued by
29 the district shall be submitted to the
30 Attorney General of the State of Texas for
31 examination. . . .

32 (9) Section 7(d), Chapter 201, Acts of the 64th
33 Legislature, Regular Session, 1975, provides that the
34 district's preliminary bonds must be registered in the
35 same manner as the district's construction bonds.
36 Section 7(f), Chapter 201, Acts of the 64th
37 Legislature, Regular Session, 1975, provides that
38 after approval district bonds shall be registered with
39 the comptroller. The revised law omits these
40 provisions as superseded by Section 1202.005,
41 Government Code (enacted in 1987 as Section 3.002(c),
42 Chapter 53, Acts of the 70th Legislature, 2nd Called

1 Session). Section 1202.005, Government Code, applies
2 to district bonds under Sections 1202.001 and
3 1202.003, Government Code. The omitted law reads:

4 (d) . . . [The preliminary bonds
5 shall be] . . . and registered [in the
6 manner and under the same provisions as are
7 applicable to its construction bonds
8]

9 (f) . . . If he finds that such bonds
10 have been authorized in accordance with
11 law, he shall approve them, and thereupon
12 they shall be registered by the Comptroller
13 of Public Accounts of the State of
14 Texas. . . .

15 (10) Section 7(f), Chapter 201, Acts of the 64th
16 Legislature, Regular Session, 1975, provides that
17 after approval and registration, district bonds are
18 incontestable for any reason. The revised law omits
19 this provision because it duplicates in substance
20 Section 1202.006, Government Code. Section 1202.006,
21 Government Code, applies to district bonds under
22 Sections 1202.001 and 1202.003, Government Code. The
23 omitted law reads:

24 (f) . . . After such approval and
25 registration, such bonds shall be
26 incontestable in any court or other forum,
27 for any reason, and shall be valid and
28 binding obligations of the district in
29 accordance with their terms and provisions.

30 Revisor's Note
31 (End of Chapter)

32 (1) Section 7(d), Chapter 201, Acts of the 64th
33 Legislature, Regular Session, 1975, authorizes the
34 district's directors to pay all costs and expenses
35 necessarily incurred in the creation and organization
36 of the district and to make reimbursement for money
37 advanced for those purposes. Section 7(d) also
38 permits payment of those expenses to be made from the
39 proceeds of the first sale of bonds by the district,
40 out of maintenance taxes, or from bond anticipation
41 notes or preliminary bonds. The revised law omits
42 these provisions as executed. The district was

1 created by an order of the commissioners court of
2 Dallas County adopted December 19, 1974, and the costs
3 and expenses of creating and organizing the district
4 have since been paid. The omitted law reads:

5 (d) The district's directors are
6 authorized to pay all costs and expenses
7 which were necessarily incurred in the
8 creation and organization of the district
9 and to make reimbursement for money
10 advanced for such purposes. Such payment
11 may be made from the proceeds of the first
12 sale of bonds by the district or out of
13 maintenance taxes. [In addition, the
14 district may either issue its bond
15 anticipation notes or its preliminary
16 bonds, which need not be designated as such,
17 to provide a fund to pay said costs] of
18 creation and organization and

19 (2) Section 3, Chapter 588, Acts of the 71st
20 Legislature, Regular Session, 1989, validated certain
21 actions of the district. The revised law omits this
22 provision for the reason stated in the revisor's note
23 to Section 7807.002. The omitted validation reads:

24 Sec. 3. The organization of the
25 Farmers Branch-Carrollton Flood Control
26 District of Dallas County, Texas, and all
27 elections held, all contracts executed and
28 all bonds and other obligations issued by
29 the Farmers Branch-Carrollton Flood Control
30 District of Dallas County, Texas, and the
31 expenditure of the funds in payment or
32 satisfaction thereof are hereby in all
33 things validated, ratified, and confirmed.
34 All bonds heretofore voted and all
35 maintenance taxes heretofore authorized at
36 elections held within Farmers
37 Branch-Carrollton Flood Control District of
38 Dallas County, Texas, may be issued,
39 levied, and collected by the board of
40 directors of the district without the
41 necessity of any further elections with
42 respect thereto.

43 (3) Section 4, Chapter 588, Acts of the 71st
44 Legislature, Regular Session, 1989, provides in part
45 that the act is severable. The revised law omits that
46 provision because the same result is produced by
47 application of Section 311.032, Government Code (Code
48 Construction Act), which provides that a provision of
49 a statute is severable from each other provision of the
50 statute that can be given effect. The omitted law

1 reads:

2 Sec. 4. If any word, phrase, clause,
3 paragraph, sentence, part, portion or
4 provision of this Act or the application
5 thereof to any person or circumstance shall
6 be held to be invalid or unconstitutional,
7 the remainder of this Act shall
8 nevertheless be valid and the legislature
9 hereby declares that this Act would have
10 been enacted without such invalid or
11 unconstitutional word, phrase, clause,
12 paragraph, sentence, part, portion or
13 provision. . . .

14 (4) Section 14, Chapter 201, Acts of the 64th
15 Legislature, Regular Session, 1975, and Section 5,
16 Chapter 588, Acts of the 71st Legislature, Regular
17 Session, 1989, recite legislative findings regarding
18 procedural requirements for legislation affecting the
19 district under the constitution and other laws and
20 rules, including the provision of proper legal notice.
21 The revised law omits those provisions as executed.
22 The omitted law reads:

23 [Acts 64th Leg., R.S., Ch. 201]
24 Sec. 14. The legislature specifically
25 finds and declares that the requirements of
26 Article XVI, Section 59(d), Texas
27 Constitution, have been done and
28 accomplished in due course and time, and in
29 due order, and that the legislature has the
30 power and authority to enact this Act.

31 [Acts 71st Leg., R.S., Ch. 588]
32 Sec. 5. The legislature specifically
33 finds and declares that the requirements of
34 Article XVI, Section 59(d) and Section
35 59(e), of the Texas Constitution, to the
36 extent applicable, have been met and
37 accomplished in due course, time and order
38 and that all notice required to be given
39 relating to this Act has been given, that
40 all approvals required to be obtained
41 pursuant thereto have been obtained and
42 that the legislature has the authority and
43 power to enact this Act.

44 SUBTITLE H. DISTRICTS GOVERNING GROUNDWATER
45 CHAPTER 8833. GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT
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1 Sec. 8833.004. DISTRICT TERRITORY877

2 [Sections 8833.005-8833.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

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8 [Sections 8833.054-8833.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8833.101. GROUNDWATER CONSERVATION DISTRICT
11 POWERS AND DUTIES881

12 Sec. 8833.102. LIMITATIONS ON DISTRICT POWERS882

13 CHAPTER 8833. GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 8833.001. 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 Guadalupe County Groundwater
20 Conservation District. (Acts 75th Leg., R.S., Ch. 1066, Sec. 2;
21 New.)

22 Source Law

23 Sec. 2. In this Act, "district" means the
24 Guadalupe County Groundwater Conservation 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. 8833.002. NATURE OF DISTRICT. The district is a
32 groundwater conservation district in Guadalupe County created
33 under and essential to accomplish the purposes of Section 59,
34 Article XVI, Texas Constitution. (Acts 75th Leg., R.S., Ch. 1066,
35 Secs. 1(a) (part), (b).)

1 Section 59, Article XVI, Texas Constitution. The
2 district is created to serve a public use and benefit.

3 Revised Law

4 Sec. 8833.004. DISTRICT TERRITORY. The district is
5 composed of the territory described by Section 3, Chapter 1066,
6 Acts of the 75th Legislature, Regular Session, 1997, as that
7 territory may have been modified under:

- 8 (1) Subchapter J, Chapter 36, Water Code; or
9 (2) other law. (New.)

10 Revisor's Note

11 The revision of the law governing the district
12 does not revise the statutory language describing the
13 territory of the district to avoid the lengthy
14 recitation of the description. Additionally, because
15 the district's boundaries are subject to change, that
16 description may not be accurate on the effective date
17 of the revision or at the time of a later reading. For
18 the reader's convenience, the revised law adds
19 references to the statutory description of the
20 district's territory and to the authority to change the
21 district's territory under Subchapter J, Chapter 36,
22 Water Code, applicable to groundwater conservation
23 districts. The revised law also includes a reference
24 to the general authority of the legislature to enact
25 other laws to change the district's territory.

26 Revisor's Note
27 (End of Subchapter)

28 (1) Section 5(a), Chapter 1066, Acts of the 75th
29 Legislature, Regular Session, 1997, 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 in substance Section
33 311.026, Government Code (Code Construction Act). The
34 omitted law reads:

- 35 (a) . . . This Act prevails over any
36 provision of general law that is in conflict
37 or inconsistent with this Act.

1 (2) Section 5(b), Chapter 1066, Acts of the 75th
2 Legislature, Regular Session, 1997, refers to the
3 continuing right of this state to supervise the
4 district through the "Texas Natural Resource
5 Conservation Commission." The revised law omits the
6 provision because the Texas Commission on
7 Environmental Quality is the successor to the Texas
8 Natural Resource Conservation Commission, and
9 therefore the provision duplicates, in substance, part
10 of Section 12.081, Water Code, which applies to the
11 district. The omitted law 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 (3) Section 8, Chapter 1066, Acts of the 75th
19 Legislature, Regular Session, 1997, provides
20 procedures for holding an election to confirm the
21 district's creation and to elect the district's initial
22 board. The revised law omits those provisions as
23 executed because the district has been confirmed and
24 its initial board has been elected. The omitted law
25 reads:

26 Sec. 8. (a) The temporary board of
27 directors shall call and hold an election to
28 confirm establishment of the district and
29 to elect seven initial directors.

30 (b) At the confirmation and initial
31 directors' election, the temporary board of
32 directors shall have the names of the
33 persons serving as temporary directors who
34 intend to run for an initial director's
35 office placed on the ballot together with
36 the name of any candidate filing for the
37 office of director and blank spaces to write
38 in the names of other persons. If the
39 district is created at the election, the
40 temporary directors, at the time the vote is
41 canvassed, shall declare the seven persons
42 who receive the most votes to be elected as
43 the initial directors and shall include the
44 results of the directors' election in the
45 district's election report to the Texas
46 Natural Resource Conservation Commission.

47 (c) Subsection (a), Section 41.001,
48 Election Code, does not apply to a

1 confirmation and initial directors'
2 election held as provided by this section.

3 (d) Except as provided by this
4 section, a confirmation and initial
5 directors' election must be conducted as
6 provided by Subsections (b) through (h),
7 Section 36.017, Water Code, and the
8 Election Code.

9 [Sections 8833.005-8833.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Revised Law

12 Sec. 8833.051. COMPOSITION OF BOARD; SINGLE-MEMBER
13 DISTRICTS; TERMS. (a) The district is governed by a board of seven
14 directors elected from single-member districts determined by the
15 Guadalupe County Commissioners Court.

16 (b) Section 36.059(b), Water Code, does not apply to the
17 district.

18 (c) Directors serve staggered four-year terms. (Acts 75th
19 Leg., R.S., Ch. 1066, Secs. 6(a), (d), (i).)

20 Source Law

21 Sec. 6. (a) The district is governed by a board
22 of seven directors to be elected from single-member
23 districts to be determined by the Guadalupe County
24 Commissioners Court.

25 (d) Permanent directors other than initial
26 permanent directors serve staggered four-year terms.

27 (i) Section 36.059(b), Water Code, does not
28 apply to the district.

29 Revisor's Note

30 (1) Section 6(d), Chapter 1066, Acts of the 75th
31 Legislature, Regular Session, 1997, refers to
32 "[p]ermanent directors other than initial permanent
33 directors." The revised law omits "permanent" and
34 "other than initial permanent directors" as
35 unnecessary because, as used in the revised law,
36 "director" refers to a permanent director other than
37 an initial permanent director.

38 (2) Section 6(e), Chapter 1066, Acts of the 75th
39 Legislature, Regular Session, 1997, provides that a
40 director must qualify to serve in the manner provided
41 by Section 36.055, Water Code. The revised law omits

1 the provision because Section 36.055, Water Code,
2 applies to the district under Section 8833.101 of this
3 chapter and Section 36.001(1), Water Code. The
4 omitted law reads:

5 (e) Each director must qualify to
6 serve as director in the manner provided by
7 Section 36.055, Water Code.

8 (3) Section 6(f), Chapter 1066, Acts of the 75th
9 Legislature, Regular Session, 1997, provides that a
10 director serves until a successor has qualified. The
11 revised law omits the provision because it duplicates
12 Section 17, Article XVI, Texas Constitution, which
13 provides that an officer in this state continues to
14 perform the officer's official duties until a
15 successor has qualified. The omitted law reads:

16 (f) A director serves until the
17 director's successor has qualified.

18 Revised Law

19 Sec. 8833.052. ELECTION DATE. On the uniform election date
20 in November of each odd-numbered year, the district shall hold an
21 election in the district to elect the appropriate number of
22 directors. (Acts 75th Leg., R.S., Ch. 1066, Sec. 9.)

23 Source Law

24 Sec. 9. On the uniform election date in November
25 of each odd-numbered year, the district shall hold an
26 election in the district to elect the appropriate
27 number of directors to the district's board of
28 directors.

29 Revised Law

30 Sec. 8833.053. QUALIFICATIONS FOR ELECTION. To be
31 qualified to be elected as a director, a person must be a registered
32 voter in the single-member district that the person would
33 represent. (Acts 75th Leg., R.S., Ch. 1066, Sec. 6(h).)

34 Source Law

35 (h) To be qualified to be elected as a director,
36 a person must be a registered voter in the
37 single-member district that the person represents.

1 Revisor's Note
2 (End of Subchapter)

3 (1) Sections 6(b) and (c), Chapter 1066, Acts of
4 the 75th Legislature, Regular Session, 1997, provide
5 for the terms of office of temporary and initial
6 directors of the district. The revised law omits
7 Sections 6(b) and (c) as executed because the terms of
8 the temporary and initial directors have expired. The
9 omitted law reads:

10 (b) Temporary directors serve until
11 initial permanent directors are elected
12 under Section 8 of this Act.

13 (c) Initial permanent directors
14 serve until permanent directors are elected
15 under Section 9 of this Act.

16 (2) Section 7, Chapter 1066, Acts of the 75th
17 Legislature, Regular Session, 1997, names the
18 temporary directors and provides for filling vacancies
19 on the temporary board. Because the terms of the
20 temporary directors have expired, the revised law
21 omits those provisions as executed. The omitted law
22 reads:

23 Sec. 7. (a) The temporary board of
24 directors is composed of:

- 25 (1) Norwin Vogel;
26 (2) Ronald Naumann;
27 (3) Gloria Rivera;
28 (4) Andy Batey;
29 (5) James (Tuddy) Dietz;
30 (6) Hilmar Blumberg; and
31 (7) Mark Wallach.

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 four qualified temporary
37 directors, the Texas Natural Resource
38 Conservation Commission shall appoint the
39 necessary number of persons to fill all
40 vacancies on the board.

41 [Sections 8833.054-8833.100 reserved for expansion]

42 SUBCHAPTER C. POWERS AND DUTIES

43 Revised Law

44 Sec. 8833.101. GROUNDWATER CONSERVATION DISTRICT POWERS
45 AND DUTIES. Except as provided by Section 8833.102, the district
46 has the rights, powers, privileges, functions, and duties provided

1 by the general law of this state, including Chapters 36 and 49,
2 Water Code, applicable to groundwater conservation districts
3 created under Section 59, Article XVI, Texas Constitution. (Acts
4 75th Leg., R.S., Ch. 1066, Sec. 5(a) (part).)

5 Source Law

6 Sec. 5. (a) Except as provided by Subsection
7 (c) of this section, the district has all of the
8 rights, powers, privileges, authority, functions, and
9 duties provided by the general law of this state,
10 including Chapters 36 and 49, Water Code, applicable
11 to groundwater conservation districts created under
12 Section 59, Article XVI, Texas Constitution. . . .

13 Revisor's Note

14 Section 5(a), Chapter 1066, Acts of the 75th
15 Legislature, Regular Session, 1997, refers to the
16 "rights, powers, privileges, [and] authority" of the
17 district. The revised law omits the reference to
18 "authority" because, in context, "authority" is
19 included in the meaning of "rights, powers, [and]
20 privileges."

21 Revised Law

22 Sec. 8833.102. LIMITATIONS ON DISTRICT POWERS. The
23 district may not impose:

- 24 (1) a tax; or
25 (2) a fee on a well used exclusively for domestic or
26 livestock watering purposes. (Acts 75th Leg., R.S., Ch. 1066, Sec.
27 5(c).)

28 Source Law

29 (c) The district may not impose:
30 (1) a tax; or
31 (2) a fee on a well used exclusively for
32 domestic or livestock watering purposes.

33 Revisor's Note
34 (End of Chapter)

35 (1) Section 3, Chapter 410, Acts of the 81st
36 Legislature, Regular Session, 2009, validates certain
37 actions of the district taken before June 19, 2009.
38 The revised law omits that section because it served
39 its purposes on the day it took effect and is executed

1 law. Section 311.031(a)(2), Government Code (Code
2 Construction Act), provides that the repeal of a
3 statute does not affect any validation previously made
4 under the statute. Therefore, the omission of the
5 executed validation provision does not affect the
6 validation. The omitted law reads:

7 Sec. 3. (a) All governmental acts
8 and proceedings of the Guadalupe County
9 Groundwater Conservation District relating
10 to the election of members of the board of
11 directors of the district that were taken
12 before the effective date of this Act are
13 validated, ratified, and confirmed in all
14 respects as if they had been taken as
15 authorized by law.

16 (b) This section does not apply to
17 any matter that on the effective date of
18 this Act:

19 (1) is involved in litigation
20 if the litigation ultimately results in the
21 matter being held invalid by a final court
22 judgment; or

23 (2) has been held invalid by a
24 final court judgment.

25 (2) Section 10, Chapter 1066, Acts of the 75th
26 Legislature, Regular Session, 1997; Section 7, Chapter
27 1141, Acts of the 76th Legislature, Regular Session,
28 1999; and Section 4, Chapter 410, Acts of the 81st
29 Legislature, Regular Session, 2009, recite
30 legislative findings regarding procedural
31 requirements for legislation affecting the district
32 under the constitution and other laws and rules,
33 including the provision of proper legal notice and the
34 filing of recommendations. The revised law omits
35 those provisions as executed. The omitted law reads:

36 [Acts 75th Leg., R.S., Ch. 1066]

37 Sec. 10. (a) The proper and legal
38 notice of the intention to introduce this
39 Act, setting forth the general substance of
40 this Act, has been published as provided by
41 law, and the notice and a copy of this Act
42 have been furnished to all persons,
43 agencies, officials, or entities to which
44 they are required to be furnished by the
45 constitution and other laws of this state,
46 including the governor, who has submitted
47 the notice and Act to the Texas Natural
48 Resource Conservation Commission.

49 (b) The Texas Natural Resource
50 Conservation Commission has filed its

1 recommendations relating to this Act with
2 the governor, lieutenant governor, and
3 speaker of the house of representatives
4 within the required time.

5 (c) All requirements of the
6 constitution and laws of this state and the
7 rules and procedures of the legislature
8 with respect to the notice, introduction,
9 and passage of this Act are fulfilled and
10 accomplished.

11 [Acts 76th Leg., R.S., Ch. 1141]

12 Sec. 7. (a) The proper and legal
13 notice of the intention to introduce this
14 Act, setting forth the general substance of
15 this Act, has been published as provided by
16 law, and the notice and a copy of this Act
17 have been furnished to all persons,
18 agencies, officials, or entities to which
19 they are required to be furnished by the
20 constitution and other laws of this state,
21 including the governor, who has submitted
22 the notice and Act to the Texas Natural
23 Resource Conservation Commission.

24 (b) The Texas Natural Resource
25 Conservation Commission has filed its
26 recommendations relating to this Act with
27 the governor, lieutenant governor, and
28 speaker of the house of representatives
29 within the required time.

30 (c) All requirements of the
31 constitution and laws of this state and the
32 rules and procedures of the legislature
33 with respect to the notice, introduction,
34 and passage of this Act are fulfilled and
35 accomplished.

36 [Acts 81st Leg., R.S., Ch. 410]

37 Sec. 4. (a) The legal notice of the
38 intention to introduce this Act, setting
39 forth the general substance of this Act, has
40 been published as provided by law, and the
41 notice and a copy of this Act have been
42 furnished to all persons, agencies,
43 officials, or entities to which they are
44 required to be furnished under Section 59,
45 Article XVI, Texas Constitution, and
46 Chapter 313, Government Code.

47 (b) The governor, one of the required
48 recipients, has submitted the notice and
49 Act to the Texas Commission on
50 Environmental Quality.

51 (c) The Texas Commission on
52 Environmental Quality has filed its
53 recommendations relating to this Act with
54 the governor, the lieutenant governor, and
55 the speaker of the house of representatives
56 within the required time.

57 (d) All requirements of the
58 constitution and laws of this state and the
59 rules and procedures of the legislature
60 with respect to the notice, introduction,
61 and passage of this Act are fulfilled and
62 accomplished.

1 CHAPTER 8835. BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

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7 [Sections 8835.005-8835.050 reserved for expansion]

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26 CHAPTER 8835. BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT

27 SUBCHAPTER A. GENERAL PROVISIONS

28 Revised Law

29 Sec. 8835.001. 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 Brazos Valley Groundwater

33 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;

34 Acts 77th Leg., R.S., Ch. 966, Sec. 3.1302; Acts 77th Leg., R.S.,

1 Ch. 1307, Sec. 2.02; New.)

2 Source Law

3 [Acts 76th Leg., R.S., Ch. 1331]
4 Sec. 3. In this Act, "district" means a
5 groundwater conservation district created under
6 Section 1 of this Act.

7 [Acts 77th Leg., R.S., Ch. 966]
8 Sec. 3.1302. In this part, "district" means the
9 Brazos Valley Groundwater Conservation District.

10 [Acts 77th Leg., R.S., Ch. 1307]
11 Sec. 2.02. In this article, "district" means
12 the Brazos Valley Groundwater Conservation District.

13 Revisor's Note

14 (1) The Brazos Valley Groundwater Conservation
15 District was created by Chapter 1331, Acts of the 76th
16 Legislature, Regular Session, 1999. That district is
17 one of 13 districts created by that act, with the
18 creation of each district subject to whether the
19 succeeding legislature enacted a law to ratify its
20 creation. See Sections 1 and 15, Chapter 1331. The
21 77th Legislature enacted two laws that ratified the
22 creation of the Brazos Valley Groundwater Conservation
23 District. Chapter 966, Acts of the 77th Legislature,
24 Regular Session, 2001, ratified the creation of many
25 of the districts created by Chapter 1331, including
26 the Brazos Valley Groundwater Conservation District,
27 and set forth nonamendatory substantive provisions
28 governing those districts. See Part 13, Article 3,
29 Chapter 966, regarding the Brazos Valley Groundwater
30 Conservation District, and see the remainder of
31 Article 3, Chapter 966, regarding the other districts.
32 Article 2, Chapter 1307, Acts of the 77th Legislature,
33 Regular Session, 2001, also ratified the creation of
34 the Brazos Valley Groundwater Conservation District
35 and set forth nonamendatory substantive provisions
36 governing that district. All three legislative
37 enactments are source law for this chapter. Although
38 Section 3, Chapter 1331, defines "district" to mean

1 all of the districts created under Section 1 of that
2 act, the revised law defines the term to mean the
3 Brazos Valley Groundwater Conservation District
4 because this chapter applies only to that district.
5 Similar changes are made throughout this chapter.

6 (2) The definitions of "board" and "director"
7 are added to the revised law for drafting convenience
8 and to eliminate frequent, unnecessary repetition of
9 the substance of the definitions.

10 Revised Law

11 Sec. 8835.002. NATURE OF DISTRICT. The district is a
12 groundwater conservation district created under and essential to
13 accomplish the purposes of Section 59, Article XVI, Texas
14 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
15 (c).)

16 Source Law

17 Sec. 1. (a) The following groundwater
18 conservation districts are created:

19 . . .
20 (2) Brazos Valley Groundwater
21 Conservation District;
22 . . .

23 (c) Each district created under this section is
24 created under and is essential to accomplish the
25 purposes of Section 59, Article XVI, Texas
26 Constitution.

27 Revisor's Note

28 Section 1(b), Chapter 1331, Acts of the 76th
29 Legislature, Regular Session, 1999, provides that a
30 district created under Section 1 of that act is a
31 governmental agency and a body politic and corporate.
32 The revised law omits that provision because it
33 duplicates 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 a body politic and corporate. The omitted law reads:

37 (b) A district created under this
38 section is a governmental agency and a body
39 politic and corporate.

1 Revised Law

2 Sec. 8835.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
3 district is created to serve a public use and benefit.

4 (b) All land and other property included in the district
5 will benefit from the works and projects accomplished by the
6 district under the powers conferred by Section 59, Article XVI,
7 Texas Constitution. (Acts 76th Leg., R.S., Ch. 1331, Sec. 4.)

8 Source Law

9 Sec. 4. All of the land and other property
10 included within the boundaries of a district will be
11 benefited by the works and projects that are to be
12 accomplished by the district under powers conferred by
13 Section 59, Article XVI, Texas Constitution. The
14 district is created to serve a public use and benefit.

15 Revised Law

16 Sec. 8835.004. DISTRICT TERRITORY. The district's
17 boundaries are coextensive with the boundaries of Robertson and
18 Brazos Counties unless the district's territory has been modified
19 under:

20 (1) Subchapter J, Chapter 36, Water Code; or

21 (2) other law. (Acts 76th Leg., R.S., Ch. 1331, Sec.
22 2(a) (part); Acts 77th Leg., R.S., Ch. 966, Sec. 3.1303; Acts 77th
23 Leg., R.S., Ch. 1307, Sec. 2.03; New.)

24 Source Law

25 [Acts 76th Leg., R.S., Ch. 1331]

26 Sec. 2. (a) The boundaries of the following
27 groundwater conservation districts are coextensive
28 with county boundaries as follows:

29 . . .
30 (2) the boundaries of the Brazos Valley
31 Groundwater Conservation District are coextensive
32 with the boundaries of Robertson and Brazos Counties;
33 . . .

34 [Acts 77th Leg., R.S., Ch. 966]

35 Sec. 3.1303. The boundaries of the district are
36 coextensive with the boundaries of Robertson and
37 Brazos counties, Texas.

38 [Acts 77th Leg., R.S., Ch. 1307]

39 Sec. 2.03. The boundaries of the district are
40 coextensive with the boundaries of Robertson and
41 Brazos counties, Texas.

42 Revisor's Note

43 The revision of the law governing the district
44 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 adds references to the
6 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 10, Chapter 1331, Acts of the 76th
14 Legislature, Regular Session, 1999, provides
15 procedures for holding elections to confirm the
16 creation of districts created under that act and to
17 elect the initial boards of those districts. Sections
18 3.1311 and 3.1312, Chapter 966, and Sections 2.12 and
19 2.13, Chapter 1307, Acts of the 77th Legislature,
20 Regular Session, 2001, provide for an organizational
21 meeting of the initial directors after they are
22 appointed and stipulate procedures for holding an
23 election to confirm the creation of the Brazos Valley
24 Groundwater Conservation District. The revised law
25 omits the provisions of Section 10, Chapter 1331, that
26 relate to the election of the initial directors
27 because, as they relate to the Brazos Valley
28 Groundwater Conservation District, they are
29 superseded by the provisions of Section 3.1310,
30 Chapter 966, and Section 2.11, Chapter 1307 (omitted
31 in Revisor's Note (2) to Section 8835.052), that
32 require the appointment of the initial directors (see
33 Revisor's Note (2) at the end of this subchapter). The
34 revised law omits the provisions of Section 10,
35 Chapter 1331, that relate to the holding of a

1 confirmation election and Sections 3.1311 and 3.1312,
2 Chapter 966, and Sections 2.12 and 2.13, Chapter 1307,
3 because the organizational meeting of the initial
4 directors has been held and the creation of the
5 district has been confirmed. The omitted law reads:

6 [Acts 76th Leg., R.S., Ch. 1331]

7 Sec. 10. (a) Not earlier than
8 September 1, 2001, the temporary board of
9 directors shall call and hold an election to
10 confirm the district and to elect the
11 initial directors.

12 (b) At the confirmation and initial
13 directors' election, the temporary board of
14 directors shall have placed on the ballot
15 the names of the candidates for each of the
16 positions on the board. To qualify as a
17 candidate for a position, a person must be a
18 resident of the district.

19 (c) If the district is confirmed at
20 the election, the temporary board of
21 directors, at the time the vote is
22 canvassed, shall:

23 (1) declare the qualified
24 person who receives the most votes for each
25 position to be elected as the initial
26 director for that position; and

27 (2) include the results of the
28 initial directors' election in the
29 district's election report to the Texas
30 Natural Resource Conservation Commission.

31 (d) The initial directors shall draw
32 lots to determine their terms so that:

33 (1) one-half or a simple
34 majority of the directors serve four-year
35 terms that expire on the fourth anniversary
36 of the date the initial directors were
37 elected; and

38 (2) the remaining directors
39 serve two-year terms that expire on the
40 second anniversary of the date the initial
41 directors were elected.

42 (e) Subsection (a), Section 41.001,
43 Election Code, applies to a confirmation
44 and initial directors' election held as
45 provided by this section.

46 (f) Except as provided by this
47 section, a confirmation and initial
48 directors' election must be conducted as
49 provided by Subsections (b)-(h), Section
50 36.017, Water Code, and the Election Code.

51 (g) If the establishment of the
52 district has not been confirmed at an
53 election held under this section before the
54 fourth anniversary of the effective date of
55 this Act, the district is dissolved on that
56 date, except that any debts incurred shall
57 be paid and the organization of the district
58 shall be maintained until all debts are
59 paid.

60 [Acts 77th Leg., R.S., Ch. 966]

61 Sec. 3.1311. As soon as practicable
62 after all the initial directors have been

1 appointed and have qualified as provided in
2 this part, a majority of the directors shall
3 convene the organizational meeting of the
4 district at a location within the district
5 agreeable to a majority of the directors. If
6 no location can be agreed on, the
7 organizational meeting of the directors
8 shall be at the Robertson County
9 Courthouse.

10 Sec. 3.1312. (a) The initial board
11 of directors shall call and hold an election
12 on the same date in each county within the
13 district to confirm the creation of the
14 district.

15 (b) Except as provided by this
16 section, a confirmation election must be
17 conducted as provided by Sections 36.017,
18 36.018, and 36.019, Water Code, and Section
19 41.001, Election Code.

20 (c) Confirmation of the district
21 requires a vote in favor of confirmation by
22 a majority of the qualified voters voting in
23 the election.

24 (d) The district is dissolved and
25 this part expires on August 31, 2003, unless
26 the voters confirm the creation of the
27 district before that date.

28 [Acts 77th Leg., R.S., Ch. 1307]

29 Sec. 2.12. As soon as practicable
30 after all the initial directors have been
31 appointed and have qualified as provided in
32 this article, a majority of the directors
33 shall convene the organizational meeting of
34 the district at a location within the
35 district agreeable to a majority of the
36 directors. If no location can be agreed on,
37 the organizational meeting of the directors
38 shall be at the Robertson County
39 Courthouse.

40 Sec. 2.13. (a) The initial board of
41 directors shall call and hold an election on
42 the same date in each county within the
43 district to confirm the creation of the
44 district.

45 (b) Except as provided by this
46 section, a confirmation election must be
47 conducted as provided by Sections 36.017,
48 36.018, and 36.019, Water Code, and Section
49 41.001, Election Code.

50 (c) If the majority of qualified
51 voters in a county who vote in the election
52 vote to confirm the creation of the
53 district, that county is included in the
54 district. If the majority of qualified
55 voters in a county who vote in the election
56 vote not to confirm the creation of the
57 district, that county is excluded from the
58 district.

59 (d) The district is dissolved and
60 this article expires on August 31, 2003,
61 unless the voters confirm the creation of
62 the district before that date.

63 (2) Section 14, Chapter 1331, Acts of the 76th
64 Legislature, Regular Session, 1999, provides that,
65 except as otherwise provided by that act, that act

1 prevails over a conflicting provision of Chapter 36,
2 Water Code. Section 3.1304, Chapter 966, Acts of the
3 77th Legislature, Regular Session, 2001, provides that
4 the part of that act pertaining to the district
5 prevails over general law, including Chapter 36, Water
6 Code, or Chapter 1331, Acts of the 76th Legislature,
7 Regular Session, 1999, in case of a conflict or
8 inconsistency. Similarly, Section 2.04(a), Chapter
9 1307, Acts of the 77th Legislature, Regular Session,
10 2001, provides that the act prevails over general law,
11 including Chapter 36, Water Code, or Chapter 1331,
12 Acts of the 76th Legislature, Regular Session, 1999,
13 in case of a conflict or inconsistency.

14 The revised law omits Section 14, Chapter 1331,
15 and the provisions of Section 3.1304, Chapter 966, and
16 Section 2.04(a), Chapter 1307, pertaining to conflicts
17 with general law because they duplicate, in substance,
18 Section 311.026, Government Code (Code Construction
19 Act), and part of Section 36.052(a), Water Code, which
20 provides that a "special law governing a specific
21 district" prevails over Chapter 36. Throughout this
22 chapter, the revised law omits law that duplicates law
23 contained in Chapter 36, which applies to the district
24 under Section 8835.101 of this chapter and Section
25 36.001(1), Water Code.

26 The revised law also omits the provisions of
27 Section 3.1304, Chapter 966, and Section 2.04(a),
28 Chapter 1307, pertaining to conflicts with Chapter
29 1331. As noted in Revisor's Note (1) to Section
30 8835.001 of this chapter, Chapters 1331, 966, and 1307
31 are source law for this chapter. In accordance with
32 Section 3.1304, Chapter 966, and Section 2.04(a),
33 Chapter 1307, the provisions of Chapter 1331 that
34 conflict with the parts of Chapters 966 and 1307

1 pertaining to the district are omitted from the
2 revised law. Therefore, the provisions of Section
3 3.1304, Chapter 966, and Section 2.04(a), Chapter
4 1307, pertaining to conflicts with Chapter 1331 no
5 longer serve a purpose. The omitted law reads:

6 [Acts 76th Leg., R.S., Ch. 1331]
7 Sec. 14. Except as otherwise
8 provided by this Act, if there is a conflict
9 between this Act and Chapter 36, Water Code,
10 this Act controls.

11 [Acts 77th Leg., R.S., Ch. 966]
12 Sec. 3.1304. (a) . . . This part
13 prevails over any provision of general law
14 that is in conflict or inconsistent with
15 this part, including any provision of
16 Chapter 36, Water Code, or Chapter 1331,
17 Acts of the 76th Legislature, Regular
18 Session, 1999.

19 [Acts 77th Leg., R.S., Ch. 1307]
20 Sec. 2.04. (a) . . . This article
21 prevails over any provision of general law
22 that is in conflict or inconsistent with
23 this article, including any provision of
24 Chapter 36, Water Code, or Chapter 1331,
25 Acts of the 76th Legislature, Regular
26 Session, 1999 (Senate Bill No. 1911).

27 (3) Section 6.01(d), Chapter 1307, Acts of the
28 77th Legislature, Regular Session, 2001, provides that
29 the act prevails over Senate Bill No. 2, Acts of the
30 77th Legislature, Regular Session, 2001, referred to
31 by this revision as Chapter 966. In accordance with
32 Section 6.01(d), Chapter 1307, the provisions of
33 Chapter 966 that conflict with Article 2 of Chapter
34 1307 pertaining to the district are omitted from the
35 revised law (see Revisor's Note (1) to Section
36 8835.052). Therefore, Section 6.01(d) no longer
37 serves a purpose. The omitted law reads:

38 (d) To the extent of any conflicts,
39 this Act prevails over any provision of
40 Senate Bill No. 2, Acts of the 77th
41 Legislature, Regular Session, 2001.

42 [Sections 8835.005-8835.050 reserved for expansion]

43 SUBCHAPTER B. BOARD OF DIRECTORS

44 Revised Law

45 Sec. 8835.051. COMPOSITION OF BOARD; TERMS. (a) The

1 district is governed by a board of eight directors.

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

3 (c) A director may serve consecutive terms. (Acts 77th Leg.,
4 R.S., Ch. 966, Secs. 3.1309(a), (c), (f); Acts 77th Leg., R.S., Ch.
5 1307, Secs. 2.10(a), (c), (f).)

6 Source Law

7 [Acts 77th Leg., R.S., Ch. 966]
8 Sec. 3.1309. (a) The district is governed by a
9 board of eight directors.

10 (c) Permanent directors serve four-year
11 staggered terms.

12 (f) A director may serve consecutive terms.

13 [Acts 77th Leg., R.S., Ch. 1307]
14 Sec. 2.10. (a) The district is governed by a
15 board of eight directors.

16 (c) Permanent directors serve four-year
17 staggered terms.

18 (f) A director may serve consecutive terms.

19 Revisor's Note

20 (1) Section 3.1309(c), Chapter 966, and Section
21 2.10(c), Chapter 1307, Acts of the 77th Legislature,
22 Regular Session, 2001, refer to "[p]ermanent"
23 directors. Section 3.1309 of Chapter 966 and Section
24 2.10 of Chapter 1307 refer to "initial" and
25 "permanent" directors to distinguish between the
26 district's "initial" directors and subsequently
27 serving "permanent" directors. Because the revised
28 law omits provisions regarding "initial" directors as
29 executed (see Revisor's Note (2) to Section 8835.052),
30 it is no longer necessary to distinguish between
31 "initial" and "permanent" directors. Accordingly, the
32 revised law also omits "permanent."

33 (2) Section 3.1309(d), Chapter 966, and Section
34 2.10(d), Chapter 1307, Acts of the 77th Legislature,
35 Regular Session, 2001, provide that a director must
36 qualify to serve in the manner provided by Section
37 36.055, Water Code. The revised law omits those

1 provisions because Section 36.055, Water Code, applies
2 to the district under Section 8835.101 of this chapter
3 and Section 36.001(1), Water Code. The omitted law
4 reads:

5 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1309]
6 (d) Each director must qualify to
7 serve as a director in the manner provided
8 by Section 36.055, Water Code.

9 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10]
10 (d) Each director must qualify to
11 serve as a director in the manner provided
12 by Section 36.055, Water Code.

13 (3) Section 3.1309(e), Chapter 966, and Section
14 2.10(e), Chapter 1307, Acts of the 77th Legislature,
15 Regular Session, 2001, provide that a director serves
16 until a successor has qualified. The revised law omits
17 those provisions because they duplicate Section 17,
18 Article XVI, Texas Constitution, which provides that
19 an officer in this state continues to perform the
20 officer's official duties until a successor has
21 qualified. The omitted law reads:

22 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1309]
23 (e) A director serves until the
24 director's successor has qualified.

25 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10]
26 (e) A director serves until the
27 director's successor has qualified.

28 Revised Law

29 Sec. 8835.052. APPOINTMENT OF DIRECTORS. (a) The
30 Robertson County Commissioners Court shall appoint four directors,
31 of whom:

32 (1) one must represent municipal interests in the
33 county;

34 (2) one must be a bona fide agricultural producer who
35 derives a substantial portion of the producer's income from
36 agriculture in the county;

37 (3) one must be a director or employee of a rural water
38 supply corporation in the county; and

39 (4) one must represent active industrial interests in

1 the county.

2 (b) The Brazos County Commissioners Court shall appoint two
3 directors, of whom:

4 (1) one must be a bona fide agricultural producer who
5 derives a substantial portion of the producer's income from
6 agriculture in the county; and

7 (2) one must be a director or employee of a rural water
8 supply corporation in the county.

9 (c) The governing body of the City of Bryan, with the
10 approval of the Brazos County Commissioners Court, shall appoint
11 one director.

12 (d) The governing body of the City of College Station, with
13 the approval of the Brazos County Commissioners Court, shall
14 appoint one director.

15 (e) Every two years after January 1 of the second year
16 following the district's confirmation, the appropriate governing
17 body shall appoint the appropriate number of directors. (Acts 77th
18 Leg., R.S., Ch. 966, Secs. 3.1310(c), (d), (f) (part); Acts 77th
19 Leg., R.S., Ch. 1307, Secs. 2.11(a), (b), (c), (d), (f) (part).)

20 Source Law

21 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1310]

22 (c) The governing body of the City of Bryan,
23 with the approval of the Brazos County Commissioners
24 Court, shall appoint one director.

25 (d) The governing body of the City of College
26 Station, with the approval of the Brazos County
27 Commissioners Court, shall appoint one director.

28 (f) . . . On January 1 of the second year
29 following confirmation of the district and every two
30 years after that date, the appropriate governing body
31 shall appoint the appropriate number of permanent
32 directors.

33 [Acts 77th Leg., R.S., Ch. 1307]

34 Sec. 2.11. (a) The Robertson County
35 Commissioners Court shall appoint four directors, of
36 whom:

37 (1) one must represent municipal interests
38 in the county;

39 (2) one must be a bona fide agricultural
40 producer who derives a substantial portion of his or
41 her income from agriculture in the county;

42 (3) one must be a director or employee of a
43 rural water supply corporation in the county; and

44 (4) one must represent active industrial
45 interests in the county.

46 (b) The Brazos County Commissioners Court shall

1 appoint two directors, of whom:

2 (1) one must be a director or employee of a
3 rural water supply corporation in the county; and

4 (2) one must be a bona fide agricultural
5 producer who derives a substantial portion of his or
6 her income from agriculture in the county.

7 (c) The governing body of the City of Bryan,
8 with the approval of the Brazos County Commissioners
9 Court, shall appoint one director.

10 (d) The governing body of the City of College
11 Station, with the approval of the Brazos County
12 Commissioners Court, shall appoint one director.

13 (f) . . . On January 1 of the second year
14 following confirmation of the district and every two
15 years after that date, the appropriate governing body
16 shall appoint the appropriate number of permanent
17 directors.

18 Revisor's Note

19 (1) Sections 3.1310(a) and (b), Chapter 966, and
20 Sections 2.11(a) and (b), Chapter 1307, Acts of the
21 77th Legislature, Regular Session, were enacted in
22 2001. Chapter 966 provides for the appointment of
23 directors by the Robertson County Commissioners Court
24 and the Brazos County Commissioners Court. Chapter
25 1307 contains nearly identical provisions regarding
26 the appointment of directors by the Robertson County
27 Commissioners Court and the Brazos County
28 Commissioners Court, except that Chapter 1307 is more
29 specific in its requirements for who may serve in each
30 director position.

31 It is not possible to give effect to both the
32 Chapter 966 and 1307 provisions regarding the issue of
33 the appointment of directors by the Robertson County
34 Commissioners Court and the Brazos County
35 Commissioners Court. The revised law gives effect to
36 the provisions of Chapter 1307 for the reason stated in
37 Revisor's Note (3) at the end of Subchapter A.
38 Furthermore, Section 312.014, Government Code,
39 applicable to Chapters 966 and 1307 under Section
40 312.001, Government Code, provides that if "statutes
41 enacted at the same or different sessions of the
42 legislature are irreconcilable, the statute latest in

1 date of enactment prevails" and that "the date of
2 enactment is the date on which the last legislative
3 vote is taken on the bill enacting the statute."
4 Section 312.014 also provides that, if legislative
5 records fail to disclose which bill is latest in date
6 of enactment, the "date on which the last presiding
7 officer signed the bill" prevails. If that date is the
8 same, the "date on which the governor signed the bill"
9 prevails. The last legislative vote on both chapters
10 was taken on May 27, 2001. Both chapters were signed
11 by the presiding officers of the house and senate on
12 May 28, 2001. The governor signed Chapter 966 on June
13 15, 2001, and Chapter 1307 on June 16, 2001. Because
14 Chapter 1307 was signed by the governor after the date
15 on which Chapter 966 was signed by the governor, the
16 revised law gives effect to the provisions regarding
17 the appointment of directors by the Robertson County
18 Commissioners Court and the Brazos County
19 Commissioners Court that are contained in Chapter
20 1307. For the reasons stated, the revised law omits
21 Sections 3.1310(a) and (b), Chapter 966, Acts of the
22 77th Legislature, Regular Session, 2001. The omitted
23 law reads:

24 Sec. 3.1310. (a) The Robertson
25 County Commissioners Court shall appoint
26 four directors, of whom:

27 (1) one must represent
28 municipal interests in the county;

29 (2) one must represent
30 agricultural interests in the county;

31 (3) one must represent rural
32 water suppliers' interests in the county;
33 and

34 (4) one must represent
35 industrial interests in the county.

36 (b) The Brazos County Commissioners
37 Court shall appoint two directors, of whom:

38 (1) one must represent rural
39 water suppliers' interests in the county;
40 and

41 (2) one must represent
42 agricultural interests in the county.

43 (2) Sections 3.1310(e) and (f), Chapter 966, and

1 Sections 2.11(e) and (f), Chapter 1307, Acts of the
2 77th Legislature, Regular Session, 2001, provide for
3 the appointment and terms of office of the initial
4 directors. The revised law omits those provisions as
5 executed. The omitted law reads:

6 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1310]

7 (e) Each of the governing bodies
8 authorized by this section to make an
9 appointment shall appoint the appropriate
10 number of initial directors as soon as
11 practicable following the effective date of
12 this Act, but not later than the 45th day
13 after the effective date of this Act.

14 (f) The four initial directors from
15 Robertson County shall draw lots to
16 determine their terms. Two initial
17 directors from Robertson County and the two
18 initial directors from Brazos County serve
19 terms that expire on January 1 of the second
20 year following the confirmation of the
21 district at an election held under Section
22 3.1312 of this part. The remaining four
23 initial directors serve terms that expire
24 on January 1 of the fourth year following
25 the confirmation of the district. . . .

26 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.11]

27 (e) Each of the governing bodies
28 authorized by this section to make an
29 appointment shall appoint the appropriate
30 number of initial directors as soon as
31 practicable following the effective date of
32 this Act, but not later than the 45th day
33 after the effective date of this Act.

34 (f) The four initial directors from
35 Robertson County shall draw lots to
36 determine their terms. Two initial
37 directors from Robertson County and the two
38 initial directors from Brazos County serve
39 terms that expire on January 1 of the second
40 year following the confirmation of the
41 district at an election held under Section
42 2.13 of this article. The remaining four
43 initial directors serve terms that expire
44 on January 1 of the fourth year following
45 the confirmation of the district. . . .

46 (3) Section 3.1310(f), Chapter 966, and Section
47 2.11(f), Chapter 1307, Acts of the 77th Legislature,
48 Regular Session, 2001, provide for the appointment of
49 "permanent" directors "[o]n January 1 of the second
50 year following confirmation of the district and every
51 two years after that date." The revised law omits the
52 reference to "permanent" directors for the reason
53 stated in Revisor's Note (1) to Section 8835.051 and

1 omits as executed the language referring to the first
2 appointment of "permanent" directors on January 1 of
3 the second year following confirmation of the
4 district.

5 Revised Law

6 Sec. 8835.053. BOARD VACANCY. If there is a vacancy on the
7 board, the governing body of the entity that appointed the director
8 who vacated the office shall appoint a director to serve the
9 remainder of the term. (Acts 77th Leg., R.S., Ch. 966, Sec.
10 3.1309(g); Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10(g).)

11 Source Law

12 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1309]

13 (g) If there is a vacancy on the board, the
14 governing body of the entity that appointed the
15 director who vacated the office shall appoint a
16 director to serve the remainder of the term.

17 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10]

18 (g) If there is a vacancy on the board, the
19 governing body of the entity that appointed the
20 director who vacated the office shall appoint a
21 director to serve the remainder of the term.

22 Revised Law

23 Sec. 8835.054. COMPENSATION; EXPENSES. (a) A director is
24 not entitled to receive compensation for serving as a director.

25 (b) A director may be reimbursed for actual, reasonable
26 expenses incurred in discharging official duties. (Acts 77th Leg.,
27 R.S., Ch. 966, Sec. 3.1309(h); Acts 77th Leg., R.S., Ch. 1307, Sec.
28 2.10(h).)

29 Source Law

30 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1309]

31 (h) Directors are not entitled to receive
32 compensation for serving as a director but may be
33 reimbursed for actual, reasonable expenses incurred in
34 the discharge of official duties.

35 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10]

36 (h) Directors are not entitled to receive
37 compensation for serving as a director but may be
38 reimbursed for actual, reasonable expenses incurred in
39 the discharge of official duties.

40 Revised Law

41 Sec. 8835.055. VOTE REQUIRED FOR BOARD ACTION. A majority
42 vote of a quorum of the board is required for board action. If there

1 is a tie vote, the proposed action fails. (Acts 77th Leg., R.S.,
2 Ch. 966, Sec. 3.1309(i); Acts 77th Leg., R.S., Ch. 1307, Sec.
3 2.10(i).)

4 Source Law

5 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1309]

6 (i) A majority vote of a quorum is required for
7 board action. If there is a tie vote, the proposed
8 action fails.

9 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10]

10 (i) A majority vote of a quorum is required for
11 board action. If there is a tie vote, the proposed
12 action fails.

13 Revisor's Note
14 (End of Subchapter)

15 (1) Sections 5 and 12, Chapter 1331, Acts of the
16 76th Legislature, Regular Session, 1999, govern the
17 powers of the temporary directors of a district
18 created under that act. The revised law omits those
19 provisions as executed. The omitted law reads:

20 Sec. 5. (a) Except as provided by
21 Subsections (c) and (d) of this section or
22 otherwise by this Act, the temporary
23 directors of a district have the same
24 permitting and general management powers as
25 those granted to initial and permanent
26 directors under Chapter 36, Water Code.

27 (b) The temporary directors or their
28 designees have the authority to enter any
29 public or private property located within
30 the district to inspect a water well as
31 provided by Section 49.221, Water Code.

32 (c) The temporary directors do not
33 have the authority granted by the following
34 provisions of Chapter 36, Water Code:

35 (1) Sections 36.017, 36.019,
36 36.020, and 36.059, relating to elections;

37 (2) Sections 36.105, 36.1071,
38 36.1072, 36.1073, and 36.108, relating to
39 eminent domain and management plans;

40 (3) Sections 36.171-36.181,
41 relating to bonds and notes;

42 (4) Sections 36.201-36.204,
43 relating to taxes; and

44 (5) Sections 36.321-36.359,
45 relating to annexation and consolidation.

46 (d) The temporary directors may
47 regulate the transfer of groundwater out of
48 the district as provided by Section 36.122,
49 Water Code, but may not prohibit the
50 transfer of groundwater out of the
51 district.

52 Sec. 12. Prior to September 1, 2001,
53 the temporary directors of a district shall
54 not hold an election for the imposition of a
55 tax.

1 (2) Section 7, Chapter 1331, Acts of the 76th
2 Legislature, Regular Session, 1999, relates to the
3 election of initial directors of a district created
4 under that act. The revised law omits that provision
5 because, as it relates to the Brazos Valley
6 Groundwater Conservation District, it is superseded by
7 Section 3.1310(e), Chapter 966, and Section 2.11(e),
8 Chapter 1307, Acts of the 77th Legislature, Regular
9 Session, 2001. Those superseding provisions are
10 omitted as executed as described by Revisor's Note (2)
11 to Section 8835.052. The omitted law reads:

12 Sec. 7. The initial directors may not
13 be elected until after September 1, 2001.

14 (3) Sections 8 and 9, Chapter 1331, Acts of the
15 76th Legislature, Regular Session, 1999, provide for
16 the appointment of temporary directors of a district
17 created under that act and require the temporary
18 directors to hold an organizational meeting of the
19 district. The revised law omits those provisions as
20 executed. The omitted law reads:

21 Sec. 8. (a) Except as provided by
22 Subsections (b) and (c) of this section, the
23 commissioners court of a county containing
24 territory included within the district
25 shall appoint temporary directors in
26 accordance with the provisions of Section
27 36.016, Water Code, relating to the
28 appointment of temporary directors by
29 county commissioners courts.

30 (b) For districts composed of more
31 than one county, the county commissioners
32 court of each county with territory in the
33 district shall appoint an equal number of
34 temporary directors, the total number of
35 temporary directors appointed to be
36 determined by the county commissioners
37 courts except that the total number of
38 directors may not be fewer than five or more
39 than 11.

40 (c) The 90-day limit for the
41 appointment of temporary directors under
42 Section 36.016, Water Code, does not apply
43 to the appointment of temporary directors
44 under this Act.

45 Sec. 9. (a) As soon as practicable
46 after the temporary directors are appointed
47 as provided by this Act, the temporary
48 directors shall hold the organizational
49 meeting of the district and take office at

1 that time.

2 (b) The temporary directors shall
3 hold the meeting at a location within the
4 district to which a majority of the
5 temporary directors agree.

6 (4) Section 11, Chapter 1331, Acts of the 76th
7 Legislature, Regular Session, 1999, provides for the
8 election of permanent directors of a district created
9 under that act. The revised law omits that section
10 because, as that section relates to the Brazos Valley
11 Groundwater Conservation District, it is superseded by
12 Section 3.1310, Chapter 966, and Section 2.11, Chapter
13 1307, Acts of the 77th Legislature, Regular Session,
14 2001, which provide for the appointment of the
15 district's directors. See Section 8835.052 of this
16 chapter. Section 3.1304(a), Chapter 966, and Section
17 2.04(a), Chapter 1307, which are omitted in pertinent
18 part as described by Revisor's Note (2) at the end of
19 Subchapter A, provide that the part or article,
20 respectively, of the act relating to the district
21 prevails over Chapter 1331 in case of a conflict or
22 inconsistency. The omitted law reads:

23 Sec. 11. Beginning in the second year
24 after the year in which the district has
25 held a confirmation election, an election
26 shall be held in the district on the first
27 Saturday in the month in which the initial
28 directors were elected under Section 10 of
29 this Act and every two years after that date
30 to elect the appropriate number of
31 directors to the board.

32 (5) Section 3.1309(b), Chapter 966, and Section
33 2.10(b), Chapter 1307, Acts of the 77th Legislature,
34 Regular Session, 2001, require initial directors to
35 serve until permanent directors are appointed.
36 Because the terms of the initial directors have
37 expired, the revised law omits those provisions as
38 executed. The omitted law reads:

39 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1309]
40 (b) Initial directors serve until
41 permanent directors are appointed under
42 Section 3.1310 of this part and qualified as
43 required by Subsection (d) of this section.

1 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.10]
2 (b) Initial directors serve until
3 permanent directors are appointed under
4 Section 2.11 of this article and qualified
5 as required by Subsection (d) of this
6 section.

7 [Sections 8835.056-8835.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Revised Law

10 Sec. 8835.101. GROUNDWATER CONSERVATION DISTRICT POWERS
11 AND DUTIES. Except as provided by this chapter, the district has
12 the rights, powers, privileges, functions, and duties provided by
13 the general law of this state, including Chapter 36, Water Code,
14 applicable to groundwater conservation districts created under
15 Section 59, Article XVI, Texas Constitution. (Acts 77th Leg.,
16 R.S., Ch. 966, Sec. 3.1304(a) (part); Acts 77th Leg., R.S., Ch.
17 1307, Sec. 2.04(a) (part).)

18 Source Law

19 [Acts 77th Leg., R.S., Ch. 966]
20 Sec. 3.1304. (a) Except as otherwise provided
21 by this part, the district has all of the rights,
22 powers, privileges, authority, functions, and duties
23 provided by the general law of this state, including
24 Chapter 36, Water Code, applicable to groundwater
25 conservation districts created under Section 59,
26 Article XVI, Texas Constitution. . . .

27 [Acts 77th Leg., R.S., Ch. 1307]
28 Sec. 2.04. (a) Except as otherwise provided by
29 this article, the district has all of the rights,
30 powers, privileges, authority, functions, and duties
31 provided by the general law of this state, including
32 Chapter 36, Water Code, applicable to groundwater
33 conservation districts created under Section 59,
34 Article XVI, Texas Constitution. . . .

35 Revisor's Note

36 Section 3.1304(a), Chapter 966, and Section
37 2.04(a), Chapter 1307, Acts of the 77th Legislature,
38 Regular Session, 2001, refer to the "rights, powers,
39 privileges, [and] authority" of the district. The
40 revised law omits the reference to "authority"
41 because, in context, "authority" is included in the
42 meaning of "rights, powers, [and] privileges."

43 Revised Law

44 Sec. 8835.102. GROUNDWATER WELLS UNDER JURISDICTION OF

1 RAILROAD COMMISSION. (a) In this section, "railroad commission"
2 means the Railroad Commission of Texas.

3 (b) A groundwater well drilled or operated in the district
4 under a permit issued by the railroad commission is under the
5 exclusive jurisdiction of the railroad commission and is exempt
6 from regulation by the district.

7 (c) Groundwater produced in an amount authorized by a
8 railroad commission permit may be used in or exported from the
9 district without a permit from the district.

10 (d) To the extent groundwater production exceeds railroad
11 commission authorization, the holder of the railroad commission
12 permit:

13 (1) must apply to the district for the appropriate
14 permit for the excess production; and

15 (2) is subject to the applicable regulatory fees.

16 (e) Groundwater produced from a well under the jurisdiction
17 of the railroad commission is generally exempt from water district
18 fees. However, the district may impose either a pumping fee or an
19 export fee on groundwater produced from an otherwise exempt mine
20 well that is used for municipal purposes or by a public utility. A
21 fee imposed by the district under this subsection may not exceed the
22 fee imposed on other groundwater producers in the district. (Acts
23 77th Leg., R.S., Ch. 966, Sec. 3.1307; Acts 77th Leg., R.S., Ch.
24 1307, Sec. 2.07; New.)

25 Source Law

26 [Acts 77th Leg., R.S., Ch. 966]

27 Sec. 3.1307. (a) Groundwater wells drilled or
28 operated within the district under permits issued by
29 the Railroad Commission of Texas are under the
30 exclusive jurisdiction of the railroad commission and
31 are exempt from regulation by the district.

32 (b) Groundwater produced in an amount
33 authorized by a railroad commission permit may be used
34 within or exported from the district without obtaining
35 a permit from the district.

36 (c) To the extent groundwater production
37 exceeds railroad commission authorization, the holder
38 of the railroad commission permit must apply to the
39 district for appropriate permits for the excess
40 production and is subject to the applicable regulatory
41 fees.

42 (d) Groundwater produced from wells under the
43 jurisdiction of the railroad commission is generally

1 exempt from water district fees. However, the
2 district may impose either a pumping fee or an export
3 fee on groundwater produced from an otherwise exempt
4 mine well that is used for municipal purposes or by a
5 public utility. Any fee imposed by the district under
6 this subsection may not exceed the fee imposed on other
7 groundwater producers in the district.

8 [Acts 77th Leg., R.S., Ch. 1307]

9 Sec. 2.07. (a) A groundwater well drilled or
10 operated within the district under a permit issued by
11 the Railroad Commission of Texas is under the
12 exclusive jurisdiction of the railroad commission and
13 is exempt from regulation by the district.

14 (b) Groundwater produced in an amount
15 authorized by a railroad commission permit may be used
16 within or exported from the district without a permit
17 from the district.

18 (c) To the extent groundwater is produced in
19 excess of railroad commission authorization, the
20 holder of the railroad commission permit must apply to
21 the district for the appropriate permit for the excess
22 production and is subject to the applicable regulatory
23 fees.

24 (d) Groundwater produced from a well under the
25 jurisdiction of the railroad commission is generally
26 exempt from water district fees. However, the
27 district may impose either a pumping fee or an export
28 fee on groundwater produced from an otherwise exempt
29 mine well that is used for municipal purposes or by a
30 public utility. Any fee imposed by the district under
31 this subsection may not exceed the fee imposed on other
32 groundwater producers in the district.

33 Revisor's Note

34 The definition of "railroad commission" is added
35 to the revised law for drafting convenience and to
36 eliminate frequent, unnecessary repetition of the
37 substance of the definition.

38 Revised Law

39 Sec. 8835.103. LIMITATION ON POWER OF EMINENT DOMAIN. The
40 district does not have the power of eminent domain granted by
41 Section 36.105, Water Code. (Acts 77th Leg., R.S., Ch. 966, Sec.
42 3.1304(b) (part); Acts 77th Leg., R.S., Ch. 1307, Sec. 2.04(b)
43 (part).)

44 Source Law

45 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1304]

46 (b) The district does not have the authority
47 granted by the following provisions of Chapter 36,
48 Water Code:

49 (1) Section 36.105, relating to eminent
50 domain; and

51 . . .

52 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.04]

53 (b) The district does not have the authority
54 granted by the following provisions of Chapter 36,

1 Water Code:
2 (1) Section 36.105, relating to eminent
3 domain; and
4 . . .

5 Revisor's Note
6 (End of Subchapter)

7 (1) Section 6, Chapter 1331, Acts of the 76th
8 Legislature, Regular Session, 1999, prohibits a
9 district created under that act from adopting a
10 comprehensive management plan before September 1,
11 2001. The revised law omits that provision because the
12 prohibition has expired by its own terms. The omitted
13 law 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 3.1308, Chapter 966, Acts of the
24 77th Legislature, Regular Session, 2001, requires the
25 district to coordinate with other groundwater
26 districts in its designated management area in the
27 management of groundwater.

28 Section 2.08, Chapter 1307, Acts of the 77th
29 Legislature, Regular Session, 2001, also addresses
30 regional coordination. Under Subsections (a)-(c) of
31 that section, the district is required to coordinate
32 with other groundwater districts in certain specified
33 counties as a part of the Central Carrizo-Wilcox
34 Coordinating Council. However, under Subsection (d)
35 of that section, if the Central Carrizo-Wilcox
36 Coordinating Council is not created at the first
37 regional coordination meeting held under Subsection
38 (a) of that section, the district is required to follow
39 the joint planning in management area requirements
40 under Chapter 36, Water Code.

41 According to the district, the districts located

1 in Groundwater Management Area 12, which includes all
2 of the counties listed in Section 2.08(a) of Chapter
3 1307, have met at least twice since the creation of the
4 district, but the Central Carrizo-Wilcox Coordinating
5 Council has not been created. The revised law
6 therefore omits Sections 2.08(a), (b), and (c) of
7 Chapter 1307 as executed. The revised law also omits
8 Section 2.08(d) of Chapter 1307 because it requires
9 participation in joint planning in the appropriate
10 management area under Chapter 36, Water Code, which
11 applies to the district under Section 8835.101 of this
12 chapter and Section 36.001(1), Water Code, without a
13 specific reference to those provisions in the revised
14 law.

15 As noted, Section 2.08(d) of Chapter 1307
16 requires the district to follow the joint planning
17 requirements under Chapter 36, Water Code, rather than
18 the requirements of Sections 2.08(a)-(c) of that
19 chapter if the Central Carrizo-Wilcox Coordinating
20 Council is not created. In addition, Section 6.01(d)
21 of Chapter 1307 provides that to the extent of any
22 conflicts, Chapter 1307 prevails over Chapter 966.
23 Those provisions, taken together, indicate a
24 legislative intent that the joint planning
25 requirements of Chapter 36, Water Code, serve as the
26 exclusive requirements governing joint planning by the
27 district. Accordingly, the revised law also omits
28 Section 3.1308 of Chapter 966. The omitted law reads:

29 [Acts 77th Leg., R.S., Ch. 966]

30 Sec. 3.1308. (a) To provide for
31 regional continuity, the district shall:

32 (1) participate in a regular
33 annual coordination meeting with other
34 groundwater districts in its designated
35 management area and may hold coordination
36 meetings at other times as needed;

37 (2) coordinate the collection
38 of data with other groundwater districts in
39 its designated management area in such a way
40 as to achieve relative uniformity of data

1 type and quality;

2 (3) coordinate efforts to
3 monitor water quality with other
4 groundwater districts in its designated
5 management area, local governments, and
6 state agencies;

7 (4) provide groundwater level
8 data to other groundwater districts in its
9 designated management area;

10 (5) investigate any groundwater
11 and aquifer pollution with the intention of
12 locating its source;

13 (6) notify other groundwater
14 districts in its designated management area
15 and all appropriate agencies of any
16 detected groundwater pollution;

17 (7) annually provide to other
18 groundwater districts in its designated
19 management area an inventory of water wells
20 and an estimate of groundwater production
21 within the district; and

22 (8) include other groundwater
23 districts in its designated management area
24 on the mailing lists for district
25 newsletters, seminars, public education
26 events, news articles, and field days.

27 (b) The district shall prepare a
28 comprehensive management plan as required
29 by Section 36.1071, Water Code, covering
30 that district's respective territory. On
31 completion and certification of the plan as
32 required by Section 36.1072, Water Code,
33 the district shall forward a copy of the new
34 or revised management plan to the other
35 districts in its designated management
36 area. The district shall consider the
37 management plans individually and shall
38 compare them to other management plans in
39 the designated management area.

40 (1) The district shall, by
41 resolution, call for joint planning with
42 the other districts in the designated
43 management area to review and coordinate
44 the management plans and accomplishments
45 for the designated management area. In
46 reviewing and coordinating the management
47 plans, the boards shall consider:

48 (A) the goals of each
49 management plan and its impact on planning
50 throughout the management area;

51 (B) the groundwater
52 management standards of each district
53 describing the desired condition of the
54 groundwater source over time as indicated
55 by indices of quantity of water in the
56 source, quality of water produced from the
57 source, springflows, or subsidence of the
58 land surface;

59 (C) the groundwater
60 withdrawal rates adopted by each district
61 and the effectiveness of those rates in
62 achieving the groundwater management
63 standard of the district;

64 (D) the effectiveness of
65 the measures established by each management
66 plan for conserving and protecting
67 groundwater and preventing waste, and the
68 effectiveness of these measures in the
69 management area generally; and

1 (E) any other matters that
2 the boards consider relevant to the
3 protection and conservation of groundwater
4 and the prevention of waste in the
5 management area.

6 (2) In the management plan the
7 district may establish and coordinate with
8 the other districts within the designated
9 management area an annual total groundwater
10 withdrawal limit and equitable allocation
11 as determined from an evaluation of the
12 overall scientific data of the groundwater
13 resources in the region, including the
14 Texas Water Development Board's groundwater
15 availability model. The determination of
16 sustainable groundwater withdrawal shall be
17 reviewed at least every five years.

18 (3) Each district participating
19 in the joint planning process initiated
20 under this subsection shall ensure that the
21 groundwater management standards adopted by
22 the district are adequate to protect the
23 groundwater within the area of each
24 district and are not incompatible with the
25 groundwater management standards adopted by
26 the other districts in the management area.

27 (4) If a joint meeting of the
28 boards of directors is called, the meeting
29 must be held in accordance with Chapter 551,
30 Government Code. Notice of the meeting
31 shall be given in accordance with the
32 requirements for notice of district board
33 of directors meetings under that chapter.
34 In addition, notice of the meeting shall be
35 published not later than the 30th day before
36 the date of the scheduled meeting in a
37 newspaper with general circulation in each
38 county in the management area.

39 (5) A district in the
40 management area may file with good cause a
41 petition with the Texas Natural Resource
42 Conservation Commission requesting an
43 inquiry if the petitioner district adopted
44 a resolution calling for joint planning and
45 the other district or districts refused to
46 join in the planning process or the process
47 failed to result in adequate planning, and
48 the petition provides evidence that:

49 (A) another district in
50 the management area has failed to adopt
51 rules;

52 (B) the groundwater in the
53 management area is not adequately protected
54 by the rules adopted by another district; or

55 (C) the groundwater in the
56 management area is not adequately protected
57 due to the failure of another district to
58 enforce substantial compliance with its
59 rules.

60 (6) The district may contract
61 to jointly conduct studies or research, or
62 to construct projects, under terms and
63 conditions that the districts consider
64 beneficial with districts located within
65 the same management area or in adjacent
66 management areas. These joint efforts may
67 include studies of groundwater availability
68 and quality, aquifer modeling, and the
69 interaction of groundwater and surface

1 water; educational programs; the purchase
2 and sharing of equipment; and the
3 implementation of projects to make
4 groundwater available, including aquifer
5 recharge, brush control, weather
6 modification, desalination,
7 regionalization, and treatment or
8 conveyance facilities. The districts may
9 contract under their existing
10 authorizations including those of Chapter
11 791, Government Code, if their contracting
12 authority is not limited by Sections
13 791.011(c)(2) and (d)(3) and Section
14 791.014, Government Code.

15 (c) The district shall determine
16 biennially, using the overall available
17 scientific data of groundwater resources
18 in the Central Carrizo-Wilcox area, whether
19 pumping within the district or an adjacent
20 district is unreasonably affecting
21 groundwater wells. The district, in
22 agreement with other districts within the
23 designated management area, may adopt
24 mitigation measures in response to such
25 unreasonable adverse effects only if the
26 measures are based on a scientific
27 determination made.

28 (d) The district may assist in the
29 mediation between landowners regarding the
30 mitigation of the loss of existing
31 groundwater supply of exempt domestic and
32 livestock users due to the groundwater
33 pumping of others in adjoining districts.

34 [Acts 77th Leg., R.S., Ch. 1307]

35 Sec. 2.08. (a) To provide for
36 regional continuity, the district shall
37 participate in a regular annual
38 coordination meeting with any groundwater
39 districts that are created and/or existing
40 in Bastrop, Lee, Robertson, Brazos, Milam,
41 Burleson, Leon, Madison, and/or Freestone
42 counties, and may hold coordination
43 meetings at other times as needed.

44 (b) Prior to the first annual
45 regional coordination meeting held under
46 Subsection (a), the district's board of
47 directors shall vote whether to create and
48 be a member of the Central Carrizo-Wilcox
49 Coordinating Council under Article 5 of
50 this Act.

51 (c) At the first annual regional
52 coordination meeting held under Subsection
53 (a), if all of the groundwater districts
54 created and/or existing in Bastrop, Lee,
55 Robertson, Brazos, Milam, Burleson, Leon,
56 Madison, and/or Freestone counties
57 unanimously vote to create and be members of
58 the Central Carrizo-Wilcox Coordinating
59 Council, then the district shall be a member
60 of the Central Carrizo-Wilcox Coordinating
61 Council under Article 5.

62 (d) If the Central Carrizo-Wilcox
63 Coordinating Council is not created at the
64 first annual regional coordination meeting
65 held under Subsection (a), then the
66 district shall follow the joint planning in
67 management area requirements under Chapter
68 36, Water Code.

1 (3) Section 2.09, Chapter 1307, Acts of the 77th
2 Legislature, Regular Session, 2001, governs district
3 management plans. Section 2.09(a) of that chapter
4 requires the district to develop or contract to
5 develop a management plan under Section 36.1071, Water
6 Code. Section 2.09(b) of that chapter requires the
7 district to submit the management plan to the Central
8 Carrizo-Wilcox Coordinating Council to be included in
9 the management plan developed by the council if the
10 council is created. The revised law omits Section
11 2.09(a) of Chapter 1307 because Section 36.1071, Water
12 Code, applies to the district under Section 8835.101
13 of this chapter and Section 36.001(1), Water Code,
14 without a specific reference to that provision in the
15 revised law. The revised law omits Section 2.09(b) of
16 Chapter 1307 because the Central Carrizo-Wilcox
17 Coordinating Council has not been created (see
18 Revisor's Note (2) at the end of this subchapter). The
19 omitted law reads:

20 Sec. 2.09. (a) The district shall
21 develop or contract to develop its own
22 management plan under Section 36.1071,
23 Water Code.

24 (b) The district shall submit its
25 management plan under Subsection (a) to the
26 Central Carrizo-Wilcox Coordinating
27 Council to be included in the management
28 plan developed by the Central
29 Carrizo-Wilcox Coordinating Council under
30 Section 5.06 of this Act, if the Central
31 Carrizo-Wilcox Coordinating Council is
32 created at the first annual regional
33 coordination meeting.

34 [Sections 8835.104-8835.150 reserved for expansion]

35 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

36 Revised Law

37 Sec. 8835.151. FEES. (a) The board by rule may impose a
38 reasonable fee on each well that is not exempt from regulation by
39 the district and for which a permit is issued by the district. The
40 fee may be based on:

41 (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 (b) The board shall base the amount of the initial fee on the
4 amount of water to be withdrawn from the well. The initial fee:

5 (1) may not exceed:

6 (A) \$0.25 for each acre-foot for water used to
7 irrigate agricultural crops or operate existing steam electric
8 stations; or

9 (B) \$0.0425 for each thousand gallons for water
10 used for any other purpose; and

11 (2) may be increased at a cumulative rate not to exceed
12 three percent for each year.

13 (c) In addition to the fee authorized under Subsection (b),
14 the district may impose a reasonable fee or surcharge for an export
15 fee using one of the following methods:

16 (1) a fee negotiated between the district and the
17 transporter; or

18 (2) a combined production and export fee not to exceed
19 17 cents for each thousand gallons for water used.

20 (d) Fees authorized by this section may be:

21 (1) assessed annually; and

22 (2) used to pay the cost of operating the district.

23 (Acts 77th Leg., R.S., Ch. 966, Sec. 3.1306; Acts 77th Leg., R.S.,
24 Ch. 1307, Sec. 2.06.)

25 Source Law

26 [Acts 77th Leg., R.S., Ch. 966]

27 Sec. 3.1306. (a) The board of directors of the
28 district by rule may impose reasonable fees on each
29 well for which a permit is issued by the district and
30 which is not exempt from regulation by the district. A
31 fee may be based on the size of column pipe used by the
32 well or on the actual, authorized, or anticipated
33 amount of water to be withdrawn from the well.

34 (b) The initial fee shall be based on the amount
35 of water to be withdrawn from the well. The initial
36 fee:

37 (1) may not exceed:

38 (A) \$0.25 per acre-foot for water
39 used for irrigating agricultural crops or operating
40 existing steam electric stations; or

41 (B) \$0.0425 per thousand gallons for
42 water used for any other purpose; and

43 (2) may be increased at a cumulative rate

1 not to exceed three percent per year.

2 (c) In addition to the fee authorized under
3 Subsection (b) of this section, the district may
4 impose a reasonable fee or surcharge for an export fee
5 using one of the following methods:

6 (1) a fee negotiated between the district
7 and the transporter; or

8 (2) a combined production and export fee
9 not to exceed 17 cents per thousand gallons for water
10 used.

11 [Acts 77th Leg., R.S., Ch. 1307]

12 Sec. 2.06. (a) The board of directors of the
13 district by rule may impose reasonable fees on each
14 well for which a permit is issued by the district and
15 which is not exempt from regulation by the district. A
16 fee may be based on the size of column pipe used by the
17 well or on the actual, authorized, or anticipated
18 amount of water to be withdrawn from the well.

19 (b) The initial fee shall be based on the amount
20 of water to be withdrawn from the well. The initial
21 fee:

22 (1) may not exceed:

23 (A) \$0.25 per acre-foot for water
24 used for irrigating agricultural crops or operating
25 existing steam electric stations; or

26 (B) \$0.0425 per thousand gallons for
27 water used for any other purpose; and

28 (2) may be increased at a cumulative rate
29 not to exceed three percent per year.

30 (c) In addition to the fee authorized under
31 Subsection (b) of this section, the district may
32 impose a reasonable fee or surcharge for an export fee
33 using one of the following methods:

34 (1) a fee negotiated between the district
35 and the transporter; or

36 (2) a combined production and export fee
37 not to exceed 17 cents per thousand gallons of water
38 used.

39 (d) Fees authorized by this section may be
40 assessed annually and may be used to fund the cost of
41 operations of the district or the Central
42 Carrizo-Wilcox Coordinating Council.

43 Revisor's Note

44 Section 2.06(d), Chapter 1307, Acts of the 77th
45 Legislature, Regular Session, 2001, provides that
46 district fees may be used to fund the operations of the
47 district "or the Central Carrizo-Wilcox Coordinating
48 Council." The revised law omits the quoted language
49 for the reasons described in Revisor's Note (2) at the
50 end of Subchapter C.

51 Revised Law

52 Sec. 8835.152. AUTHORITY TO ISSUE BONDS AND NOTES. The
53 district may issue bonds and notes under Subchapter F, Chapter 36,
54 Water Code, not to exceed \$500,000 of total indebtedness at any
55 time. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.1305; Acts 77th Leg.,

1 R.S., Ch. 1307, Sec. 2.05.)

2 Source Law

3 [Acts 77th Leg., R.S., Ch. 966]
4 Sec. 3.1305. The district may issue bonds and
5 notes under Sections 36.171-36.181, Water Code, not to
6 exceed \$500,000 of total indebtedness at any time.

7 [Acts 77th Leg., R.S., Ch. 1307]
8 Sec. 2.05. The district may issue bonds and
9 notes under Sections 36.171-36.181, Water Code, not to
10 exceed \$500,000 of total indebtedness at any time.

11 Revisor's Note

12 Section 3.1305, Chapter 966, and Section 2.05,
13 Chapter 1307, Acts of the 77th Legislature, Regular
14 Session, 2001, refer to the district's authority to
15 issue bonds under "Sections 36.171-36.181," Water
16 Code. The revised law substitutes "Subchapter F,
17 Chapter 36," for the quoted language because those
18 sections are the sections that constitute Subchapter
19 F, Chapter 36, Water Code.

20 Revised Law

21 Sec. 8835.153. LIMITATION ON AUTHORITY TO IMPOSE TAXES.
22 The district does not have the authority relating to taxes that is
23 granted by Sections 36.020 and 36.201-36.204, Water Code. (Acts
24 77th Leg., R.S., Ch. 966, Sec. 3.1304(b) (part); Acts 77th Leg.,
25 R.S., Ch. 1307, Sec. 2.04(b) (part).)

26 Source Law

27 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1304]
28 (b) The district does not have the authority
29 granted by the following provisions of Chapter 36,
30 Water Code:
31 . . .
32 (2) Sections 36.020 and 36.201-36.204,
33 relating to taxes.

34 [Acts 77th Leg., R.S., Ch. 1307, Sec. 2.04]
35 (b) The district does not have the authority
36 granted by the following provisions of Chapter 36,
37 Water Code:
38 . . .
39 (2) Sections 36.020 and 36.201-36.204,
40 relating to taxes.

41 Revisor's Note
42 (End of Chapter)

43 (1) Section 13, Chapter 1331, Acts of the 76th
44 Legislature, Regular Session, 1999, provides that a

1 district created under that act may be modified by
2 subsequent acts of the Texas Legislature. It is a
3 well-accepted principle of constitutional law that a
4 legislature may not, through statutory law, limit or
5 expand the authority of a future legislature. By
6 application of that principle, a district created
7 under an act of the legislature may be modified by a
8 subsequent legislative act without an express
9 statement to that effect in the act creating the
10 district. Accordingly, the revised law omits that
11 provision as unnecessary. The omitted law reads:

12 Sec. 13. A district created under
13 this Act may be modified by subsequent acts
14 of the Texas Legislature. The modification
15 may be in response to the recommendations of
16 an interim study or committee, including
17 the possibility of adding additional area
18 to the district or merging the district with
19 other districts for the purposes of the
20 efficient and effective management of a
21 common groundwater resource.

22 (2) Section 15, Chapter 1331, Acts of the 76th
23 Legislature, Regular Session, 1999, provides that an
24 election to confirm the creation of a district under
25 that act and to elect initial directors may not be held
26 unless action is taken by the 77th Legislature,
27 Regular Session, to ratify the creation of the
28 district and provides for the dissolution of a
29 district created by that act whose creation is not
30 ratified. The revised law omits that provision as
31 expired as it relates to the Brazos Valley Groundwater
32 Conservation District because the creation of the
33 district was ratified by Section 3.1301, Chapter 966,
34 and Section 2.01, Chapter 1307, Acts of the 77th
35 Legislature, Regular Session, 2001, subject to
36 approval at a confirmation election. The omitted law
37 reads:

38 Sec. 15. (a) Notwithstanding the
39 provisions of Section 10 of this Act, an
40 election for the confirmation of the

1 creation of a groundwater conservation
2 district under this Act and for the
3 selection of initial directors for such
4 district shall not be held unless action is
5 taken by the 77th Legislature in its Regular
6 Session to ratify the creation of the
7 district.

8 (b) Except as provided by Subsection
9 (c) of this section, a groundwater
10 conservation district created by this Act
11 whose creation is not ratified by the 77th
12 Legislature as provided by Subsection (a)
13 of this section is dissolved effective
14 September 1, 2001.

15 (c) If a groundwater conservation
16 district is dissolved under this section,
17 the district has no further authority,
18 except that any debts incurred shall be paid
19 and the organization of the district shall
20 be maintained until all debts are paid.

21 (3) Section 16, Chapter 1331, Acts of the 76th
22 Legislature, Regular Session, 1999, recites
23 legislative findings regarding procedural
24 requirements for the creation of the districts created
25 by that act under the constitution and other laws and
26 rules, including the provision of proper legal notice
27 and the filing of recommendations. Section 13.04,
28 Chapter 966, and Sections 6.01(a)-(c), Chapter 1307,
29 Acts of the 77th Legislature, Regular Session, 2001,
30 recite similar findings regarding requirements for the
31 creation of the districts ratified or created by those
32 acts. The revised law omits those provisions as
33 executed. The omitted law reads:

34 [Acts 76th Leg., R.S., Ch. 1331]

35 Sec. 16. (a) The proper and legal
36 notice of the intention to introduce this
37 Act, setting forth the general substance of
38 this Act, has been published as provided by
39 law, and the notice and a copy of this Act
40 have been furnished to all persons,
41 agencies, officials, or entities to which
42 they are required to be furnished by the
43 constitution and other laws of this state,
44 including the governor, who has submitted
45 the notice and Act to the Texas Natural
46 Resource Conservation Commission.

47 (b) The Texas Natural Resource
48 Conservation Commission has filed its
49 recommendations relating to this Act with
50 the governor, lieutenant governor, and
51 speaker of the house of representatives
52 within the required time.

53 (c) All requirements of the
54 constitution and laws of this state and the
55 rules and procedures of the legislature

1 with respect to the notice, introduction,
2 and passage of this Act are fulfilled and
3 accomplished.

4 (d) The procedural requirements of
5 this section relating to the provision of
6 notice have been met by the provision of
7 notice of the introduction of the proposed
8 Acts of the 76th Legislature relating to the
9 creation of the groundwater conservation
10 districts now created by this Act.

11 [Acts 77th Leg., R.S., Ch. 966]

12 Sec. 13.04. (a) The proper and
13 legal notice of the intention to introduce
14 this Act, setting forth the general
15 substance of this Act, has been published as
16 provided by law, and the notice and a copy
17 of this Act have been furnished to all
18 persons, agencies, officials, or entities
19 to which they are required to be furnished
20 by the constitution and other laws of this
21 state, including the governor, who has
22 submitted the notice and Act to the Texas
23 Natural Resource Conservation Commission.

24 (b) The Texas Natural Resource
25 Conservation Commission has filed its
26 recommendations relating to this Act with
27 the governor, lieutenant governor, and
28 speaker of the house of representatives
29 within the required time.

30 (c) All requirements of the
31 constitution and laws of the state and the
32 rules and procedures of the legislature
33 with respect to the notice, introduction,
34 and passage of this Act are fulfilled and
35 accomplished.

36 [Acts 77th Leg., R.S., Ch. 1307]

37 Sec. 6.01. (a) The proper and legal
38 notice of the intention to introduce this
39 Act, setting forth the general substance of
40 this Act, has been published as provided by
41 law, and the notice and a copy of this Act
42 have been furnished to all persons,
43 agencies, officials, or entities to which
44 they are required to be furnished by the
45 constitution and other laws of this state,
46 including the governor, who has submitted
47 the notice and Act to the Texas Natural
48 Resource Conservation Commission.

49 (b) The Texas Natural Resource
50 Conservation Commission has filed its
51 recommendations relating to this Act with
52 the governor, the lieutenant governor, and
53 the speaker of the house of representatives
54 within the required time.

55 (c) All requirements of the
56 constitution and laws of this state and the
57 rules and procedures of the legislature
58 with respect to the notice, introduction,
59 and passage of this Act are fulfilled and
60 accomplished.

61 (4) Section 3.1301, Chapter 966, and Section
62 2.01, Chapter 1307, Acts of the 77th Legislature,
63 Regular Session, 2001, ratified the creation of the

1 district, subject to approval at a confirmation
2 election. The revised law omits those provisions as
3 executed. The omitted law reads:

4 [Acts 77th Leg., R.S., Ch. 966]

5 Sec. 3.1301. The creation by Chapter
6 1331, Acts of the 76th Legislature, Regular
7 Session, 1999, of the Brazos Valley
8 Groundwater Conservation District in
9 Robertson and Brazos counties is ratified
10 as required by Section 15(a) of that Act,
11 subject to approval at a confirmation
12 election under Section 3.1312 of this part.

13 [Acts 77th Leg., R.S., Ch. 1307]

14 Sec. 2.01. The creation by Chapter
15 1331, Acts of the 76th Legislature, Regular
16 Session, 1999 (Senate Bill No. 1911), of the
17 Brazos Valley Groundwater Conservation
18 District in Robertson and Brazos counties
19 is ratified as required by Section 15(a) of
20 that Act, subject to approval at a
21 confirmation election under Section 2.13 of
22 this article.

23 (5) Section 13.05, Chapter 966, Acts of the 77th
24 Legislature, Regular Session, 2001, provides that the
25 act is severable. The revised law omits that provision
26 because the same result is produced by the application
27 of Section 311.032(c), Government Code (Code
28 Construction Act), which provides that a provision of
29 a statute is severable from each other provision of the
30 statute that can be given effect. The omitted law
31 reads:

32 Sec. 13.05. If any provision of this
33 Act or its application to any person or
34 circumstance is held invalid, the
35 invalidity does not affect other provisions
36 or applications of this Act that can be
37 given effect without the invalid provision
38 or application, and to this end the
39 provisions of this Act are declared to be
40 severable.

41 CHAPTER 8838. COW CREEK GROUNDWATER CONSERVATION DISTRICT

42 SUBCHAPTER A. GENERAL PROVISIONS

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1 [Sections 8838.006-8838.050 reserved for expansion]

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8 [Sections 8838.056-8838.100 reserved for expansion]

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21 [Sections 8838.107-8838.150 reserved for expansion]

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28 CHAPTER 8838. COW CREEK GROUNDWATER CONSERVATION DISTRICT

29 SUBCHAPTER A. GENERAL PROVISIONS

30 Revised Law

31 Sec. 8838.001. DEFINITIONS. In this chapter:

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

33 (2) "Director" means a board member.

34 (3) "District" means the Cow Creek Groundwater

1 Conservation District.

2 (4) "Well" means an excavation drilled or dug into the
3 ground that may intercept or penetrate a water-bearing stratum or
4 formation. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3; Acts 77th Leg.,
5 R.S., Ch. 966, Secs. 3.0102(1), (3); Acts 77th Leg., R.S., Ch. 1349,
6 Sec. 2(1); New.)

7 Source Law

8 [Acts 76th Leg., R.S., Ch. 1331]
9 Sec. 3. In this Act, "district" means a
10 groundwater conservation district created under
11 Section 1 of this Act.

12 [Acts 77th Leg., R.S., Ch. 966]
13 Sec. 3.0102. In this part:
14 (1) "District" means the Cow Creek
15 Groundwater Conservation District.

16 (3) "Well" means any excavation drilled or
17 dug into the ground that may intercept or penetrate a
18 water-bearing stratum or formation.

19 [Acts 77th Leg., R.S., Ch. 1349]
20 Sec. 2. In this Act:
21 (1) "District" means the Cow Creek
22 Groundwater Conservation District.

23 Revisor's Note

24 (1) The Cow Creek Groundwater Conservation
25 District was created by Chapter 1331, Acts of the 76th
26 Legislature, Regular Session, 1999. That district is
27 one of 13 districts created by that act, with the
28 creation of each district subject to whether the
29 succeeding legislature enacted a law to ratify its
30 creation. See Sections 1 and 15, Chapter 1331. The
31 77th Legislature enacted two laws that ratified the
32 creation of the Cow Creek Groundwater Conservation
33 District. Chapter 966, Acts of the 77th Legislature,
34 Regular Session, 2001, ratified the creation of many
35 of the districts created by Chapter 1331, including
36 the Cow Creek Groundwater Conservation District, and
37 set forth nonamendatory substantive provisions
38 governing those districts. See Part 1, Article 3,
39 Chapter 966, regarding the Cow Creek Groundwater
40 Conservation District and see the remainder of Article

1 3, Chapter 966, regarding the other districts.
2 Chapter 1349, Acts of the 77th Legislature, Regular
3 Session, 2001, also ratified the creation of the Cow
4 Creek Groundwater Conservation District and set forth
5 nonamendatory substantive provisions governing that
6 district. All three legislative enactments are source
7 law for this chapter. Although Section 3, Chapter
8 1331, defines "district" to mean all of the districts
9 created under Section 1 of that act, the revised law
10 defines the term to mean the Cow Creek Groundwater
11 Conservation District because this chapter applies
12 only to that district. Similar changes are made
13 throughout this chapter.

14 (2) Section 3.0102(3), Chapter 966, Acts of the
15 77th Legislature, Regular Session, 2001, provides that
16 "'[w]ell' means" certain excavations. Section 2(3),
17 Chapter 1349, Acts of the 77th Legislature, Regular
18 Session, 2001, provides that "'[w]ell' includes"
19 certain excavations. The two provisions are
20 irreconcilable. Under Section 312.014, Government
21 Code, applicable to those provisions under Section
22 312.001, Government Code, if statutes are
23 irreconcilable, the statute latest in date of
24 enactment prevails. The date of enactment is the date
25 on which the last legislative vote is taken on the bill
26 enacting the statute. The last legislative vote on
27 Chapter 966 was taken on May 27, 2001. The last
28 legislative vote on Chapter 1349 was taken on May 25,
29 2001. Accordingly, the revised law codifies Section
30 3.0102(3), Chapter 966, and omits Section 2(3),
31 Chapter 1349. The omitted law reads:

32 (3) "Well" includes any
33 excavation drilled or dug into the ground
34 that may intercept or penetrate a water
35 bearing strata or formation.

36 (3) The definitions of "board" and "director"

1 are added to the revised law for drafting convenience
2 and to eliminate frequent, unnecessary repetition of
3 the substance of the definitions.

4 Revised Law

5 Sec. 8838.002. NATURE OF DISTRICT. The district is a
6 groundwater conservation district created under and essential to
7 accomplish the purposes of Section 59, Article XVI, Texas
8 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
9 (c).)

10 Source Law

11 Sec. 1. (a) The following groundwater
12 conservation districts are created:

13 (1) Cow Creek Groundwater Conservation
14 District;
15 . . .

16 (c) Each district created under this section is
17 created under and is essential to accomplish the
18 purposes of Section 59, Article XVI, Texas
19 Constitution.

20 Revisor's Note

21 Section 1(b), Chapter 1331, Acts of the 76th
22 Legislature, Regular Session, 1999, provides that a
23 district created under Section 1 of that act is a
24 governmental agency and a body politic and corporate.
25 Section 3.0101(a), Chapter 966, Acts of the 77th
26 Legislature, Regular Session, 2001, provides that the
27 district is a governmental agency and a body politic
28 and corporate. The revised law omits those provisions
29 because they duplicate a portion of Section 59(b),
30 Article XVI, Texas Constitution, which provides that a
31 conservation and reclamation district is a
32 governmental agency and a body politic and corporate.
33 The omitted law reads:

34 [Acts 76th Leg., R.S., Ch. 1331, Sec. 1]

35 (b) A district created under this
36 section is a governmental agency and a body
37 politic and corporate.

38 [Acts 77th Leg., R.S., Ch. 966]

39 Sec. 3.0101. (a) . . . The district
40 is a governmental agency and a body politic
41 and corporate.

1 not be accurate on the effective date of the revision
2 or at the time of a later reading. For the reader's
3 convenience, the revised law adds references to the
4 authority to change the district's territory under
5 Subchapter J, Chapter 36, Water Code, applicable to
6 groundwater conservation districts, and to the general
7 authority of the legislature to enact other laws to
8 change the district's territory.

9 Revised Law

10 Sec. 8838.005. CONFLICTS WITH OTHER LAW. The following
11 provisions prevail over a conflicting or inconsistent provision of
12 this chapter:

- 13 (1) Sections 36.1071-36.108, Water Code;
14 (2) Sections 36.159-36.161, Water Code; and
15 (3) Subchapter I, Chapter 36, Water Code. (Acts 77th
16 Leg., R.S., Ch. 1349, Sec. 4(b).)

17 Source Law

18 (b) Notwithstanding Subsection (a), the
19 following provisions prevail over a conflicting or
20 inconsistent provision of this Act:

- 21 (1) Sections 36.1071-36.108, Water Code;
22 (2) Sections 36.159-36.161, Water Code;
23 and
24 (3) Subchapter I, Chapter 36, Water Code.

25 Revisor's Note

26 (1) Section 4(b), Chapter 1349, Acts of the 77th
27 Legislature, Regular Session, 2001, provides that,
28 "[n]otwithstanding Subsection (a)," certain
29 provisions of the Water Code prevail over a
30 conflicting or inconsistent provision of the act. The
31 revised law omits the quoted language because the
32 pertinent provision of Subsection (a) is omitted from
33 the revised law for the reason stated in Revisor's Note
34 (2).

35 (2) Section 14, Chapter 1331, Acts of the 76th
36 Legislature, Regular Session, 1999, provides that,
37 except as otherwise provided by that act, that act

1 prevails over a conflicting provision of Chapter 36,
2 Water Code. Section 3.0104, Chapter 966, Acts of the
3 77th Legislature, Regular Session, 2001, provides that
4 the part of that act pertaining to the district
5 prevails over general law, including Chapter 36, Water
6 Code, or Chapter 1331, Acts of the 76th Legislature,
7 Regular Session, 1999, in case of a conflict or
8 inconsistency. Similarly, Section 4(a), Chapter 1349,
9 Acts of the 77th Legislature, Regular Session, 2001,
10 provides that the act prevails over general law,
11 including Chapter 1331, Acts of the 76th Legislature,
12 Regular Session, 1999, in case of a conflict or
13 inconsistency.

14 The revised law omits Section 14, Chapter 1331,
15 and the provisions of Section 3.0104, Chapter 966, and
16 Section 4(a), Chapter 1349, pertaining to conflicts
17 with general law because they duplicate, in substance,
18 Section 311.026, Government Code (Code Construction
19 Act), and part of Section 36.052(a), Water Code, which
20 provides that a "special law governing a specific
21 district" prevails over Chapter 36. Throughout this
22 chapter, the revised law omits law that duplicates law
23 contained in Chapter 36, which applies to the district
24 under Section 8838.101 of this chapter and Section
25 36.001(1), Water Code.

26 The revised law also omits the provisions of
27 Section 3.0104, Chapter 966, and Section 4(a), Chapter
28 1349, pertaining to conflicts with Chapter 1331. As
29 noted in Revisor's Note (1) to Section 8838.001 of this
30 chapter, Chapters 1331, 966, and 1349 are source law
31 for this chapter. In accordance with Section 3.0104,
32 Chapter 966, and Section 4(a), Chapter 1349, the
33 provisions of Chapter 1331 that conflict with the part
34 of Chapter 966 pertaining to the district or with

1 Chapter 1349 are omitted from the revised law.
2 Therefore, the provisions of Section 3.0104, Chapter
3 966, and Section 4(a), Chapter 1349, pertaining to
4 conflicts with Chapter 1331 no longer serve any
5 purpose. The omitted law reads:

6 [Acts 76th Leg., R.S., Ch. 1331]
7 Sec. 14. Except as otherwise
8 provided by this Act, if there is a conflict
9 between this Act and Chapter 36, Water Code,
10 this Act controls.

11 [Acts 77th Leg., R.S., Ch. 966]
12 Sec. 3.0104. . . . This part
13 prevails over any provision of general law,
14 including Chapter 36, Water Code, or
15 Chapter 1331, Acts of the 76th Legislature,
16 Regular Session, 1999, that is in conflict
17 or inconsistent with this part.

18 [Acts 77th Leg., R.S., Ch. 1349]
19 Sec. 4. (a) . . . This Act prevails
20 over any provision of general law that is in
21 conflict or inconsistent with this Act,
22 including any provision of Chapter 1331,
23 Acts of the 76th Legislature, Regular
24 Session, 1999 (Senate Bill No. 1911).

25 Revisor's Note
26 (End of Subchapter)

27 Section 10, Chapter 1331, Acts of the 76th
28 Legislature, Regular Session, 1999, provides
29 procedures for holding elections to confirm the
30 creation of districts created under that act and to
31 elect the initial boards of those districts. Sections
32 3.0108 and 3.0109, Chapter 966, and Sections 8 and 9,
33 Chapter 1349, Acts of the 77th Legislature, Regular
34 Session, 2001, contain similar provisions relating to
35 the Cow Creek Groundwater Conservation District. The
36 revised law omits those provisions as executed because
37 the creation of the district has been confirmed and its
38 initial board has been elected. The omitted law reads:

39 [Acts 76th Leg., R.S., Ch. 1331]
40 Sec. 10. (a) Not earlier than
41 September 1, 2001, the temporary board of
42 directors shall call and hold an election to
43 confirm the district and to elect the
44 initial directors.
45 (b) At the confirmation and initial
46 directors' election, the temporary board of
47 directors shall have placed on the ballot

1 the names of the candidates for each of the
2 positions on the board. To qualify as a
3 candidate for a position, a person must be a
4 resident of the district.

5 (c) If the district is confirmed at
6 the election, the temporary board of
7 directors, at the time the vote is
8 canvassed, shall:

9 (1) declare the qualified
10 person who receives the most votes for each
11 position to be elected as the initial
12 director for that position; and

13 (2) include the results of the
14 initial directors' election in the
15 district's election report to the Texas
16 Natural Resource Conservation Commission.

17 (d) The initial directors shall draw
18 lots to determine their terms so that:

19 (1) one-half or a simple
20 majority of the directors serve four-year
21 terms that expire on the fourth anniversary
22 of the date the initial directors were
23 elected; and

24 (2) the remaining directors
25 serve two-year terms that expire on the
26 second anniversary of the date the initial
27 directors were elected.

28 (e) Subsection (a), Section 41.001,
29 Election Code, applies to a confirmation
30 and initial directors' election held as
31 provided by this section.

32 (f) Except as provided by this
33 section, a confirmation and initial
34 directors' election must be conducted as
35 provided by Subsections (b)-(h), Section
36 36.017, Water Code, and the Election Code.

37 (g) If the establishment of the
38 district has not been confirmed at an
39 election held under this section before the
40 fourth anniversary of the effective date of
41 this Act, the district is dissolved on that
42 date, except that any debts incurred shall
43 be paid and the organization of the district
44 shall be maintained until all debts are
45 paid.

46 [Acts 77th Leg., R.S., Ch. 966]

47 Sec. 3.0108. (a) The temporary
48 board of directors shall call and hold an
49 election to confirm establishment of the
50 district and to elect five initial
51 directors.

52 (b) A person who wishes to be a
53 candidate for the office of initial
54 director may file an application with the
55 temporary board of directors to have the
56 candidate's name printed on the ballot as
57 provided by Section 3.0106 of this part.

58 (c) At the confirmation and initial
59 directors election, the temporary board of
60 directors shall have the names of the five
61 persons serving as temporary directors
62 placed on the ballot by commissioners
63 precinct and as at-large director, together
64 with the name of any candidate filing for
65 the office of director as provided by this
66 section.

67 (d) If a majority of the votes cast at
68 the election favor the creation of the

1 district, the temporary directors shall
2 declare the district created. If a majority
3 of the votes cast at the election are
4 against the creation of the district, the
5 temporary directors shall declare the
6 district defeated. The temporary directors
7 shall file a copy of the election results
8 with the Texas Natural Resource
9 Conservation Commission.

10 (e) If a majority of the votes cast at
11 the election are against the creation of the
12 district, the temporary directors may call
13 and hold subsequent elections to confirm
14 establishment of the district and to elect
15 initial directors. A subsequent election
16 may not be held earlier than the first
17 anniversary of the date on which the
18 previous election was held. If the district
19 is not created before September 1, 2006,
20 this part expires on that date.

21 (f) Section 41.001(a), Election
22 Code, does not apply to a confirmation and
23 initial directors election held under this
24 section.

25 (g) Section 36.017(a), Water Code,
26 does not apply to the district.

27 (h) Except as provided by this
28 section, a confirmation and directors
29 election must be conducted as provided by
30 Sections 36.017(b)-(h), Water Code, and the
31 Election Code.

32 Sec. 3.0109. (a) If the district is
33 created at the election, the temporary
34 directors, at the time the vote is
35 canvassed, shall declare the candidate
36 receiving the most votes for each
37 commissioners precinct or for the at-large
38 director to be elected as the initial
39 directors.

40 (b) The initial directors for
41 Precincts 2 and 3 serve until the first
42 regular meeting of the board of directors
43 held after the first permanent directors
44 election under Section 3.0110 of this part.
45 The initial directors for Precincts 1 and 4
46 and the initial director representing the
47 district at large serve until the first
48 regular meeting of the board of directors
49 held after the second permanent directors
50 election under Section 3.0110 of this part.

51 [Acts 77th Leg., R.S., Ch. 1349]

52 Sec. 8. (a) The temporary board of
53 directors shall call and hold an election to
54 confirm establishment of the district and
55 to elect initial directors.

56 (b) At the confirmation and initial
57 directors' election, the temporary board of
58 directors shall have placed on the ballot
59 the names of the five temporary directors,
60 the name of any other candidate filing for
61 an initial director's position, and blank
62 spaces to write in the names of other
63 persons.

64 (c) Section 41.001(a), Election
65 Code, does not apply to a confirmation and
66 initial directors' election held as
67 provided by this section.

68 (d) Except as provided by this

1 section, a confirmation and initial
2 directors' election must be conducted as
3 provided by Sections 36.017(b)-(h), Water
4 Code, and the Election Code.

5 (e) If a majority of the votes cast at
6 the election held under this section is
7 against the confirmation of the district,
8 the temporary directors may not call
9 another election under this section before
10 the first anniversary of that election.

11 (f) If a majority of the votes cast at
12 the election held under this section is in
13 favor of the creation of the district, the
14 temporary directors shall declare the
15 district created.

16 (g) If the district is created at the
17 confirmation election, the temporary
18 directors, at the time the vote is
19 canvassed, shall declare the candidate
20 receiving the most votes from each
21 commissioners precinct and at large to be
22 elected as initial directors.

23 (h) The temporary directors shall
24 file a copy of the election results with the
25 Texas Natural Resource Conservation
26 Commission.

27 Sec. 9. The initial directors for
28 precincts 2 and 3 shall serve as initial
29 directors until the first regular meeting
30 of the board of directors held after the
31 first permanent director's election under
32 Section 10 of this Act. The initial
33 directors for precincts 1 and 4 and the
34 initial director representing the district
35 at large shall serve as initial directors
36 until the first regular meeting of the board
37 of directors held after the second
38 permanent director's election under Section
39 10 of this Act.

40 [Sections 8838.006-8838.050 reserved for expansion]

41 SUBCHAPTER B. BOARD OF DIRECTORS

42 Revised Law

43 Sec. 8838.051. COMPOSITION OF BOARD; TERMS. (a) The
44 district is governed by a board of five directors.

45 (b) Directors serve staggered four-year terms. (Acts 77th
46 Leg., R.S., Ch. 966, Secs. 3.0105(a), (d); Acts 77th Leg., R.S., Ch.
47 1349, Secs. 5(a), (d).)

48 Source Law

49 [Acts 77th Leg., R.S., Ch. 966]

50 Sec. 3.0105. (a) The district is governed by a
51 board of five directors.

52 (d) Permanent directors serve staggered
53 four-year terms.

54 [Acts 77th Leg., R.S., Ch. 1349]

55 Sec. 5. (a) The district is governed by a board
56 of five directors.

1 (d) Permanent directors serve staggered
2 four-year terms.

3 Revisor's Note

4 (1) Section 3.0105(d), Chapter 966, and Section
5 5(d), Chapter 1349, Acts of the 77th Legislature,
6 Regular Session, 2001, refer to "[p]ermanent"
7 directors. Section 3.0105 of Chapter 966 and Section 5
8 of Chapter 1349 refer to "temporary," "initial," and
9 "permanent" directors to distinguish between the
10 original "temporary" directors, the "initial"
11 directors who immediately succeeded the "temporary"
12 directors after the first election of directors, and
13 subsequently serving "permanent" directors. Because
14 the revised law omits provisions regarding "temporary"
15 and "initial" directors as executed (see the revisor's
16 notes at the end of this subchapter), it is no longer
17 necessary to distinguish between "temporary,"
18 "initial," and "permanent" directors. Accordingly,
19 the revised law also omits "permanent."

20 (2) Section 3.0105(e), Chapter 966, and Section
21 5(f), Chapter 1349, Acts of the 77th Legislature,
22 Regular Session, 2001, provide that a director serves
23 until a successor has qualified. The revised law omits
24 those provisions because they duplicate Section 17,
25 Article XVI, Texas Constitution, which provides that
26 an officer in this state continues to perform the
27 officer's official duties until a successor has
28 qualified. The omitted law reads:

29 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0105]
30 (e) A director serves until the
31 director's successor has qualified.

32 [Acts 77th Leg., R.S., Ch. 1349, Sec. 5]
33 (f) A director serves until the
34 director's successor has qualified.

35 (3) Section 3.0105(f), Chapter 966, and Section
36 5(e), Chapter 1349, Acts of the 77th Legislature,
37 Regular Session, 2001, provide that a director must

1 qualify to serve in the manner provided by Section
2 36.055, Water Code. The revised law omits those
3 provisions because Section 36.055, Water Code, applies
4 to the district under Section 8838.101 of this chapter
5 and Section 36.001(1), Water Code. The omitted law
6 reads:

7 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0105]

8 (f) Each director must qualify to
9 serve as director in the manner provided by
10 Section 36.055, Water Code.

11 [Acts 77th Leg., R.S., Ch. 1349, Sec. 5]

12 (e) Each director must qualify to
13 serve as director in the manner provided by
14 Section 36.055, Water Code.

15 Revised Law

16 Sec. 8838.052. ELECTION OF DIRECTORS. (a) Directors are
17 elected according to the commissioners precinct method provided by
18 this section.

19 (b) One director is elected by the voters of the entire
20 district. One director is elected from each county commissioners
21 precinct by the voters of that precinct.

22 (c) A person shall indicate on the application for a place
23 on the ballot:

24 (1) the precinct that the person seeks to represent;

25 or

26 (2) that the person seeks to represent the district at
27 large.

28 (d) When the boundaries of the county commissioners
29 precincts are changed, each director in office on the effective
30 date of the change or elected to a term of office beginning on or
31 after the effective date of the change serves in the precinct to
32 which the director was elected for the entire term to which the
33 director was elected, even though the change in boundaries places
34 the person's residence outside the precinct for which the person
35 was elected. (Acts 77th Leg., R.S., Ch. 966, Secs. 3.0106(a), (b),
36 (c), (d); Acts 77th Leg., R.S., Ch. 1349, Secs. 6(a), (b), (d).)

1 Source Law

2 [Acts 77th Leg., R.S., Ch. 966]

3 Sec. 3.0106. (a) The directors of the district
4 shall be elected according to the commissioners
5 precinct method as provided by this part.

6 (b) One director shall be elected by the
7 qualified voters of the entire district and one
8 director shall be elected from each county
9 commissioners precinct by the qualified voters of that
10 precinct.

11 (c) A person shall indicate on the application
12 for a place on the ballot the precinct that the person
13 seeks to represent or that the person seeks to
14 represent the district at large.

15 (d) When the boundaries of the commissioners
16 precincts are changed, each director in office on the
17 effective date of the change or elected to a term of
18 office beginning on or after the effective date of the
19 change serves in the precinct to which the director was
20 elected for the entire term to which the director was
21 elected, even though the change in boundaries places
22 the person's residence outside the precinct for which
23 the person was elected.

24 [Acts 77th Leg., R.S., Ch. 1349]

25 Sec. 6. (a) The directors of the district
26 shall be elected according to the commissioners
27 precinct method as provided by this section.

28 (b) One director shall be elected by the
29 qualified voters of the entire district, and one
30 director shall be elected from each county
31 commissioners precinct by the qualified voters of that
32 precinct.

33 (d) A person shall indicate on the application
34 for a place on the ballot:

35 (1) the precinct that the person seeks to
36 represent; or

37 (2) that the person seeks to represent the
38 district at large.

39 Revisor's Note

40 (1) Section 3.0106(b), Chapter 966, and Section
41 6(b), Chapter 1349, Acts of the 77th Legislature,
42 Regular Session, 2001, refer to an election by the
43 "qualified voters" of the district and of each
44 precinct. The revised law omits "qualified" as
45 unnecessary in this context because Chapter 11,
46 Election Code, governs eligibility to vote in an
47 election in this state and allows only "qualified"
48 voters who are residents of the territory covered by
49 the election to vote in an election.

50 (2) Section 3.0106(d), Chapter 966, Acts of the
51 77th Legislature, Regular Session, 2001, provides that

1 when county commissioners precinct boundaries change,
2 a director represents the precinct to which the
3 director was elected for the entire term to which the
4 director was elected. Section 6(e), Chapter 1349,
5 Acts of the 77th Legislature, Regular Session, 2001,
6 provides instead that when precinct boundaries change
7 under Section 18, Article V, Texas Constitution, four
8 new directors are to be elected to represent the
9 redrawn precincts. The two provisions are
10 irreconcilable. The revised law codifies Section
11 3.0106(d), Chapter 966, and omits Section 6(e),
12 Chapter 1349, for the reason stated in Revisor's Note
13 (2) to Section 8838.001. The omitted law reads:

14 (e) At the first election after the
15 county commissioners precincts are redrawn
16 under Section 18, Article V, Texas
17 Constitution, four new directors shall be
18 elected to represent the precincts. The
19 directors elected shall draw lots to
20 determine which two directors serve
21 two-year terms and which two directors
22 serve four-year terms.

23 Revised Law

24 Sec. 8838.053. ELECTION DATE. On the uniform election date
25 in May of each even-numbered year, the appropriate number of
26 directors shall be elected. (Acts 77th Leg., R.S., Ch. 966, Sec.
27 3.0110; Acts 77th Leg., R.S., Ch. 1349, Sec. 10.)

28 Source Law

29 [Acts 77th Leg., R.S., Ch. 966]

30 Sec. 3.0110. Beginning in the second year after
31 the year in which the district is authorized to be
32 created at a confirmation election, an election shall
33 be held in the district on the first Saturday in May
34 every two years to elect the appropriate number of
35 directors to the board.

36 [Acts 77th Leg., R.S., Ch. 1349]

37 Sec. 10. Beginning in the second year after the
38 year in which the creation of the district is confirmed
39 at a confirmation election, an election shall be held
40 in the district on the first Saturday in May every
41 second year to elect the appropriate number of
42 directors to the board.

43 Revisor's Note

44 Section 3.0110, Chapter 966, and Section 10,

1 Chapter 1349, Acts of the 77th Legislature, Regular
2 Session, 2001, require directors' elections to be held
3 on the first Saturday in May every two years beginning
4 in the second year after the year in which the district
5 is authorized to be created at a confirmation
6 election. Because that first election of permanent
7 directors has been held, the revised law omits those
8 provisions as executed.

9 When Chapters 966 and 1349 were enacted, Section
10 41.001, Election Code, also provided for a uniform
11 election date of the first Saturday in May for all
12 political subdivisions, indicating that the
13 legislature intended the district's election to
14 coincide with that uniform date. Chapter 1315, Acts of
15 the 78th Legislature, Regular Session, 2003, amended
16 Section 41.001, Election Code, to change the uniform
17 election date in May to the third Saturday in May.
18 Chapter 1, Acts of the 78th Legislature, 3rd Called
19 Session, 2003, amended Section 41.001 to change the
20 uniform election date in May back to the first Saturday
21 in May. Chapter 471, Acts of the 79th Legislature,
22 Regular Session, 2005, amended Section 41.001 to
23 change the uniform election date in May to the second
24 Saturday in May. The revised law substitutes "uniform
25 election date in May" for "first Saturday in May" to
26 reflect those changes and to preserve the legislative
27 intent that the election be held on the uniform
28 election date in May.

29 The revised law also substitutes "each
30 even-numbered year" for the reference to every two
31 years because the district was confirmed in 2002 and
32 the first permanent directors were elected in 2004, an
33 even-numbered year. As a result, subsequent
34 directors' elections will be held in even-numbered

1 years.

2 Revised Law

3 Sec. 8838.054. ELIGIBILITY. (a) To be eligible to be a
4 candidate for or to serve as director at large, a person must be a
5 registered voter in the district.

6 (b) To be eligible to be a candidate for or to serve as a
7 director from a county commissioners precinct, a person must be a
8 registered voter of that precinct, except as provided by Section
9 8838.052(d). (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0106(e); Acts
10 77th Leg., R.S., Ch. 1349, Sec. 6(c); New.)

11 Source Law

12 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0106]

13 (e) To be eligible to be a candidate for or to
14 serve as director from a county commissioners
15 precinct, a person must be a registered voter in the
16 precinct from which the person is elected or
17 appointed. To be eligible to be a candidate for or to
18 serve as director at large, a person must be a
19 registered voter in the district.

20 [Acts 77th Leg., R.S., Ch. 1349, Sec. 6]

21 (c) To be qualified to be a candidate for or to
22 serve as a director at large, a person must be a
23 registered voter in the district. To be qualified to
24 be a candidate for or to serve as a director from a
25 county commissioners precinct, a person must be a
26 registered voter of that precinct.

27 Revisor's Note

28 Section 3.0106(e), Chapter 966, and Section 6(c),
29 Chapter 1349, Acts of the 77th Legislature, Regular
30 Session, 2001, provide that to be eligible to serve as
31 a director from a county commissioners precinct, a
32 person must be a registered voter of that precinct.
33 For the convenience of the reader, the revised law adds
34 a cross-reference to Section 8838.052(d) of this
35 chapter because that section provides for an exception
36 to the eligibility requirement when the county
37 commissioners precincts are redrawn.

38 Revised Law

39 Sec. 8838.055. BOARD VACANCY. (a) The board shall appoint a
40 replacement to fill a vacancy in the office of director.

41 (b) The appointed replacement serves until the next

1 directors' election.

2 (c) At that election, a person is elected to fill the
3 position. If the position is not scheduled to be filled at the
4 election, the person elected to fill the position serves only for
5 the remainder of the unexpired term. (Acts 77th Leg., R.S., Ch.
6 966, Sec. 3.0105(g); Acts 77th Leg., R.S., Ch. 1349, Sec. 5(g).)

7 Source Law

8 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0105]

9 (g) A vacancy in the office of director is
10 filled by appointment of the board until the next
11 election for directors. At the next election for
12 directors, a person shall be elected to fill the
13 position. If the position is not scheduled to be
14 filled at the election, the person elected to fill the
15 position shall serve only for the remainder of the
16 unexpired term.

17 [Acts 77th Leg., R.S., Ch. 1349, Sec. 5]

18 (g) If there is a vacancy on the board, the
19 remaining directors shall appoint a director to serve
20 until the next election for directors. At the next
21 election for directors, a person shall be elected to
22 fill the position. If the position is not scheduled to
23 be filled at the election, the person elected to fill
24 the position shall serve only for the remainder of the
25 unexpired term.

26 Revisor's Note
27 (End of Subchapter)

28 (1) Sections 5 and 12, Chapter 1331, Acts of the
29 76th Legislature, Regular Session, 1999, govern the
30 powers of the temporary directors of a district
31 created under that act. The revised law omits those
32 provisions as executed. The omitted law reads:

33 Sec. 5. (a) Except as provided by
34 Subsections (c) and (d) of this section or
35 otherwise by this Act, the temporary
36 directors of a district have the same
37 permitting and general management powers as
38 those granted to initial and permanent
39 directors under Chapter 36, Water Code.

40 (b) The temporary directors or their
41 designees have the authority to enter any
42 public or private property located within
43 the district to inspect a water well as
44 provided by Section 49.221, Water Code.

45 (c) The temporary directors do not
46 have the authority granted by the following
47 provisions of Chapter 36, Water Code:

48 (1) Sections 36.017, 36.019,
49 36.020, and 36.059, relating to elections;

50 (2) Sections 36.105, 36.1071,
51 36.1072, 36.1073, and 36.108, relating to
52 eminent domain and management plans;

53 (3) Sections 36.171-36.181,

1 relating to bonds and notes;
2 (4) Sections 36.201-36.204,
3 relating to taxes; and
4 (5) Sections 36.321-36.359,
5 relating to annexation and consolidation.

6 (d) The temporary directors may
7 regulate the transfer of groundwater out of
8 the district as provided by Section 36.122,
9 Water Code, but may not prohibit the
10 transfer of groundwater out of the
11 district.

12 Sec. 12. Prior to September 1, 2001,
13 the temporary directors of a district shall
14 not hold an election for the imposition of a
15 tax.

16 (2) Section 7, Chapter 1331, Acts of the 76th
17 Legislature, Regular Session, 1999, relates to the
18 election of initial directors of a district created
19 under that act. The revised law omits that provision
20 as executed. The omitted law reads:

21 Sec. 7. The initial directors may not
22 be elected until after September 1, 2001.

23 (3) Sections 8 and 9, Chapter 1331, Acts of the
24 76th Legislature, Regular Session, 1999, provide for
25 the appointment of temporary directors of a district
26 created under that act and require the temporary
27 directors to hold an organizational meeting of the
28 district. Section 3.0107, Chapter 966, and Section 7,
29 Chapter 1349, Acts of the 77th Legislature, Regular
30 Session, 2001, also provide for the appointment of
31 temporary directors of the district. The revised law
32 omits those provisions as executed. The omitted law
33 reads:

34 [Acts 76th Leg., R.S., Ch. 1331]

35 Sec. 8. (a) Except as provided by
36 Subsections (b) and (c) of this section, the
37 commissioners court of a county containing
38 territory included within the district
39 shall appoint temporary directors in
40 accordance with the provisions of Section
41 36.016, Water Code, relating to the
42 appointment of temporary directors by
43 county commissioners courts.

44 (b) For districts composed of more
45 than one county, the county commissioners
46 court of each county with territory in the
47 district shall appoint an equal number of
48 temporary directors, the total number of
49 temporary directors appointed to be
50 determined by the county commissioners

1 courts except that the total number of
2 directors may not be fewer than five or more
3 than 11.

4 (c) The 90-day limit for the
5 appointment of temporary directors under
6 Section 36.016, Water Code, does not apply
7 to the appointment of temporary directors
8 under this Act.

9 Sec. 9. (a) As soon as practicable
10 after the temporary directors are appointed
11 as provided by this Act, the temporary
12 directors shall hold the organizational
13 meeting of the district and take office at
14 that time.

15 (b) The temporary directors shall
16 hold the meeting at a location within the
17 district to which a majority of the
18 temporary directors agree.

19 [Acts 77th Leg., R.S., Ch. 966]

20 Sec. 3.0107. (a) The temporary
21 board of directors shall be appointed by the
22 county commissioners court. One temporary
23 director shall be appointed from each
24 commissioners precinct, and one temporary
25 director shall be a director at large.

26 (b) If a temporary director fails to
27 qualify for office, the temporary directors
28 who have qualified shall appoint a person to
29 fill the vacancy. If at any time there are
30 fewer than three qualified temporary
31 directors, the Texas Natural Resource
32 Conservation Commission shall appoint the
33 necessary number of persons to fill all
34 vacancies on the board.

35 [Acts 77th Leg., R.S., Ch. 1349]

36 Sec. 7. (a) The temporary board of
37 directors shall be appointed by the county
38 commissioners court. The county
39 commissioners court shall appoint a
40 temporary director from each commissioners
41 precinct and one director at large.

42 (b) If a temporary director fails to
43 qualify for office, the temporary directors
44 who have qualified shall appoint a person to
45 fill the vacancy. If at any time there are
46 fewer than three qualified directors, the
47 Texas Natural Resource Conservation
48 Commission shall appoint the necessary
49 number of persons to fill all vacancies on
50 the board.

51 (4) Section 11, Chapter 1331, Acts of the 76th
52 Legislature, Regular Session, 1999, provides for the
53 election of permanent directors of a district created
54 under that act. The revised law omits that section
55 because, as that section relates to the Cow Creek
56 Groundwater Conservation District, it is superseded by
57 Section 3.0110, Chapter 966, and Section 10, Chapter
58 1349, Acts of the 77th Legislature, Regular Session,

1 2001, which provide for the election of the district's
2 directors. See Section 8838.053 of this chapter and
3 the revisor's note to that section. Section 3.0104,
4 Chapter 966, and Section 4(a), Chapter 1349, which are
5 omitted in pertinent part as described by Revisor's
6 Note (2) to Section 8838.005 of this chapter, provide
7 that the part of the act pertaining to the district or
8 the act, respectively, prevails over Chapter 1331 in
9 case of a conflict or inconsistency. The omitted law
10 reads:

11 Sec. 11. Beginning in the second year
12 after the year in which the district has
13 held a confirmation election, an election
14 shall be held in the district on the first
15 Saturday in the month in which the initial
16 directors were elected under Section 10 of
17 this Act and every two years after that date
18 to elect the appropriate number of
19 directors to the board.

20 (5) Sections 3.0105(b) and (c), Chapter 966,
21 Acts of the 77th Legislature, Regular Session, 2001,
22 provide for the terms of office of temporary and
23 initial directors of the district. Sections 5(b) and
24 (c), Chapter 1349, Acts of the 77th Legislature,
25 Regular Session, 2001, contain similar provisions.
26 The revised law omits Sections 3.0105(b) and (c),
27 Chapter 966, and Sections 5(b) and (c), Chapter 1349,
28 as executed because the terms of the temporary and
29 initial directors have expired. The omitted law
30 reads:

31 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0105]
32 (b) Temporary directors serve until
33 initial directors are elected under
34 Sections 3.0108 and 3.0109 of this part or
35 until this part expires under Section
36 3.0108 of this part, whichever occurs
37 first.
38 (c) Initial directors serve until
39 permanent directors are elected under
40 Section 3.0110 of this part.

41 [Acts 77th Leg., R.S., Ch. 1349, Sec. 5]
42 (b) Temporary directors serve until
43 initial directors are elected under Section
44 8 of this Act.
45 (c) Initial directors serve until

1 permanent directors are elected under
2 Section 10 of this Act.

3 [Sections 8838.056-8838.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Revised Law

6 Sec. 8838.101. GROUNDWATER CONSERVATION DISTRICT POWERS
7 AND DUTIES. Except as otherwise provided by this chapter, the
8 district has the rights, powers, privileges, functions, and duties
9 provided by the general law of this state, including Chapter 36,
10 Water Code, applicable to groundwater conservation districts
11 created under Section 59, Article XVI, Texas Constitution. (Acts
12 77th Leg., R.S., Ch. 966, Sec. 3.0104 (part); Acts 77th Leg., R.S.,
13 Ch. 1349, Sec. 4(a) (part).)

14 Source Law

15 [Acts 77th Leg., R.S., Ch. 966]

16 Sec. 3.0104. Except as otherwise provided by
17 this part, the district has all of the rights, powers,
18 privileges, authority, functions, and duties provided
19 by the general law of the state, including Chapter 36,
20 Water Code, applicable to groundwater conservation
21 districts created under Section 59, Article XVI, Texas
22 Constitution. . . .

23 [Acts 77th Leg., R.S., Ch. 1349]

24 Sec. 4. (a) The district has all of the rights,
25 powers, privileges, authority, functions, and duties
26 provided by the general law of this state, including
27 Chapter 36, Water Code, applicable to groundwater
28 conservation districts created under Section 59,
29 Article XVI, Texas Constitution. . . .

30 Revisor's Note

31 Section 3.0104, Chapter 966, and Section 4(a),
32 Chapter 1349, Acts of the 77th Legislature, Regular
33 Session, 2001, refer to the "rights, powers,
34 privileges, [and] authority" of the district. The
35 revised law omits the references to "authority"
36 because, in context, "authority" is included in the
37 meaning of "rights, powers, [and] privileges."

38 Revised Law

39 Sec. 8838.102. PROGRAMS TO PRESERVE AND PROTECT GROUNDWATER
40 RESOURCES. The district may develop and implement regulatory,
41 conservation, and recharge programs that preserve and protect
42 groundwater resources located in the district. (Acts 77th Leg.,

1 R.S., Ch. 966, Sec. 3.0101(b).)

2 Source Law

3 (b) The district may develop and implement
4 regulatory, conservation, and recharge programs that
5 preserve and protect groundwater resources located in
6 the district.

7 Revised Law

8 Sec. 8838.103. CONTRACTS WITH OTHER GOVERNMENTAL BODIES.

9 The district may contract with one or more state agencies or other
10 governmental bodies, including a county, a river authority, or
11 another district, to carry out any function of the district. (Acts
12 77th Leg., R.S., Ch. 966, Sec. 3.0111(a); Acts 77th Leg., R.S., Ch.
13 1349, Sec. 11(a).)

14 Source Law

15 [Acts 77th Leg., R.S., Ch. 966]

16 Sec. 3.0111. (a) The district may contract with
17 one or more state agencies or other governmental
18 bodies, including a county, a river authority, or
19 another district, to carry out any function of the
20 district.

21 [Acts 77th Leg., R.S., Ch. 1349]

22 Sec. 11. (a) The district may contract with one
23 or more state agencies or other governmental bodies,
24 including a county, a river authority, or another
25 district to carry out any function of the district.

26 Revised Law

27 Sec. 8838.104. WELL PERMITS; AUTHORIZATION OF EXEMPT WELLS.

28 (a) The district may require a drilling permit before a new well is
29 drilled or an existing well is substantially altered.

30 (b) Notwithstanding an exemption for a well under Section
31 36.117, Water Code, written authorization granted by the district
32 must be received before a new well is drilled or an existing well is
33 substantially altered. (Acts 77th Leg., R.S., Ch. 966, Sec.
34 3.0111(b); Acts 77th Leg., R.S., Ch. 1349, Sec. 11(b).)

35 Source Law

36 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0111]

37 (b) The district may require a drilling permit
38 before a new well is drilled or an existing well is
39 substantially altered. Notwithstanding an exemption
40 for a well under Section 36.117, Water Code, written
41 authorization granted by the district must be received
42 before a new well is drilled or an existing well is
43 substantially altered.

44 [Acts 77th Leg., R.S., Ch. 1349, Sec. 11]

1 (b) The district may require a drilling permit
2 before a new well is drilled or an existing well is
3 substantially altered. Notwithstanding an exemption
4 for a well under Section 36.117, Water Code, written
5 authorization from the district must be received
6 before a new well is drilled or an existing well is
7 substantially altered.

8 Revised Law

9 Sec. 8838.105. BEST MANAGEMENT PRACTICES FOR WATER RESOURCE
10 MANAGEMENT. (a) The district may participate in the construction,
11 implementation, and maintenance of best management practices for
12 water resource management in the district and may engage in and
13 promote the acceptance of best management practices through
14 education efforts sponsored by the district.

15 (b) Construction, implementation, and maintenance of best
16 management practices must address water quantity and quality
17 practices such as brush management, prescribed grazing, recharge
18 structures, water and silt detention and retention structures,
19 plugging of abandoned wells, rainwater harvesting, and other
20 treatment measures for the conservation of water resources. (Acts
21 77th Leg., R.S., Ch. 966, Sec. 3.0111(c); Acts 77th Leg., R.S., Ch.
22 1349, Sec. 11(c).)

23 Source Law

24 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0111]

25 (c) The district may participate in the
26 construction, implementation, and maintenance of best
27 management practices for water resource management in
28 the district and may engage in and promote the
29 acceptance of best management practices through
30 education efforts sponsored by the district.
31 Construction, implementation, and maintenance of best
32 management practices must address water quantity and
33 quality practices such as brush management, prescribed
34 grazing, recharge structures, water and silt detention
35 and retention structures, plugging of abandoned wells,
36 rainwater harvesting, and other treatment measures for
37 the conservation of water resources.

38 [Acts 77th Leg., R.S., Ch. 1349, Sec. 11]

39 (c) The district may participate in the
40 construction, implementation, and maintenance of best
41 management practices for water resource management in
42 the district and may engage in and promote the
43 acceptance of best management practices through
44 education efforts sponsored by the district.
45 Construction, implementation, and maintenance of best
46 management practices must address water quantity and
47 quality practices such as brush management, prescribed
48 grazing, recharge structures, water and silt detention
49 and retention structures, plugging of abandoned wells,
50 rainwater harvesting, and other treatment measures for
51 the conservation of water resources.

1 Revised Law

2 Sec. 8838.106. LIMITATIONS ON DISTRICT POWERS. (a) In this
3 section, "retail public utility" means a retail public utility as
4 defined by Section 13.002, Water Code, that is providing service in
5 the district on September 1, 2001.

6 (b) The district may not:

7 (1) require the owner of a well used solely for
8 domestic or livestock purposes to install a meter or measuring
9 device on the well;

10 (2) sell, transport, or export groundwater outside of
11 the district; or

12 (3) enter into a contract or engage in an action to
13 supply water to any person in the service area of any municipality
14 or retail public utility located in the district, except with the
15 consent of the municipality or retail public utility. (Acts 77th
16 Leg., R.S., Ch. 966, Secs. 3.0102(2), 3.0112 (part); Acts 77th
17 Leg., R.S., Ch. 1349, Sec. 12 (part).)

18 Source Law

19 [Acts 77th Leg., R.S., Ch. 966]
20 Sec. 3.0102. In this part:

21 (2) "Retail public utility" means a retail
22 public utility as defined by Section 13.002, Water
23 Code, that is providing service in the district on
24 September 1, 2001.

25 Sec. 3.0112. The district may not:

26 . . .
27 (2) require the owner of a well used solely
28 for domestic or livestock purposes to install a meter
29 or measuring device on the well;

30 (3) enter into any contract or engage in
31 any action to supply water to any person in the service
32 area of any municipality or retail public utility
33 located in the district, except with the consent of the
34 municipality or retail public utility; or
35 . . .

36 [Acts 77th Leg., R.S., Ch. 1349]
37 Sec. 12. The district may not:

38 . . .
39 (2) require the owner of a well used solely
40 for domestic or livestock purposes to install a meter
41 or measuring device on the well;

42 (3) sell, transport, or export groundwater
43 outside of the district;

44 (4) enter into a contract or engage in an
45 action to supply water to a person in the service area
46 of any municipality or retail public utility located
47 in the district, except with the express permission of

1 the municipality or retail public utility; or
2 . . .

3 Revisor's Note

4 (1) Section 3.0102(2), Chapter 966, Acts of the
5 77th Legislature, Regular Session, 2001, defines
6 "retail public utility" to mean a retail public
7 utility as defined by Section 13.002, Water Code, that
8 is providing service in the district on "September 1,
9 2001." Section 2(2), Chapter 1349, Acts of the 77th
10 Legislature, Regular Session, 2001, defines "retail
11 public utility" to mean a retail public utility as
12 defined by Section 13.002, Water Code, that is
13 providing service in the district on "the effective
14 date of this Act." Chapter 1349 took effect June 16,
15 2001. The two provisions are irreconcilable. The
16 revised law codifies Section 3.0102(2), Chapter 966,
17 and omits Section 2(2), Chapter 1349, for the reason
18 stated in Revisor's Note (2) to Section 8838.001. The
19 omitted law reads:

20 (2) "Retail public utility"
21 means a retail public utility as defined by
22 Section 13.002, Water Code, that is
23 providing service in the district on the
24 effective date of this Act.

25 (2) Section 3.0112(3), Chapter 966, Acts of the
26 77th Legislature, Regular Session, 2001, prohibits the
27 district from entering into a contract or engaging in
28 an action to supply water to any person in the service
29 area of a municipality or retail public utility
30 located in the district, except with the "consent" of
31 the municipality or retail public utility. Section
32 12(4), Chapter 1349, Acts of the 77th Legislature,
33 Regular Session, 2001, prohibits the district from
34 taking the same action except with the "express
35 permission" of the municipality or retail public
36 utility. The two provisions are irreconcilable. The
37 revised law codifies the reference to the "consent" of

1 the municipality or retail public utility and omits
2 the reference to the "express permission" of the
3 municipality or retail public utility for the reason
4 stated in Revisor's Note (2) to Section 8838.001.

5 Revisor's Note
6 (End of Subchapter)

7 Section 6, Chapter 1331, Acts of the 76th
8 Legislature, Regular Session, 1999, prohibits a
9 district created under that act from adopting a
10 comprehensive management plan before September 1,
11 2001. The revised law omits that provision because the
12 prohibition has expired by its own terms. The omitted
13 law 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 [Sections 8838.107-8838.150 reserved for expansion]

24 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

25 Revised Law

26 Sec. 8838.151. FEES. (a) Reasonable fees, as determined by
27 the district, may be imposed on an annual basis on each nonexempt
28 well and on each well exempt from permitting under Section
29 36.117(b)(1), Water Code. The district shall adopt any rules
30 necessary for the assessment and collection of fees under this
31 subsection.

32 (b) The district may use money collected from fees:

33 (1) in any manner necessary for the management and
34 operation of the district;

35 (2) to pay all or part of the principal of and interest
36 on district bonds or notes; and

37 (3) for any purpose consistent with the district's
38 approved water management plan. (Acts 77th Leg., R.S., Ch. 966,
39 Secs. 3.0111(d), (e); Acts 77th Leg., R.S., Ch. 1349, Secs. 11(d),

1 (e.)

2 Source Law

3 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0111]

4 (d) Reasonable fees, as determined by the
5 district, may be imposed on an annual basis on each
6 nonexempt well and on each well exempt from permitting
7 under Section 36.117(b)(1), Water Code. The district
8 shall adopt any rules necessary for the assessment and
9 collection of fees under this subsection.

10 (e) The district may use money collected from
11 fees:

12 (1) in any manner necessary for the
13 management and operation of the district;

14 (2) to pay all or part of the principal of
15 and interest on district bonds or notes; and

16 (3) for any purpose consistent with the
17 district's certified water management plan.

18 [Acts 77th Leg., R.S., Ch. 1349, Sec. 11]

19 (d) Reasonable fees, as determined by the
20 district, may be imposed on an annual basis on each
21 nonexempt well and on each well exempt from permitting
22 under Section 36.117(b)(1), Water Code. The district
23 shall adopt any rules necessary for the assessment and
24 collection of fees under this subsection.

25 (e) The district may use money collected from
26 fees:

27 (1) in any manner necessary for the
28 management and operation of the district;

29 (2) to pay all or part of the principal of
30 and interest on district bonds or notes; and

31 (3) for any purpose consistent with the
32 district's certified water management plan.

33 Revisor's Note

34 Section 3.0111(e)(3), Chapter 966, and Section
35 11(e)(3), Chapter 1349, Acts of the 77th Legislature,
36 Regular Session, 2001, refer to the district's
37 "certified" water management plan. The revised law
38 substitutes a reference to the district's "approved"
39 water management plan to conform to the terminology of
40 Section 36.1072, Water Code, which requires a
41 groundwater conservation district's management plan to
42 be approved rather than certified.

43 Revised Law

44 Sec. 8838.152. AD VALOREM TAX EXEMPTION FOR PROPERTY ON
45 WHICH WATER CONSERVATION INITIATIVE HAS BEEN IMPLEMENTED. (a) The
46 district may adopt rules providing for granting exemptions from ad
47 valorem taxes on property on which a water conservation initiative
48 has been implemented as provided by Section 11.32, Tax Code.

1 (b) The total amount of the exemption from ad valorem taxes
2 may not exceed one-half of the tax imposed by the district. (Acts
3 77th Leg., R.S., Ch. 966, Secs. 3.0111(f), (h); Acts 77th Leg.,
4 R.S., Ch. 1349, Secs. 11(f), (i).)

5 Source Law

6 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0111]

7 (f) The district may adopt rules providing for
8 granting exemptions from ad valorem taxes on property
9 on which a water conservation initiative has been
10 implemented as provided by Section 11.32, Tax Code.

11 (h) The total amount of the exemption from ad
12 valorem taxes may not exceed one-half of the tax
13 imposed by the district.

14 [Acts 77th Leg., R.S., Ch. 1349, Sec. 11]

15 (f) The district may adopt rules providing for
16 granting exemptions from ad valorem taxes on property
17 on which a water conservation initiative has been
18 implemented as provided by Section 11.32, Tax Code.

19 (i) The total amount of the exemption from ad
20 valorem taxes may not exceed one-half of the tax
21 imposed by the district.

22 Revised Law

23 Sec. 8838.153. LIMITATION ON TAXES. The district may not
24 impose an ad valorem tax for administrative, operation, or
25 maintenance expenses that exceeds the lesser of:

26 (1) the rate approved by the majority of the voters
27 voting in the election authorizing the tax; or

28 (2) three cents per \$100 of assessed valuation. (Acts
29 77th Leg., R.S., Ch. 966, Sec. 3.0112 (part); Acts 77th Leg., R.S.,
30 Ch. 1349, Sec. 12 (part).)

31 Source Law

32 [Acts 77th Leg., R.S., Ch. 966]

33 Sec. 3.0112. The district may not:

34 (1) impose an ad valorem property tax for
35 administrative, operation, or maintenance expenses
36 that exceeds the lesser of the rate approved by the
37 majority of the qualified voters voting in the
38 election authorizing the tax, or three cents per \$100
39 valuation;

40 . . .

41 [Acts 77th Leg., R.S., Ch. 1349]

42 Sec. 12. The district may not:

43 (1) impose an ad valorem tax for
44 administrative, operation, or maintenance expenses
45 that exceeds the lesser of the rate approved by the
46 majority of the qualified voters voting in an election
47 authorizing the tax or three cents per \$100 of assessed
48 valuation;

1 . . .

2 Revisor's Note

3 Section 3.0112(1), Chapter 966, and Section
4 12(1), Chapter 1349, Acts of the 77th Legislature,
5 Regular Session, 2001, refer to a majority of the
6 "qualified" voters of the district. The revised law
7 omits "qualified" as unnecessary in this context for
8 the reason stated in Revisor's Note (1) to Section
9 8838.052.

10 Revisor's Note
11 (End of Subchapter)

12 Section 3.0112(4), Chapter 966, and Section
13 12(5), Chapter 1349, Acts of the 77th Legislature,
14 Regular Session, 2001, prohibit the district from
15 issuing any bonds secured by ad valorem taxes before
16 September 1, 2004. The revised law omits those
17 provisions because the prohibitions have expired by
18 their own terms. The omitted law reads:

19 [Acts 77th Leg., R.S., Ch. 966]
20 Sec. 3.0112. [The district may not:]
21 . . .
22 (4) issue any bonds secured by
23 ad valorem taxes before September 1, 2004.

24 [Acts 77th Leg., R.S., Ch. 1349]
25 Sec. 12. [The district may not:]
26 . . .
27 (5) issue before September 1,
28 2004, any bonds secured by ad valorem taxes.

29 Revisor's Note
30 (End of Chapter)

31 (1) Section 13, Chapter 1331, Acts of the 76th
32 Legislature, Regular Session, 1999, provides that a
33 district created under that act may be modified by
34 subsequent acts of the Texas Legislature. It is a
35 well-accepted principle of constitutional law that a
36 legislature may not, through statutory law, limit or
37 expand the authority of a future legislature. By
38 application of that principle, a district created
39 under an act of the legislature may be modified by a
40 subsequent legislative act without an express

1 statement to that effect in the act creating the
2 district. Accordingly, the revised law omits that
3 provision as unnecessary. The omitted law reads:

4 Sec. 13. A district created under
5 this Act may be modified by subsequent acts
6 of the Texas Legislature. The modification
7 may be in response to the recommendations of
8 an interim study or committee, including
9 the possibility of adding additional area
10 to the district or merging the district with
11 other districts for the purposes of the
12 efficient and effective management of a
13 common groundwater resource.

14 (2) Section 15, Chapter 1331, Acts of the 76th
15 Legislature, Regular Session, 1999, provides that an
16 election to confirm the creation of a district under
17 that act and to elect initial directors may not be held
18 unless action is taken by the 77th Legislature,
19 Regular Session, to ratify the creation of the
20 district and provides for the dissolution of a
21 district created by that act whose creation is not
22 ratified. The revised law omits that provision as
23 expired as it relates to the Cow Creek Groundwater
24 Conservation District because the creation of the
25 district was ratified by Section 3.0101, Chapter 966,
26 and Section 1, Chapter 1349, Acts of the 77th
27 Legislature, Regular Session, 2001, subject to
28 approval at a confirmation election. The omitted law
29 reads:

30 Sec. 15. (a) Notwithstanding the
31 provisions of Section 10 of this Act, an
32 election for the confirmation of the
33 creation of a groundwater conservation
34 district under this Act and for the
35 selection of initial directors for such
36 district shall not be held unless action is
37 taken by the 77th Legislature in its Regular
38 Session to ratify the creation of the
39 district.

40 (b) Except as provided by Subsection
41 (c) of this section, a groundwater
42 conservation district created by this Act
43 whose creation is not ratified by the 77th
44 Legislature as provided by Subsection (a)
45 of this section is dissolved effective
46 September 1, 2001.

47 (c) If a groundwater conservation
48 district is dissolved under this section,

1 the district has no further authority,
2 except that any debts incurred shall be paid
3 and the organization of the district shall
4 be maintained until all debts are paid.

5 (3) Section 16, Chapter 1331, Acts of the 76th
6 Legislature, Regular Session, 1999, recites
7 legislative findings regarding procedural
8 requirements for the creation of the districts created
9 by that act under the constitution and other laws and
10 rules, including the provision of proper legal notice
11 and the filing of recommendations. Section 13.04,
12 Chapter 966, and Section 14, Chapter 1349, Acts of the
13 77th Legislature, Regular Session, 2001, recite
14 similar findings regarding requirements for the
15 creation of the districts ratified by that act and of
16 the Cow Creek Groundwater Conservation District,
17 respectively. Section 5, Chapter 1064, Acts of the
18 81st Legislature, Regular Session, 2009, recites
19 similar findings regarding compliance with the
20 requirements governing notice, introduction, and
21 passage of that act. The revised law omits those
22 provisions as executed. The omitted law reads:

23 [Acts 76th Leg., R.S., Ch. 1331]

24 Sec. 16. (a) The proper and legal
25 notice of the intention to introduce this
26 Act, setting forth the general substance of
27 this Act, has been published as provided by
28 law, and the notice and a copy of this Act
29 have been furnished to all persons,
30 agencies, officials, or entities to which
31 they are required to be furnished by the
32 constitution and other laws of this state,
33 including the governor, who has submitted
34 the notice and Act to the Texas Natural
35 Resource Conservation Commission.

36 (b) The Texas Natural Resource
37 Conservation Commission has filed its
38 recommendations relating to this Act with
39 the governor, lieutenant governor, and
40 speaker of the house of representatives
41 within the required time.

42 (c) All requirements of the
43 constitution and laws of this state and the
44 rules and procedures of the legislature
45 with respect to the notice, introduction,
46 and passage of this Act are fulfilled and
47 accomplished.

48 (d) The procedural requirements of
49 this section relating to the provision of
50 notice have been met by the provision of

1 notice of the introduction of the proposed
2 Acts of the 76th Legislature relating to the
3 creation of the groundwater conservation
4 districts now created by this Act.

5 [Acts 77th Leg., R.S., Ch. 966]

6 Sec. 13.04. (a) The proper and
7 legal notice of the intention to introduce
8 this Act, setting forth the general
9 substance of this Act, has been published as
10 provided by law, and the notice and a copy
11 of this Act have been furnished to all
12 persons, agencies, officials, or entities
13 to which they are required to be furnished
14 by the constitution and other laws of this
15 state, including the governor, who has
16 submitted the notice and Act to the Texas
17 Natural Resource Conservation Commission.

18 (b) The Texas Natural Resource
19 Conservation Commission has filed its
20 recommendations relating to this Act with
21 the governor, lieutenant governor, and
22 speaker of the house of representatives
23 within the required time.

24 (c) All requirements of the
25 constitution and laws of the state and the
26 rules and procedures of the legislature
27 with respect to the notice, introduction,
28 and passage of this Act are fulfilled and
29 accomplished.

30 [Acts 77th Leg., R.S., Ch. 1349]

31 Sec. 14. (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 Natural
42 Resource Conservation Commission.

43 (b) The Texas Natural Resource
44 Conservation Commission 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
50 constitution and laws of this state and the
51 rules and procedures of the legislature
52 with respect to the notice, introduction,
53 and passage of this Act are fulfilled and
54 accomplished.

55 [Acts 81st Leg., R.S., Ch. 1064]

56 Sec. 5. (a) The legal notice of the
57 intention to introduce this Act, setting
58 forth the general substance of this Act, has
59 been published as provided by law, and the
60 notice and a copy of this Act have been
61 furnished to all persons, agencies,
62 officials, or entities to which they are
63 required to be furnished under Section 59,
64 Article XVI, Texas Constitution, and
65 Chapter 313, Government Code.

66 (b) The governor, one of the required

1 recipients, has submitted the notice and
2 Act to the Texas Commission on
3 Environmental Quality.

4 (c) The Texas Commission on
5 Environmental Quality has filed its
6 recommendations relating to this Act with
7 the governor, the lieutenant governor, and
8 the speaker of the house of representatives
9 within the required time.

10 (d) All requirements of the
11 constitution and laws of this state and the
12 rules and procedures of the legislature
13 with respect to the notice, introduction,
14 and passage of this Act are fulfilled and
15 accomplished.

16 (4) Section 3.0101(a), Chapter 966, and Section
17 1, Chapter 1349, Acts of the 77th Legislature, Regular
18 Session, 2001, ratified the creation of the district,
19 subject to approval at a confirmation election. The
20 revised law omits those provisions as executed. The
21 omitted law reads:

22 [Acts 77th Leg., R.S., Ch. 966]

23 Sec. 3.0101. (a) The creation of
24 the Cow Creek Groundwater Conservation
25 District in Kendall County by Chapter 1331,
26 Acts of the 76th Legislature, Regular
27 Session, 1999, is ratified as required by
28 Section 15(a) of that chapter, subject to
29 approval at a confirmation election under
30 Section 3.0108 of this part. . . .

31 [Acts 77th Leg., R.S., Ch. 1349]

32 Sec. 1. The creation by Chapter 1331,
33 Acts of the 76th Legislature, Regular
34 Session, 1999 (Senate Bill No. 1911), of the
35 Cow Creek Groundwater Conservation District
36 in Kendall County is ratified as required by
37 Section 15(a) of that Act, subject to
38 approval at a confirmation election under
39 Section 8 of this Act.

40 (5) Section 13.05, Chapter 966, Acts of the 77th
41 Legislature, Regular Session, 2001, provides that the
42 act is severable. The revised law omits that provision
43 because the same result is produced by the application
44 of Section 311.032(c), Government Code (Code
45 Construction Act), which provides that a provision of
46 a statute is severable from each other provision of the
47 statute that can be given effect. The omitted law
48 reads:

49 Sec. 13.05. If any provision of this
50 Act or its application to any person or
51 circumstance is held invalid, the

1 invalidity does not affect other provisions
2 or applications of this Act that can be
3 given effect without the invalid provision
4 or application, and to this end the
5 provisions of this Act are declared to be
6 severable.

7 (6) Section 13, Chapter 1349, Acts of the 77th
8 Legislature, Regular Session, 2001, validates certain
9 acts of the district. That provision is omitted from
10 the revised law because it served its purpose on the
11 day it took effect and is executed law. Section
12 311.031(a)(2), Government Code (Code Construction
13 Act), provides that the repeal of a statute does not
14 affect any validation previously made under the
15 statute. Therefore, the omission of the executed
16 validation provision does not affect the validation.
17 The omitted law reads:

18 Sec. 13. (a) Any act or proceeding
19 taken by or on behalf of the Cow Creek
20 Groundwater Conservation District before
21 the effective date of this Act is validated
22 in all respects as if the act or proceeding
23 had occurred as authorized by law.

24 (b) Subsection (a) does not apply to
25 any matter that on the effective date of
26 this Act:

27 (1) is involved in litigation
28 if the litigation ultimately results in the
29 matter being held invalid by a final
30 judgment of a court of competent
31 jurisdiction; or

32 (2) has been held invalid by a
33 final judgment of a court of competent
34 jurisdiction.

35 (7) Section 15(a), Chapter 1349, Acts of the
36 77th Legislature, Regular Session, 2001, contains
37 transition language regarding the expiration of the
38 act if the creation of the district is not confirmed at
39 a confirmation election before a certain date. The
40 revised law omits that provision as executed because
41 the creation of the district was confirmed within the
42 required period. The omitted law reads:

43 Sec. 15. (a) If the creation of the
44 district is not confirmed at a confirmation
45 election held under Section 8 of this Act
46 before September 1, 2003, this Act expires
47 on that date.

1 (8) Section 4, Chapter 1064, Acts of the 81st
2 Legislature, Regular Session, 2009, contains
3 transition language regarding the applicability of the
4 changes in law made by that act to ad valorem taxes
5 imposed by the district. The revised law omits that
6 provision as executed. The omitted law reads:

7 Sec. 4. The changes in law made by
8 this Act apply only to ad valorem taxes
9 imposed by the Cow Creek Groundwater
10 Conservation District for a tax year
11 beginning on or after January 1, 2010.

12 CHAPTER 8839. GATEWAY GROUNDWATER CONSERVATION DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 8839.001. DEFINITIONS 955
15 Sec. 8839.002. DISTRICT TERRITORY 957

16 [Sections 8839.003-8839.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8839.051. COMPOSITION OF BOARD; TERMS 958
19 Sec. 8839.052. APPOINTMENT OF DIRECTORS 959
20 Sec. 8839.053. BOARD VACANCY 960
21 Sec. 8839.054. COMPENSATION; EXPENSES 960

22 [Sections 8839.055-8839.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 8839.101. GROUNDWATER CONSERVATION DISTRICT
25 POWERS AND DUTIES 960

26 [Sections 8839.102-8839.150 reserved for expansion]

27 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

28 Sec. 8839.151. TAXING AUTHORITY 961

29 CHAPTER 8839. GATEWAY GROUNDWATER CONSERVATION DISTRICT

30 SUBCHAPTER A. GENERAL PROVISIONS

31 Revised Law

32 Sec. 8839.001. DEFINITIONS. In this chapter:

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

34 (2) "Director" means a board member.

35 (3) "District" means the Gateway Groundwater
36 Conservation District. (Acts 77th Leg., R.S., Ch. 1352, Sec. 2;

1 New.)

2 Source Law

3 Sec. 2. In this Act, "district" means the
4 Gateway Groundwater Conservation District.

5 Revisor's Note

6 (1) The Gateway Groundwater Conservation
7 District was created by Chapter 1331, Acts of the 76th
8 Legislature, Regular Session, 1999, as the Tri-County
9 Groundwater Conservation District. That district is
10 one of 13 districts created by that act, with the
11 creation of each district subject to whether the
12 succeeding legislature enacted a law to ratify its
13 creation. See Sections 1 and 15, Chapter 1331.

14 The 77th Legislature enacted two laws that
15 ratified the creation of the Tri-County Groundwater
16 Conservation District. Chapter 966, Acts of the 77th
17 Legislature, Regular Session, 2001, ratified the
18 creation of many of the districts created by Chapter
19 1331, including the Tri-County Groundwater
20 Conservation District, and set forth nonamendatory
21 substantive provisions governing those districts. See
22 Part 12, Article 3, Chapter 966, regarding the
23 Tri-County Groundwater Conservation District.
24 Chapter 1352, Acts of the 77th Legislature, Regular
25 Session, 2001, also ratified the creation of the
26 Tri-County Groundwater Conservation District and set
27 forth nonamendatory substantive provisions governing
28 that district.

29 Sections 1 and 2, Chapter 192, Acts of the 80th
30 Legislature, Regular Session, 2007, amended Chapter
31 1331, Acts of the 76th Legislature, Regular Session,
32 1999, to remove the Tri-County Groundwater
33 Conservation District from the list of groundwater
34 conservation districts governed by that chapter, and
35 Section 8 of Chapter 192 repealed Part 12, Article 3,

1 Chapter 966, Acts of the 77th Legislature, Regular
2 Session, 2001, applicable to the Tri-County
3 Groundwater Conservation District. Chapters 1331 and
4 966 are therefore not revised in this chapter. Chapter
5 192 also amended Chapter 1352, Acts of the 77th
6 Legislature, Regular Session, 2001, including by
7 changing the name of the district to the Gateway
8 Groundwater Conservation District. Chapter 1352, Acts
9 of the 77th Legislature, Regular Session, 2001, as
10 amended by Chapter 192, Acts of the 80th Legislature,
11 Regular Session, 2007, is the source law for this
12 chapter.

13 (2) The definitions of "board" and "director"
14 are added to the revised law for drafting convenience
15 and to eliminate frequent, unnecessary repetition of
16 the substance of the definition.

17 Revised Law

18 Sec. 8839.002. DISTRICT TERRITORY. The district's
19 boundaries are coextensive with the boundaries of Foard and
20 Hardeman Counties unless the district's territory has been modified
21 under:

- 22 (1) Subchapter J, Chapter 36, Water Code; or
23 (2) other law. (Acts 77th Leg., R.S., Ch. 1352, Sec.
24 3(a); New.)

25 Source Law

26 Sec. 3. (a) The boundaries of the district are
27 coextensive with the boundaries of Foard and Hardeman
28 counties.

29 Revisor's Note

30 The revision of the law governing the district
31 revises the statutory language describing the
32 territory of the district. Because the district's
33 boundaries are subject to change, that description may
34 not be accurate on the effective date of the revision
35 or at the time of a later reading. For the reader's

1 convenience, the revised law adds references to the
2 authority to change the district's territory under
3 Subchapter J, Chapter 36, Water Code, applicable to
4 groundwater conservation districts, and to the general
5 authority of the legislature to enact other laws to
6 change the district's territory. While Section 3(b),
7 Chapter 1352, Acts of the 77th Legislature, Regular
8 Session, 2001, provides that the district may add
9 territory as provided by Chapter 36, Water Code, the
10 revised law omits the provision because Chapter 36,
11 Water Code, applies to the district under Section
12 8839.101 of this chapter and Section 36.001(1), Water
13 Code. The omitted law reads:

14 (b) The district may add territory to
15 the district as provided by Chapter 36,
16 Water Code.

17 Revisor's Note
18 (End of Subchapter)

19 Section 4(a), Chapter 1352, Acts of the 77th
20 Legislature, Regular Session, 2001, states that that
21 act prevails over any provision of general law in case
22 of a conflict or inconsistency. The revised law omits
23 the provision because it duplicates in substance
24 Section 311.026, Government Code (Code Construction
25 Act). The omitted law reads:

26 (a) . . . This Act prevails over any
27 provision of general law that is in conflict
28 or inconsistent with this Act.

29 [Sections 8839.003-8839.050 reserved for expansion]

30 SUBCHAPTER B. BOARD OF DIRECTORS

31 Revised Law

32 Sec. 8839.051. COMPOSITION OF BOARD; TERMS. (a) The
33 district is governed by a board in the manner provided by Section
34 36.051, Water Code.

35 (b) Directors serve staggered four-year terms. (Acts 77th
36 Leg., R.S., Ch. 1352, Secs. 5(a), (d).)

1 Revised Law

2 Sec. 8839.053. BOARD VACANCY. If there is a vacancy on the
3 board, the appropriate commissioners court shall appoint a director
4 to serve the remainder of the term. (Acts 77th Leg., R.S., Ch.
5 1352, Sec. 5(f).)

6 Source Law

7 (f) If there is a vacancy on the board, the
8 appropriate commissioners court shall appoint a
9 director to serve the remainder of the term.

10 Revised Law

11 Sec. 8839.054. COMPENSATION; EXPENSES. A director may not
12 receive a salary or other compensation for service as a director but
13 may be reimbursed for actual expenses of attending meetings. (Acts
14 77th Leg., R.S., Ch. 1352, Sec. 5(h).)

15 Source Law

16 (h) A director may not receive a salary or other
17 compensation for service as a director but may be
18 reimbursed for actual expenses of attending meetings.

19 Revisor's Note
20 (End of Subchapter)

21 Section 5(c), Chapter 1352, Acts of the 77th
22 Legislature, Regular Session, 2001, provides that a
23 director must qualify to serve in the manner provided
24 by Section 36.055, Water Code. The revised law omits
25 the provision because Section 36.055, Water Code,
26 applies to the district under Section 8839.101 of this
27 chapter and Section 36.001(1), Water Code. The
28 omitted law reads:

29 (c) Each director must qualify to
30 serve as director in the manner provided by
31 Section 36.055, Water Code.

32 [Sections 8839.055-8839.100 reserved for expansion]

33 SUBCHAPTER C. POWERS AND DUTIES

34 Revised Law

35 Sec. 8839.101. GROUNDWATER CONSERVATION DISTRICT POWERS
36 AND DUTIES. The district has the rights, powers, privileges,
37 functions, and duties provided by the general law of this state,
38 including Chapter 36, Water Code, applicable to groundwater

1 conservation districts created under Section 59, Article XVI, Texas
2 Constitution. (Acts 77th Leg., R.S., Ch. 1352, Sec. 4(a) (part).)

3 Source Law

4 Sec. 4. (a) The district has all of the rights,
5 powers, privileges, authority, functions, and duties
6 provided by the general law of this state, including
7 Chapter 36, Water Code, applicable to groundwater
8 conservation districts created under Section 59,
9 Article XVI, Texas Constitution. . . .

10 Revisor's Note

11 Section 4(a), Chapter 1352, 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 [Sections 8839.102-8839.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Revised Law

21 Sec. 8839.151. TAXING AUTHORITY. The district may impose an
22 ad valorem tax in the district at a rate not to exceed one cent on
23 each \$100 of assessed valuation. (Acts 77th Leg., R.S., Ch. 1352,
24 Sec. 9.)

25 Source Law

26 Sec 9. The district may levy and collect an ad
27 valorem tax in the district at a rate not to exceed one
28 cent on each \$100 of assessed valuation.

29 Revisor's Note

30 Section 9, Chapter 1352, Acts of the 77th
31 Legislature, Regular Session, 2001, authorizes the
32 district to "levy and collect" an ad valorem tax. The
33 revised law substitutes "impose" for "levy and
34 collect" because "impose" is the term generally used
35 in Title 1, Tax Code, and includes the levying and
36 collection of a tax.

1 Revisor's Note
2 (End of Chapter)

3 (1) Section 10, Chapter 1352, Acts of the 77th
4 Legislature, Regular Session, 2001, and Section 10,
5 Chapter 192, Acts of the 80th Legislature, Regular
6 Session, 2007, recite legislative findings regarding
7 procedural requirements for legislation affecting the
8 district under the constitution and other laws and
9 rules, including the provision of proper legal notice
10 and the filing of recommendations. The revised law
11 omits those provisions as executed. The omitted law
12 reads:

13 [Acts 77th Leg., R.S., Ch. 1352]

14 Sec. 10. (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 [Acts 80th Leg., R.S., Ch. 192]

39 Sec. 10. (a) The legal notice of the
40 intention to introduce this Act, setting
41 forth the general substance of this Act, has
42 been published as provided by law, and the
43 notice and a copy of this Act have been
44 furnished to all persons, agencies,
45 officials, or entities to which they are
46 required to be furnished under Section 59,
47 Article XVI, Texas Constitution, and
48 Chapter 313, Government Code.

49 (b) The governor, one of the required
50 recipients, has submitted the notice and
51 Act to the Texas Commission on
52 Environmental Quality.

53 (c) The Texas Commission on
54 Environmental Quality has filed its
55 recommendations relating to this Act with
56 the governor, the lieutenant governor, and
57 the speaker of the house of representatives

1 within the required time.

2 (d) All requirements of the
3 constitution and laws of this state and the
4 rules and procedures of the legislature
5 with respect to the notice, introduction,
6 and passage of this Act are fulfilled and
7 accomplished.

8 (2) Section 11(b), Chapter 1352, Acts of the
9 77th Legislature, Regular Session, 2001, provides that
10 if the district's creation is not confirmed at a
11 confirmation election before September 1, 2003, the
12 act expires on that date. The revised law omits the
13 provision because the district's creation was
14 confirmed on February 1, 2003. The omitted law reads:

15 (b) If the creation of the district
16 is not confirmed at a confirmation election
17 held under Section 8 of this Act before
18 September 1, 2003, this Act expires on that
19 date.

20 (3) Section 9, Chapter 192, Acts of the 80th
21 Legislature, Regular Session, 2007, requires the board
22 to hold an election under Section 36.328, Water Code,
23 to annex territory to the district and requires the
24 commissioners court of each county added to the
25 district by the annexation, if approved by the voters
26 of the territory to be annexed, to appoint the
27 appropriate number of directors. To the extent
28 Section 9 refers to an election that has already been
29 held, the revised law omits the provision as executed.
30 To the extent Section 9 may apply to subsequent
31 elections, the revised law omits the provision because
32 it duplicates in substance Section 36.328, Water Code,
33 which requires an annexation election and applies to
34 the district under Section 8839.101 of this chapter
35 and Section 36.001(1), Water Code, and Section 7(a),
36 Chapter 1352, Acts of the 77th Legislature, Regular
37 Session, 2001 (revised in this chapter as Section
38 8839.052(a)), which governs the appointment of
39 directors. The omitted law reads:

40 Sec. 9. The board of directors of the

1 Gateway Groundwater Conservation District
 2 shall hold an election under Section
 3 36.328, Water Code, to annex territory to
 4 the district. If a majority of voters in the
 5 territory to be annexed vote in favor of the
 6 proposition:
 7 (1) the territory is annexed;
 8 and
 9 (2) the commissioners court of
 10 each county added to the district by the
 11 annexation shall appoint the appropriate
 12 number of directors, in accordance with
 13 Subsection (a), Section 7, Chapter 1352,
 14 Acts of the 77th Legislature, Regular
 15 Session, 2001.

16 CHAPTER 8841. GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 8841.001. DEFINITIONS 964
 19 Sec. 8841.002. NATURE OF DISTRICT 965
 20 Sec. 8841.003. FINDINGS OF PUBLIC USE AND BENEFIT 966
 21 Sec. 8841.004. DISTRICT TERRITORY 966
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 23 Sec. 8841.006. CONFLICTS WITH OTHER LAW 967

24 [Sections 8841.007-8841.050 reserved for expansion]

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 8841.051. COMPOSITION OF BOARD; TERMS 969
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 28 Sec. 8841.053. ELIGIBILITY 971
 29 Sec. 8841.054. BOARD VACANCY 972
 30 Sec. 8841.055. OFFICERS 972

31 [Sections 8841.056-8841.100 reserved for expansion]

32 SUBCHAPTER C. POWERS AND DUTIES

33 Sec. 8841.101. GROUNDWATER CONSERVATION DISTRICT
 34 POWERS AND DUTIES 974
 35 Sec. 8841.102. REGIONAL COOPERATION 974

36 [Sections 8841.103-8841.150 reserved for expansion]

37 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

38 Sec. 8841.151. LIMITATION ON TAXES 976

39 CHAPTER 8841. GOLIAD COUNTY GROUNDWATER CONSERVATION DISTRICT

40 SUBCHAPTER A. GENERAL PROVISIONS

41 Revised Law

42 Sec. 8841.001. 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 Goliad County Groundwater
4 Conservation District. (Acts 77th Leg., R.S., Ch. 1359, Sec. 2;
5 New.)

6 Source Law

7 Sec. 2. In this Act:

- 8 (1) "Board" means the board of directors
9 of the Goliad County Groundwater Conservation
10 District.
11 (2) "District" means the Goliad County
12 Groundwater Conservation District.

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. 8841.002. NATURE OF DISTRICT. The district is a
20 groundwater conservation district in Goliad County created under
21 and essential to accomplish the purposes of Section 59, Article
22 XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1359, Secs.
23 1(a) (part), (b).)

24 Source Law

25 Sec. 1. (a) A groundwater conservation
26 district, to be known as the Goliad County Groundwater
27 Conservation District, is created in Goliad County,
28
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 1359, 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
39 confirmation election under Section 8 of
40 this Act. . . .

41 (2) Section 1(a), Chapter 1359, Acts of the 77th

1 Legislature, Regular Session, 2001, 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. 8841.003. 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 77th Leg., R.S., Ch. 1359, 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 Section 59, Article XVI, Texas Constitution. The
25 district is created to serve a public use and benefit.

26 Revised Law

27 Sec. 8841.004. DISTRICT TERRITORY. The district's
28 boundaries are coextensive with the boundaries of Goliad County,
29 Texas, unless the district's territory has been modified under:

- 30 (1) Subchapter J, Chapter 36, Water Code; or
31 (2) other law. (Acts 77th Leg., R.S., Ch. 1359, Sec.
32 3; New.)

33 Source Law

34 Sec. 3. The boundaries of the district are
35 coextensive with the boundaries of Goliad County,
36 Texas.

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 adds references to the
6 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 Revised Law

12 Sec. 8841.005. DISTRICT NAME CHANGE. The board may change
13 the district's name if the district annexes territory. (Acts 77th
14 Leg., R.S., Ch. 1359, Sec. 14.)

15 Source Law

16 Sec. 14. The board may change the district's
17 name if the district annexes territory.

18 Revised Law

19 Sec. 8841.006. CONFLICTS WITH OTHER LAW. The following
20 provisions prevail over a conflicting or inconsistent provision of
21 this chapter:

- 22 (1) Sections 36.1071-36.108, Water Code;
23 (2) Sections 36.159-36.161, Water Code; and
24 (3) Subchapter I, Chapter 36, Water Code. (Acts 77th
25 Leg., R.S., Ch. 1359, Sec. 5(b).)

26 Source Law

27 (b) Notwithstanding Subsection (a) of this
28 section, the following provisions prevail over a
29 conflicting or inconsistent provision of this Act:

- 30 (1) Sections 36.1071-36.108, Water Code;
31 (2) Sections 36.159-36.161, Water Code;
32 and
33 (3) Subchapter I, Chapter 36, Water Code.

34 Revisor's Note

35 Section 5(a), Chapter 1359, Acts of the 77th
36 Legislature, Regular Session, 2001, provides that the
37 act prevails over general law in case of a conflict or
38 other inconsistency. The revised law omits the

1 provision because it duplicates, in substance, Section
2 311.026, Government Code (Code Construction Act). The
3 omitted law reads:

4 (a) . . . This Act prevails over any
5 provision of general law that is in conflict
6 with or inconsistent with this Act.

7 Revisor's Note
8 (End of Subchapter)

9 Section 8, Chapter 1359, 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 approve the imposition of an
13 ad valorem tax. Because the district has been
14 confirmed and the imposition of an ad valorem tax has
15 been approved, the revised law omits those provisions
16 as executed. The omitted law reads:

17 Sec. 8. (a) The temporary board
18 shall call and hold an election to be held
19 not later than December 31, 2001, to confirm
20 establishment of the district.

21 (b) Section 41.001(a), Election
22 Code, does not apply to an election held as
23 provided by this section.

24 (c) The ballot for the election shall
25 be printed to provide for voting for or
26 against propositions on:

27 (1) the confirmation of the
28 Goliad County Groundwater Conservation
29 District; and

30 (2) the levy and collection of a
31 property tax in the district.

32 (d) The temporary board may include
33 on the ballot other propositions the board
34 considers necessary.

35 (e) Except as provided by this
36 section, a confirmation election shall be
37 conducted as provided by Sections
38 36.017(b)-(h), Water Code, and the Election
39 Code.

40 (f) If a majority of votes cast at the
41 election favor the confirmation of the
42 district, the temporary board shall declare
43 the district confirmed. If a majority of
44 the votes cast at the election are against
45 the confirmation of the district, the
46 temporary board shall declare the district
47 defeated. The temporary board shall file a
48 copy of the election results with the Texas
49 Natural Resource Conservation Commission.

50 (g) If establishment of the district
51 is not confirmed, the temporary board may
52 call and hold additional confirmation
53 elections. A confirmation election may not
54 be held before the first anniversary of the
55 date of the previous confirmation election.

1 [Sections 8841.007-8841.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Revised Law

4 Sec. 8841.051. COMPOSITION OF BOARD; TERMS. (a) The
5 district is governed by a board of seven directors elected to
6 numbered places from Goliad County at large by the voters of the
7 district.

8 (b) Directors serve staggered four-year terms. (Acts 77th
9 Leg., R.S., Ch. 1359, Secs. 10(a), (c), 11(a), 12 (part).)

10 Source Law

11 Sec. 10. (a) The district is governed by a
12 board of seven directors.

13 (c) The members shall be elected from Goliad
14 County at large by the voters of the district.

15 Sec. 11. (a) Except for a temporary or initial
16 director of the district, a director serves a
17 four-year term.

18 Sec. 12. . . . At the first election, directors
19 for Places 2, 4, and 6 shall be elected. At the next
20 election, directors for Places 1, 3, 5, and 7 shall be
21 elected.

22 Revisor's Note

23 (1) Section 6(b), Chapter 1359, Acts of the 77th
24 Legislature, Regular Session, 2001, provides that a
25 director must qualify to serve in the manner provided
26 by Section 36.055, Water Code. The revised law omits
27 the provision because Section 36.055, Water Code,
28 applies to the district under Section 8841.101 of this
29 chapter and Section 36.001(1), Water Code. The
30 omitted law reads:

31 (b) Each director must qualify to
32 serve as director in the manner provided by
33 Section 36.055, Water Code.

34 (2) Section 9(c), Chapter 1359, Acts of the 77th
35 Legislature, Regular Session, 2001, provides that a
36 director serves until a successor has qualified. The
37 revised law omits the provision because it duplicates
38 Section 17, Article XVI, Texas Constitution, which
39 provides that an officer in this state continues to

1 perform the officer's official duties until a
2 successor has qualified. The omitted law reads:

3 (c) If an elected director does not
4 satisfy the requirements of Section 6 of
5 this Act at the first regular meeting of the
6 board held after the date of the director's
7 election, the previous director for that
8 place continues to serve until a successor
9 is appointed and qualifies.

10 (3) Section 11(a), Chapter 1359, Acts of the
11 77th Legislature, Regular Session, 2001, provides
12 that, except for a temporary or initial director, a
13 director serves a four-year term of office. The
14 revised law omits the reference to a temporary or
15 initial director because the terms of office of those
16 directors have expired.

17 (4) Section 12, Chapter 1359, Acts of the 77th
18 Legislature, Regular Session, 2001, specifies which
19 numbered places on the board are to be filled at the
20 first directors' election following the confirmation
21 election and which places are to be filled at the
22 second directors' election. Numbered places on the
23 board are established under Section 7(a) of Chapter
24 1359, which is omitted as described by Revisor's Note
25 (1) at the end of this subchapter. Staggered terms for
26 directors are established under Section 9(b) of
27 Chapter 1359, which is omitted as described by
28 Revisor's Note (2) at the end of this subchapter. The
29 revised law preserves the concepts in Section 12 of
30 election of directors to numbered places and staggered
31 terms but omits the references in that section to the
32 first and second elections as executed because those
33 elections have been held.

34 Revised Law

35 Sec. 8841.052. ELECTION DATE. Beginning in the second year
36 following the election that confirmed the creation of the district,
37 an election shall be held on the uniform election date in November

1 every two years to elect the appropriate number of directors. (Acts
2 77th Leg., R.S., Ch. 1359, Sec. 12 (part).)

3 Source Law

4 Sec. 12. Beginning in the second year following
5 the confirmation election under Section 8 of this Act,
6 an election shall be held on the first uniform election
7 date in November every two years to elect the
8 appropriate number of directors to the board. . . .

9 Revisor's Note

10 Section 12, Chapter 1359, Acts of the 77th
11 Legislature, Regular Session, 2001, requires
12 directors' elections to be held on the "first uniform
13 election date in November." The revised law omits the
14 reference to the "first" uniform election date in
15 November because Section 41.001, Election Code,
16 provides for only one uniform election date in that
17 month.

18 Revised Law

19 Sec. 8841.053. ELIGIBILITY. To be eligible to serve as a
20 director, a person must be a resident of Goliad County. (Acts 77th
21 Leg., R.S., Ch. 1359, Sec. 6(a).)

22 Source Law

23 Sec. 6. (a) To be eligible to serve as a
24 temporary, initial, or regular director of the
25 district, a person must be a resident of Goliad County
26 and must be at least 18 years of age.

27 Revisor's Note

28 (1) Section 6(a), Chapter 1359, Acts of the 77th
29 Legislature, Regular Session, 2001, refers to
30 "temporary," "initial," and "regular" directors of the
31 district to distinguish between the original
32 "temporary" directors, the "initial" directors who
33 immediately succeeded the "temporary" directors after
34 the confirmation election, and subsequently serving
35 "regular" directors. Because the revised law omits
36 the provisions regarding "temporary" and "initial"
37 directors as executed (see the revisor's notes at the
38 end of this subchapter), it is no longer necessary to

1 distinguish between "temporary," "initial," and
2 "regular" directors. Accordingly, the revised law also
3 omits "regular."

4 (2) Section 6(a), Chapter 1359, Acts of the 77th
5 Legislature, Regular Session, 2001, provides that to
6 be eligible to serve as a director, a person must be at
7 least 18 years of age. The revised law omits that
8 provision because it duplicates Section 141.001,
9 Election Code, which provides the minimum age for a
10 public officer.

11 Revised Law

12 Sec. 8841.054. BOARD VACANCY. (a) If a vacancy occurs on
13 the board, the remaining directors shall appoint a person to fill
14 the vacancy.

15 (b) A director appointed to fill a vacancy serves for the
16 unexpired portion of the term. (Acts 77th Leg., R.S., Ch. 1359,
17 Secs. 11(b), (c).)

18 Source Law

19 (b) If a vacancy occurs on the board, the
20 remaining board members shall appoint a person to fill
21 the vacancy.

22 (c) A director appointed to fill a vacancy
23 serves for the unexpired portion of the term.

24 Revised Law

25 Sec. 8841.055. OFFICERS. The board shall select from among
26 the directors a presiding officer, assistant presiding officer, and
27 secretary. (Acts 77th Leg., R.S., Ch. 1359, Sec. 10(b).)

28 Source Law

29 (b) The board shall select from its members a
30 presiding officer, assistant presiding officer, and
31 secretary.

32 Revisor's Note
33 (End of Subchapter)

34 (1) Section 7, Chapter 1359, Acts of the 77th
35 Legislature, Regular Session, 2001, names the
36 temporary directors, provides for filling vacancies on
37 the temporary board, requires the temporary board to
38 select certain officers, and describes the terms of

1 office of the temporary directors. Because the terms
2 of the temporary directors have expired, the revised
3 law omits those provisions as executed. The omitted
4 law reads:

5 Sec. 7. (a) The temporary board of
6 directors is composed of:

- 7 (1) Place 1--Manuel Vela;
8 (2) Place 2--Joe Kozielski;
9 (3) Place 3--V. K. Malone;
10 (4) Place 4--John H. Drier;
11 (5) Place 5--Arthur L.
12 Bluntzer;
13 (6) Place 6--Arthur Dohmann;
14 and
15 (7) Place 7--Barbara Smith.

16 (b) If a temporary director fails to
17 satisfy the requirements of Section 6 of
18 this Act or if a vacancy occurs in the
19 office of temporary director, the temporary
20 directors who have qualified shall appoint
21 a person to fill the vacancy. If at any time
22 there are fewer than four qualified
23 temporary directors, the Goliad County
24 Commissioners Court shall appoint the
25 necessary number of persons to fill all
26 vacancies on the temporary board.

27 (c) The temporary board shall select
28 from its members persons to serve as
29 presiding officer, assistant presiding
30 officer, and secretary.

31 (d) The temporary directors shall
32 serve as temporary directors until they
33 declare the district created after a
34 confirmation election under Section 8 of
35 this Act.

36 (2) Section 9(a), Chapter 1359, Acts of the 77th
37 Legislature, Regular Session, 2001, provides that, on
38 confirmation of the district, the district's temporary
39 directors become the initial directors, and Section
40 9(b) describes the terms of office of the initial
41 directors. Because the terms of office of the initial
42 directors have expired, the revised law omits the
43 provisions as executed. The omitted law reads:

44 Sec. 9. (a) On confirmation of
45 establishment of the district under Section
46 8 of this Act, the temporary directors
47 become the initial directors of the
48 district.

49 (b) An initial director in Place 1,
50 3, 5, or 7 serves a term that expires on the
51 date of the first regular meeting of the
52 board held after the date of the first
53 regular directors' election for Places 1, 3,
54 5, and 7. An initial director in Place 2, 4,
55 or 6 serves a term that expires on the date

1 of the first regular meeting of the board
2 held after the date of the first regular
3 directors' election for Places 2, 4, and 6.

4 [Sections 8841.056-8841.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 Revised Law

7 Sec. 8841.101. GROUNDWATER CONSERVATION DISTRICT POWERS
8 AND DUTIES. Except as provided by this chapter, the district has
9 the rights, powers, privileges, functions, and duties provided by
10 the general law of this state, including Chapter 36, Water Code,
11 applicable to groundwater conservation districts created under
12 Section 59, Article XVI, Texas Constitution. (Acts 77th Leg.,
13 R.S., Ch. 1359, Sec. 5(a) (part).)

14 Source Law

15 Sec. 5. (a) Except as otherwise provided by
16 this Act, the district has all of the rights, powers,
17 privileges, authority, functions, and duties provided
18 by the general law of this state, including Chapter 36,
19 Water Code, applicable to groundwater conservation
20 districts created under Section 59, Article XVI, Texas
21 Constitution. . . .

22 Revisor's Note

23 Section 5(a), Chapter 1359, Acts of the 77th
24 Legislature, Regular Session, 2001, 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 Revised Law

31 Sec. 8841.102. REGIONAL COOPERATION. (a) In recognition
32 of the need for uniform regional monitoring and regulation of
33 common, scientifically recognized groundwater sources, and in
34 designated management areas, the district shall establish rules
35 that:

36 (1) require the permitting of each water well that is:

37 (A) not exempted from permitting by Chapter 36,
38 Water Code; and

39 (B) capable of producing more than 25,000 gallons

1 each day;

2 (2) provide for the prevention of waste, as defined by
3 Section 36.001, Water Code;

4 (3) provide for timely capping or plugging of
5 abandoned wells; and

6 (4) require reports to be filed with the district on
7 each new, nonexempt water well.

8 (b) A report required under Subsection (a)(4) must include:

9 (1) the driller's log;

10 (2) a description of the casing and pumping equipment
11 installed;

12 (3) the capacity of the well; and

13 (4) the intended use of the water.

14 (c) To further regional continuity, the district shall:

15 (1) seek to participate in at least one coordination
16 meeting annually with each adjacent district that shares an aquifer
17 with the district;

18 (2) coordinate the collection of data with adjacent
19 districts in a manner designed to achieve uniformity of data
20 quality;

21 (3) coordinate efforts to monitor water quality with
22 adjacent districts, local governments, and state agencies;

23 (4) investigate any groundwater pollution with the
24 intention of locating its source and report the district's findings
25 to adjacent districts and appropriate state agencies;

26 (5) provide to adjacent districts annually an
27 inventory of new water wells in the district and an estimate of
28 groundwater production in the district; and

29 (6) include adjacent districts on the mailing lists
30 for district newsletters, seminars, public education events, news
31 articles, and field days. (Acts 77th Leg., R.S., Ch. 1359, Sec.
32 15.)

33 Source Law

34 Sec. 15. (a) In recognition of the need for
35 uniform regional monitoring and regulation of common,

1 scientifically recognized groundwater sources, and
2 within designated management areas, the district shall
3 establish rules:

4 (1) requiring the permitting of all water
5 wells that are:

6 (A) not exempted from permitting by
7 Chapter 36, Water Code; and

8 (B) capable of producing in excess of
9 25,000 gallons per day;

10 (2) providing for the prevention of waste,
11 as defined by Section 36.001, Water Code;

12 (3) providing for timely capping or
13 plugging of abandoned wells; and

14 (4) requiring reports to be filed with the
15 district on all new, nonexempt water wells.

16 (b) Reports required under Subsection (a)(4)
17 must include the driller's log, a description of the
18 casing and pumping equipment installed, the capacity
19 of the well so equipped, and the intended use of the
20 water.

21 (c) To further regional continuity, the
22 district shall:

23 (1) seek to participate in at least one
24 coordination meeting annually with each adjacent
25 district that shares an aquifer with the district;

26 (2) coordinate the collection of data with
27 adjacent districts in a manner designed to achieve
28 uniformity of data quality;

29 (3) coordinate efforts to monitor water
30 quality with adjacent districts, local governments,
31 and state agencies;

32 (4) investigate any groundwater pollution
33 with the intention of locating its source and report
34 its findings to adjacent districts and appropriate
35 state agencies;

36 (5) provide to adjacent districts annually
37 an inventory of new water wells in the district and an
38 estimate of groundwater production within the
39 district; and

40 (6) include adjacent districts on the
41 mailing lists for district newsletters, seminars,
42 public education events, news articles, and field
43 days.

44 [Sections 8841.103-8841.150 reserved for expansion]

45 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

46 Revised Law

47 Sec. 8841.151. LIMITATION ON TAXES. The district may not
48 impose an ad valorem tax at a rate that exceeds five cents on each
49 \$100 valuation of taxable property in the district. (Acts 77th
50 Leg., R.S., Ch. 1359, Sec. 13.)

51 Source Law

52 Sec. 13. The district may not impose an ad
53 valorem tax at a rate that exceeds five cents on each
54 \$100 valuation of taxable property in the district.

55 Revisor's Note 56 (End of Chapter)

57 (1) Section 16, Chapter 1359, Acts of the 77th

1 Legislature, Regular Session, 2001, recites
2 legislative findings regarding procedural
3 requirements for legislation affecting the district
4 under the constitution and other laws and rules,
5 including the provision of proper legal notice and the
6 filing of recommendations. The revised law omits
7 those provisions as executed. The omitted law reads:

8 Sec. 16. (a) The proper and legal
9 notice of the intention to introduce this
10 Act, setting forth the general substance of
11 this Act, has been published as provided by
12 law, and the notice and a copy of this Act
13 have been furnished to all persons,
14 agencies, officials, or entities to which
15 they are required to be furnished by the
16 constitution and other laws of this state,
17 including the governor, who has submitted
18 the notice and Act to the Texas Natural
19 Resource Conservation Commission.

20 (b) The Texas Natural Resource
21 Conservation Commission has filed its
22 recommendations relating to this Act with
23 the governor, lieutenant governor, and
24 speaker of the house of representatives
25 within the required time.

26 (c) All requirements of the
27 constitution and laws of this state and the
28 rules and procedures of the legislature
29 with respect to the notice, introduction,
30 and passage of this Act are fulfilled and
31 accomplished.

32 (2) Section 17(b), Chapter 1359, Acts of the
33 77th Legislature, Regular Session, 2001, contains
34 transition language regarding the expiration of the
35 act if the district is not confirmed at a confirmation
36 election before a certain date. The revised law omits
37 the provision as executed because the district was
38 confirmed within the required period. The omitted law
39 reads:

40 (b) If the creation of the district
41 is not confirmed at a confirmation election
42 held under Section 8 of this Act before
43 September 1, 2006, this Act expires on that
44 date.

45 (3) Section 2, Chapter 12, Acts of the 81st
46 Legislature, Regular Session, 2009, validates certain
47 actions of the district taken before May 12, 2009.
48 That section is omitted from the revised law because it

1 served its purpose on the day it took effect and is
 2 executed law. Section 311.031(a)(2), Government Code
 3 (Code Construction Act), provides that the repeal of a
 4 statute does not affect any validation previously made
 5 under the statute. Therefore, the omission of the
 6 executed validation provision does not affect the
 7 validation. The omitted law reads:

8 Sec. 2. (a) All governmental and
 9 proprietary actions of the Goliad County
 10 Groundwater Conservation District taken
 11 before the effective date of this Act are
 12 validated, ratified, and confirmed in all
 13 respects as if the actions had been taken as
 14 authorized by law.

15 (b) This section does not apply to
 16 any matter that on the effective date of
 17 this Act:

18 (1) is involved in litigation
 19 if the litigation ultimately results in the
 20 matter being held invalid by a final court
 21 judgment; or

22 (2) has been held invalid by a
 23 final court judgment.

24 CHAPTER 8843. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8843.001. DEFINITIONS 979
 27 Sec. 8843.002. NATURE OF DISTRICT 980
 28 Sec. 8843.003. FINDINGS OF PUBLIC USE AND BENEFIT 981
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30 [Sections 8843.005-8843.050 reserved for expansion]

31 SUBCHAPTER B. BOARD OF DIRECTORS

32 Sec. 8843.051. COMPOSITION OF BOARD; TERMS 988
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39 [Sections 8843.058-8843.100 reserved for expansion]

40 SUBCHAPTER C. POWERS AND DUTIES

41 Sec. 8843.101. GROUNDWATER CONSERVATION DISTRICT
 42 POWERS AND DUTIES 996

1 Sec. 8843.102. ELECTION ON BOARD DECISION 997
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 6 ELECTIONS 999

7 [Sections 8843.107-8843.150 reserved for expansion]

8 SUBCHAPTER D. FINANCIAL PROVISIONS

9 Sec. 8843.151. WELL CONSTRUCTION PERMIT FEE 1000
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 11 Sec. 8843.153. TAXES AND OTHER FEES PROHIBITED 1000
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14 CHAPTER 8843. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 8843.001. 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 Hays Trinity Groundwater

21 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;
 22 Acts 77th Leg., R.S., Ch. 966, Sec. 3.0302; New.)

23 Source Law

24 [Acts 76th Leg., R.S., Ch. 1331]
 25 Sec. 3. In this Act, "district" means a
 26 groundwater conservation district created under
 27 Section 1 of this Act.

28 [Acts 77th Leg., R.S., Ch. 966]
 29 Sec. 3.0302. In this part, "district" means the
 30 Hays Trinity Groundwater Conservation District.

31 Revisor's Note

32 (1) The Hays Trinity Groundwater Conservation
 33 District was created by Chapter 1331, Acts of the 76th
 34 Legislature, Regular Session, 1999. That district is
 35 one of 13 districts created by that act, with the
 36 creation of each district subject to whether the
 37 succeeding legislature enacted a law to ratify its

1 creation. See Sections 1 and 15, Chapter 1331. The
2 77th Legislature enacted Chapter 966, Acts of the 77th
3 Legislature, Regular Session, 2001, which ratified the
4 creation of many of the districts created by Chapter
5 1331, including the Hays Trinity Groundwater
6 Conservation District, and set forth nonamendatory
7 substantive provisions governing those districts. See
8 Part 3, Article 3, Chapter 966, regarding the Hays
9 Trinity Groundwater Conservation District and see the
10 remainder of Article 3, Chapter 966, regarding the
11 other districts. Both legislative enactments are
12 source law for this chapter. Although Section 3,
13 Chapter 1331, defines "district" to mean all of the
14 districts created under Section 1 of that act, the
15 revised law defines the term to mean the Hays Trinity
16 Groundwater Conservation District because this
17 chapter applies only to that district. Similar
18 changes are made throughout this chapter.

19 (2) The definitions of "board" and "director"
20 are added to the revised law for drafting convenience
21 and to eliminate frequent, unnecessary repetition of
22 the substance of the definitions.

23 Revised Law

24 Sec. 8843.002. NATURE OF DISTRICT. The district is a
25 groundwater conservation district created under and essential to
26 accomplish the purposes of Section 59, Article XVI, Texas
27 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
28 (c).)

29 Source Law

30 Sec. 1. (a) The following groundwater
31 conservation districts are created:

32 . . .
33 (4) Hays Trinity Groundwater Conservation
34 District;
35 . . .

36 (c) Each district created under this section is
37 created under and is essential to accomplish the
38 purposes of Section 59, Article XVI, Texas

1 Constitution.

2 Revisor's Note

3 Section 1(b), Chapter 1331, Acts of the 76th
4 Legislature, Regular Session, 1999, provides that a
5 district created under Section 1 of that act is a
6 governmental agency and a body politic and corporate.
7 The revised law omits that provision because it
8 duplicates a portion of Section 59(b), Article XVI,
9 Texas Constitution, which provides that a conservation
10 and reclamation district is a governmental agency and
11 a body politic and corporate. The omitted law reads:

12 (b) A district created under this
13 section is a governmental agency and a body
14 politic and corporate.

15 Revised Law

16 Sec. 8843.003. 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 76th Leg., R.S., Ch. 1331, Sec. 4.)

22 Source Law

23 Sec. 4. All of the land and other property
24 included within the boundaries of a 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. 8843.004. DISTRICT TERRITORY. The district's
31 boundaries are coextensive with the boundaries of Hays County,
32 excluding any area that on September 1, 2001, was within another
33 groundwater conservation district with authority to require a
34 permit to drill or alter a well for the withdrawal of groundwater,
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. 966, Sec.
38 3.0303 (part); New.)

1 "excluding any area in Hays County that is, on the
2 effective date of this Act, within another groundwater
3 conservation district with authority to require a
4 permit to drill or alter a well for the withdrawal of
5 groundwater."

6 Both provisions have the effect of excluding from
7 the territory of the district the part of Hays County
8 within the boundaries of the Barton Springs-Edwards
9 Aquifer Conservation District or the Edwards Aquifer
10 Authority. However, Section 3.0303 of Chapter 966
11 additionally excludes from the territory of the
12 district the part of Hays County within the boundaries
13 of the Plum Creek Conservation District, while Section
14 2(b) of Chapter 1331 does not exclude that territory.

15 The Plum Creek Conservation District was created
16 by Chapter 126, Acts of the 55th Legislature, Regular
17 Session, 1957. Under Section 3 of that act, the
18 district's territory includes territory in Hays
19 County. Section 2 of that act was amended by Chapter
20 952, Acts of the 71st Legislature, Regular Session,
21 1989, to authorize the district to assume the powers
22 and duties of an underground water conservation
23 district under Chapter 52, Water Code, on approval of
24 the voters of the district at an election held for that
25 purpose. The district's voters granted that approval
26 at an election held on May 1, 1993. Chapter 933, Acts
27 of the 74th Legislature, Regular Session, 1995,
28 repealed Chapter 52, Water Code, and enacted Chapter
29 36, Water Code, which governs groundwater conservation
30 districts. Section 36.113, Water Code, provides that
31 a groundwater conservation district shall require a
32 permit to drill or alter certain wells.

33 Chapter 966 took effect September 1, 2001.
34 Because on that date the Plum Creek Conservation

1 District included territory in Hays County and was a
2 groundwater conservation district with authority to
3 require a permit to drill or alter a well for the
4 withdrawal of groundwater, Section 3.0303 of Chapter
5 966 excludes the territory of the Plum Creek
6 Conservation District from the territory of the Hays
7 Trinity Groundwater Conservation District. However,
8 because Section 2(b) of Chapter 1331 does not exclude
9 that territory, the two provisions are irreconcilable.
10 The revised law omits Section 2(b) of Chapter 1331
11 because, as that section relates to the Hays Trinity
12 Groundwater Conservation District, it is superseded by
13 Section 3.0303 of Chapter 966. Section 3.0304(a) of
14 Chapter 966, which is omitted in pertinent part as
15 described by Revisor's Note (2) at the end of this
16 subchapter, provides that the part of that act
17 pertaining to the district prevails over Chapter 1331
18 in case of a conflict or inconsistency. The omitted
19 law reads:

20 (b) The boundaries of the Hays
21 Trinity Groundwater Conservation District
22 are coextensive with the boundaries of Hays
23 County, excluding the part of the county
24 within the boundaries of the Barton
25 Springs-Edwards Aquifer Conservation
26 District or the Edwards Aquifer Authority.

27 (4) Section 3.0303, Chapter 966, Acts of the
28 77th Legislature, Regular Session, 2001, requires the
29 board to "prepare and file a description of district
30 boundaries with the Hays County clerk and the Texas
31 Natural Resource Conservation Commission" before
32 holding the district's confirmation election. The
33 revised law omits that provision as executed. The
34 omitted law reads:

35 Sec. 3.0303. . . . Not later than the
36 30th day after the date of the first meeting
37 of the board of directors of the district,
38 and before a confirmation election is held,
39 the board shall prepare and file a
40 description of district boundaries with the

1 Hays County clerk and the Texas Natural
2 Resource Conservation Commission.

3 Revisor's Note
4 (End of Subchapter)

5 (1) Section 10, Chapter 1331, Acts of the 76th
6 Legislature, Regular Session, 1999, provides
7 procedures for holding elections to confirm the
8 creation of districts created under that act and to
9 elect the initial boards of those districts. Section
10 3.0309, Chapter 966, Acts of the 77th Legislature,
11 Regular Session, 2001, contains similar provisions
12 relating to the Hays Trinity Groundwater Conservation
13 District. The revised law omits those provisions as
14 executed because the creation of the district has been
15 confirmed and its initial board has been elected. The
16 omitted law reads:

17 [Acts 76th Leg., R.S., Ch. 1331]

18 Sec. 10. (a) Not earlier than
19 September 1, 2001, the temporary board of
20 directors shall call and hold an election to
21 confirm the district and to elect the
22 initial directors.

23 (b) At the confirmation and initial
24 directors' election, the temporary board of
25 directors shall have placed on the ballot
26 the names of the candidates for each of the
27 positions on the board. To qualify as a
28 candidate for a position, a person must be a
29 resident of the district.

30 (c) If the district is confirmed at
31 the election, the temporary board of
32 directors, at the time the vote is
33 canvassed, shall:

34 (1) declare the qualified
35 person who receives the most votes for each
36 position to be elected as the initial
37 director for that position; and

38 (2) include the results of the
39 initial directors' election in the
40 district's election report to the Texas
41 Natural Resource Conservation Commission.

42 (d) The initial directors shall draw
43 lots to determine their terms so that:

44 (1) one-half or a simple
45 majority of the directors serve four-year
46 terms that expire on the fourth anniversary
47 of the date the initial directors were
48 elected; and

49 (2) the remaining directors
50 serve two-year terms that expire on the
51 second anniversary of the date the initial
52 directors were elected.

53 (e) Subsection (a), Section 41.001,
54 Election Code, applies to a confirmation
55 and initial directors' election held as

1 provided by this section.

2 (f) Except as provided by this
3 section, a confirmation and initial
4 directors' election must be conducted as
5 provided by Subsections (b)-(h), Section
6 36.017, Water Code, and the Election Code.

7 (g) If the establishment of the
8 district has not been confirmed at an
9 election held under this section before the
10 fourth anniversary of the effective date of
11 this Act, the district is dissolved on that
12 date, except that any debts incurred shall
13 be paid and the organization of the district
14 shall be maintained until all debts are
15 paid.

16 [Acts 77th Leg., R.S., Ch. 966]

17 Sec. 3.0309. (a) The temporary board
18 of directors shall call and hold an election
19 to confirm establishment of the district
20 and to elect initial directors.

21 (b) At the confirmation and initial
22 directors election, the temporary board of
23 directors shall have placed on the ballot
24 the name of any candidate filing for an
25 initial director's position and blank
26 spaces to write in the names of other
27 persons. A temporary director who is
28 qualified to be a candidate under Section
29 3.0308 of this part may file for an initial
30 director's position.

31 (c) Section 41.001(a), Election
32 Code, does not apply to a confirmation and
33 initial directors election held as provided
34 by this section.

35 (d) Except as provided by this
36 section, a confirmation and initial
37 directors election must be conducted as
38 provided by Sections 36.017(b)-(h), Water
39 Code, and the Election Code.

40 (2) Section 14, Chapter 1331, Acts of the 76th
41 Legislature, Regular Session, 1999, provides that,
42 except as otherwise provided by that act, that act
43 prevails over a conflicting provision of Chapter 36,
44 Water Code. Section 3.0304(a), Chapter 966, Acts of
45 the 77th Legislature, Regular Session, 2001, provides
46 that the part of that act pertaining to the district
47 prevails over general law, including Chapter 1331,
48 Acts of the 76th Legislature, Regular Session, 1999,
49 in case of a conflict or inconsistency.

50 The revised law omits Section 14, Chapter 1331,
51 and the provision in Section 3.0304(a), Chapter 966,
52 pertaining to conflicts with general law because they
53 duplicate, in substance, Section 311.026, Government

1 Code (Code Construction Act), and part of Section
2 36.052(a), Water Code, which provides that a "special
3 law governing a specific district" prevails over
4 Chapter 36. Throughout this chapter, the revised law
5 omits law that duplicates law contained in Chapter 36,
6 which applies to the district under Section 8843.101
7 of this chapter and Section 36.001(1), Water Code.

8 The revised law also omits the provision in
9 Section 3.0304(a), Chapter 966, pertaining to
10 conflicts with Chapter 1331. As noted in Revisor's
11 Note (1) to Section 8843.001 of this chapter, Chapters
12 1331 and 966 are source law for this chapter. In
13 accordance with Section 3.0304(a), Chapter 966, the
14 provisions of Chapter 1331 that conflict with the part
15 of Chapter 966 pertaining to the district are omitted
16 from the revised law. Therefore, the provision in
17 Section 3.0304(a), Chapter 966, pertaining to
18 conflicts with Chapter 1331 no longer serves any
19 purpose. The omitted law reads:

20 [Acts 76th Leg., R.S., Ch. 1331]
21 Sec. 14. Except as otherwise
22 provided by this Act, if there is a conflict
23 between this Act and Chapter 36, Water Code,
24 this Act controls.

25 [Acts 77th Leg., R.S., Ch. 966]
26 Sec. 3.0304. (a) . . . This part
27 prevails over any provision of general law
28 that is in conflict or inconsistent with
29 this part, including any provision of
30 Chapter 1331, Acts of the 76th Legislature,
31 Regular Session, 1999.

32 (3) Section 3.0304(b), Chapter 966, Acts of the
33 77th Legislature, Regular Session, 2001, provides that
34 certain provisions of the Water Code prevail over a
35 conflicting or inconsistent provision of the act. The
36 revised law omits Section 3.0304(b) because it
37 substantially duplicates Section 36.052(b), Water
38 Code, which provides that the provisions of the Water
39 Code referenced in Section 3.0304(b), in addition to

1 Section 36.107, Water Code, prevail over a conflicting
2 or inconsistent provision of a special law that
3 governs a specific district. Although Section
4 3.0304(b) does not reference Section 36.107, Water
5 Code, that section of Chapter 36 is not in conflict or
6 inconsistent with any provision of this chapter. The
7 omitted law reads:

8 (b) Notwithstanding Subsection (a)
9 of this section, the following provisions
10 prevail over a conflicting or inconsistent
11 provision of this part:

- 12 (1) Sections 36.1071-36.108,
13 Water Code;
14 (2) Sections 36.159-36.161,
15 Water Code; and
16 (3) Subchapter I, Chapter 36,
17 Water Code.

18 [Sections 8843.005-8843.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Revised Law

21 Sec. 8843.051. COMPOSITION OF BOARD; TERMS. (a) The
22 district is governed by a board of five directors.

23 (b) Directors serve staggered two-year terms. (Acts 77th
24 Leg., R.S., Ch. 966, Secs. 3.0307(a), (d).)

25 Source Law

26 Sec. 3.0307. (a) The district is governed by a
27 board of five directors.

28 (d) Permanent directors serve staggered
29 two-year terms.

30 Revisor's Note

31 (1) Section 3.0307(d), Chapter 966, Acts of the
32 77th Legislature, Regular Session, 2001, refers to
33 "[p]ermanent" directors. Section 3.0307 refers to
34 "temporary," "initial," and "permanent" directors to
35 distinguish between the original "temporary"
36 directors, the "initial" directors who immediately
37 succeeded the "temporary" directors after the first
38 election of directors, and subsequently serving
39 "permanent" directors. Because the revised law omits
40 provisions regarding "temporary" and "initial"

1 directors as executed (see the revisor's notes at the
2 end of this subchapter), it is no longer necessary to
3 distinguish between "temporary," "initial," and
4 "permanent" directors. Accordingly, the revised law
5 also omits "permanent."

6 (2) Section 3.0307(e), Chapter 966, Acts of the
7 77th Legislature, Regular Session, 2001, provides that
8 a director must qualify to serve in the manner provided
9 by Section 36.055, Water Code. The revised law omits
10 that provision because Section 36.055, Water Code,
11 applies to the district under Section 8843.101 of this
12 chapter and Section 36.001(1), Water Code. The
13 omitted law reads:

14 (e) Each director must qualify to
15 serve as director in the manner provided by
16 Section 36.055, Water Code.

17 (3) Section 3.0307(f), Chapter 966, Acts of the
18 77th Legislature, Regular Session, 2001, provides that
19 a director serves until a successor has qualified. The
20 revised law omits that provision because it duplicates
21 Section 17, Article XVI, Texas Constitution, which
22 provides that an officer in this state continues to
23 perform the officer's official duties until a
24 successor has qualified. The omitted law reads:

25 (f) A director serves until the
26 director's successor has qualified.

27 Revised Law

28 Sec. 8843.052. ELECTION OF DIRECTORS. (a) The district is
29 divided into five numbered single-member districts for electing
30 directors.

31 (b) One director is elected from each single-member
32 district. A director elected from a single-member district
33 represents the residents of that single-member district. (Acts
34 77th Leg., R.S., Ch. 966, Secs. 3.0308(a), (b).)

35 Source Law

36 Sec. 3.0308. (a) The temporary directors shall

1 draw five numbered, single-member districts for
2 electing directors.

3 (b) For the conduct of an election under Section
4 3.0309 or Section 3.0310 of this part, the board shall
5 provide for one director to be elected from each of the
6 single-member districts. A director elected from a
7 single-member district represents the residents of
8 that single-member district.

9 Revisor's Note

10 (1) Section 3.0308(a), Chapter 966, Acts of the
11 77th Legislature, Regular Session, 2001, provides that
12 "[t]he temporary directors shall draw" five numbered
13 single-member districts for electing directors. The
14 revised law substitutes "[t]he district is divided
15 into" for the quoted language because the requirement
16 that the temporary directors "draw," or divide the
17 district into, the numbered single-member districts is
18 executed.

19 (2) Section 3.0308(b), Chapter 966, Acts of the
20 77th Legislature, Regular Session, 2001, provides that
21 the single-member districts drawn by the temporary
22 directors apply to "the conduct of an election under
23 Section 3.0309 or Section 3.0310 of this part,"
24 meaning the confirmation and initial directors'
25 election (Section 3.0309 of Chapter 966) or a regular
26 election of directors (Section 3.0310 of Chapter 966).
27 The revised law omits the reference to the initial
28 directors' election under Section 3.0309 as executed.
29 (See Revisor's Note (1) at the end of Subchapter A.)
30 The revised law omits the reference to a regular
31 directors' election under Section 3.0310 because there
32 is no longer a need to distinguish between regular
33 directors' elections and the initial directors'
34 election.

35 Revised Law

36 Sec. 8843.053. ELECTION DATE. On the uniform election date
37 in May of each year, the appropriate number of directors shall be
38 elected. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0310(b).)

1 those changes and to preserve the legislative intent
2 that the election be held on a uniform election date.

3 The revised law also substitutes "each year" for
4 "each subsequent second year following the election"
5 because the first election of permanent directors was
6 held in May 2004 and because under Section 3.0307(d),
7 Chapter 966, Acts of the 77th Legislature, Regular
8 Session, 2001 (revised as Section 8843.051(b) of this
9 chapter), district directors serve staggered terms of
10 two years. As a result, subsequent directors'
11 elections will be held each year.

12 (2) Section 3.0310(a), Chapter 966, Acts of the
13 77th Legislature, Regular Session, 2001, prescribes
14 the election date for the first directors' election
15 following the confirmation election. Because the
16 first election of permanent directors has been held,
17 the revised law omits the provision as executed. The
18 omitted law reads:

19 Sec. 3.0310. (a) On the first
20 Saturday in May or the first Tuesday after
21 the first Monday in November of the first
22 even-numbered year after the year in which
23 the district is authorized to be created at
24 a confirmation election, an election shall
25 be held in the district for the election of
26 three directors to serve two-year terms and
27 two directors to serve one-year terms.

28 Revised Law

29 Sec. 8843.054. QUALIFICATIONS FOR OFFICE. To be qualified
30 to be a candidate for or to serve as director, a person must be a
31 registered voter in the single-member district that the person
32 represents or seeks to represent. (Acts 77th Leg., R.S., Ch. 966,
33 Sec. 3.0308(c).)

34 Source Law

35 (c) To be qualified to be a candidate for or to
36 serve as director, a person must be a registered voter
37 in the single-member district that the person
38 represents or seeks to represent.

39 Revised Law

40 Sec. 8843.055. BOARD VACANCY. If there is a vacancy on the

1 board, the Hays County Commissioners Court shall appoint a director
2 to serve the remainder of the term. (Acts 77th Leg., R.S., Ch. 966,
3 Sec. 3.0307(g).)

4 Source Law

5 (g) If there is a vacancy on the board, the Hays
6 County Commissioners Court shall appoint a director to
7 serve the remainder of the term.

8 Revised Law

9 Sec. 8843.056. REVISION OF SINGLE-MEMBER DISTRICTS. (a)
10 The board may revise the single-member districts as necessary or
11 appropriate.

12 (b) The board shall revise each single-member district
13 after each federal decennial census to reflect population changes.

14 (c) At the first election after the single-member districts
15 are revised, a new director shall be elected from each district.
16 The directors shall draw lots to determine which two directors
17 serve one-year terms and which three directors serve two-year
18 terms. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0308(d).)

19 Source Law

20 (d) The initial or permanent directors may
21 revise the districts as necessary or appropriate. The
22 board of directors shall revise each single-member
23 district after each federal decennial census to
24 reflect population changes. At the first election
25 after the single-member districts are revised, a new
26 director shall be elected from each district. The
27 directors shall draw lots to determine which two
28 directors serve one-year terms and which three
29 directors serve two-year terms.

30 Revisor's Note

31 Section 3.0308(d), Chapter 966, Acts of the 77th
32 Legislature, Regular Session, 2001, refers to the
33 "initial or permanent directors." The revised law
34 omits the reference to "initial or permanent"
35 directors for the reason stated in Revisor's Note (1)
36 to Section 8843.051.

37 Revised Law

38 Sec. 8843.057. COMPENSATION; EXPENSES. A director may not
39 receive a salary or other compensation for service as a director but
40 may be reimbursed for actual expenses of attending meetings at the

1 rate in effect for employees of Hays County. (Acts 77th Leg., R.S.,
2 Ch. 966, Sec. 3.0307(h).)

3 Source Law

4 (h) A director may not receive a salary or other
5 compensation for service as a director but may be
6 reimbursed for actual expenses of attending meetings
7 at the rate in effect for employees of Hays County.

8 Revisor's Note
9 (End of Subchapter)

10 (1) Sections 5 and 12, Chapter 1331, Acts of the
11 76th Legislature, Regular Session, 1999, govern the
12 powers of the temporary directors of a district
13 created under that act. The revised law omits those
14 provisions as executed. The omitted law reads:

15 Sec. 5. (a) Except as provided by
16 Subsections (c) and (d) of this section or
17 otherwise by this Act, the temporary
18 directors of a district have the same
19 permitting and general management powers as
20 those granted to initial and permanent
21 directors under Chapter 36, Water Code.

22 (b) The temporary directors or their
23 designees have the authority to enter any
24 public or private property located within
25 the district to inspect a water well as
26 provided by Section 49.221, Water Code.

27 (c) The temporary directors do not
28 have the authority granted by the following
29 provisions of Chapter 36, Water Code:

30 (1) Sections 36.017, 36.019,
31 36.020, and 36.059, relating to elections;

32 (2) Sections 36.105, 36.1071,
33 36.1072, 36.1073, and 36.108, relating to
34 eminent domain and management plans;

35 (3) Sections 36.171-36.181,
36 relating to bonds and notes;

37 (4) Sections 36.201-36.204,
38 relating to taxes; and

39 (5) Sections 36.321-36.359,
40 relating to annexation and consolidation.

41 (d) The temporary directors may
42 regulate the transfer of groundwater out of
43 the district as provided by Section 36.122,
44 Water Code, but may not prohibit the
45 transfer of groundwater out of the
46 district.

47 Sec. 12. Prior to September 1, 2001,
48 the temporary directors of a district shall
49 not hold an election for the imposition of a
50 tax.

51 (2) Section 7, Chapter 1331, Acts of the 76th
52 Legislature, Regular Session, 1999, relates to the
53 election of initial directors of a district created

1 under that act. The revised law omits that provision
2 as executed. The omitted law reads:

3 Sec. 7. The initial directors may not
4 be elected until after September 1, 2001.

5 (3) Sections 8 and 9, Chapter 1331, Acts of the
6 76th Legislature, Regular Session, 1999, provide for
7 the appointment of temporary directors of a district
8 created under that act and require the temporary
9 directors to hold an organizational meeting of the
10 district. The revised law omits those provisions as
11 executed. The omitted law reads:

12 Sec. 8. (a) Except as provided by
13 Subsections (b) and (c) of this section, the
14 commissioners court of a county containing
15 territory included within the district
16 shall appoint temporary directors in
17 accordance with the provisions of Section
18 36.016, Water Code, relating to the
19 appointment of temporary directors by
20 county commissioners courts.

21 (b) For districts composed of more
22 than one county, the county commissioners
23 court of each county with territory in the
24 district shall appoint an equal number of
25 temporary directors, the total number of
26 temporary directors appointed to be
27 determined by the county commissioners
28 courts except that the total number of
29 directors may not be fewer than five or more
30 than 11.

31 (c) The 90-day limit for the
32 appointment of temporary directors under
33 Section 36.016, Water Code, does not apply
34 to the appointment of temporary directors
35 under this Act.

36 Sec. 9. (a) As soon as practicable
37 after the temporary directors are appointed
38 as provided by this Act, the temporary
39 directors shall hold the organizational
40 meeting of the district and take office at
41 that time.

42 (b) The temporary directors shall
43 hold the meeting at a location within the
44 district to which a majority of the
45 temporary directors agree.

46 (4) Section 11, Chapter 1331, Acts of the 76th
47 Legislature, Regular Session, 1999, provides for the
48 election of permanent directors of a district created
49 under that act. The revised law omits that section
50 because, as that section relates to the Hays Trinity
51 Groundwater Conservation District, it is superseded by

1 Section 3.0310, Chapter 966, Acts of the 77th
2 Legislature, Regular Session, 2001, which provides for
3 the election of the district's directors. See Section
4 8843.053 of this chapter and the revisor's notes to
5 that section. Section 3.0304(a), Chapter 966, which
6 is omitted in pertinent part as described by Revisor's
7 Note (2) at the end of Subchapter A, provides that the
8 part of Chapter 966 pertaining to the district
9 prevails over Chapter 1331 in case of a conflict or
10 inconsistency. The omitted law reads:

11 Sec. 11. Beginning in the second year
12 after the year in which the district has
13 held a confirmation election, an election
14 shall be held in the district on the first
15 Saturday in the month in which the initial
16 directors were elected under Section 10 of
17 this Act and every two years after that date
18 to elect the appropriate number of
19 directors to the board.

20 (5) Sections 3.0307(b) and (c), Chapter 966,
21 Acts of the 77th Legislature, Regular Session, 2001,
22 provide for the terms of office of temporary and
23 initial directors of the district. The revised law
24 omits those provisions as executed because the terms
25 of the temporary and initial directors have expired.
26 The omitted law reads:

27 (b) Temporary directors serve until
28 initial directors are elected under Section
29 3.0309 of this part.

30 (c) Initial directors serve until
31 permanent directors are elected under
32 Section 3.0310 of this part.

33 [Sections 8843.058-8843.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 8843.101. GROUNDWATER CONSERVATION DISTRICT POWERS
37 AND DUTIES. The district has the rights, powers, privileges,
38 functions, and duties provided by the general law of this state,
39 including Chapter 36, Water Code, applicable to groundwater
40 conservation districts created under Section 59, Article XVI, Texas
41 Constitution. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0304(a))

1 (part).)

2 Source Law

3 Sec. 3.0304. (a) The district has all of the
4 rights, powers, privileges, authority, functions, and
5 duties provided by the general law of this state,
6 including Chapter 36, Water Code, applicable to
7 groundwater conservation districts created under
8 Section 59, Article XVI, Texas Constitution. . . .

9 Revisor's Note

10 Section 3.0304(a), Chapter 966, Acts of the 77th
11 Legislature, Regular Session, 2001, refers to the
12 "rights, powers, privileges, [and] authority" of the
13 district. The revised law omits the reference to
14 "authority" because, in context, "authority" is
15 included in the meaning of "rights, powers, [and]
16 privileges."

17 Revised Law

18 Sec. 8843.102. ELECTION ON BOARD DECISION. The Hays County
19 Commissioners Court by resolution may require an election to affirm
20 or reverse a decision of the board not later than six months after
21 the date of the decision. (Acts 77th Leg., R.S., Ch. 966, Sec.
22 3.0304(d).)

23 Source Law

24 (d) The Hays County Commissioners Court by
25 resolution may require an election to affirm or
26 reverse a decision of the board of directors of the
27 district not later than six months after the date of
28 the decision.

29 Revised Law

30 Sec. 8843.103. WELL CONSTRUCTION PERMIT. Except as
31 provided by Sections 8843.104(b) and (c), the district may require
32 a permit for the construction of a new well completed after
33 September 1, 2001. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0312(a)
34 (part).)

35 Source Law

36 Sec. 3.0312. (a) Except as provided by Sections
37 3.0305(b) and (c) of this part, the district may
38 require a permit for the construction of a new well
39 completed after the effective date of this Act and
40

1 Revised Law

2 Sec. 8843.104. EXEMPT WELLS. (a) The following wells are
3 exempt from the requirements of Chapter 36, Water Code, and may not
4 be regulated, permitted, or metered by the district:

5 (1) a well used for domestic use by a single private
6 residential household and producing less than 25,000 gallons per
7 day; and

8 (2) a well used for conventional farming and ranching
9 activities, including such intensive operations as aquaculture,
10 livestock feedlots, or poultry operations.

11 (b) The district may not require a permit to construct a
12 well described by Subsection (a)(2).

13 (c) A well used for dewatering and monitoring in the
14 production of coal or lignite is exempt from permit requirements,
15 regulations, and fees imposed by the district.

16 (d) The district may not enter property to inspect an exempt
17 well without the property owner's permission. (Acts 77th Leg.,
18 R.S., Ch. 966, Secs. 3.0304(c), 3.0305.)

19 Source Law

20 [Sec. 3.0304]

21 (c) The district may not enter property to
22 inspect an exempt well without the property owner's
23 permission.

24 Sec. 3.0305. (a) The following wells are exempt
25 from the requirements of Chapter 36, Water Code, and
26 may not be regulated, permitted, or metered by the
27 district:

28 (1) a well used for domestic use by a
29 single private residential household and producing
30 less than 25,000 gallons per day; and

31 (2) a well used for conventional farming
32 and ranching activities, including such intensive
33 operations as aquaculture, livestock feedlots, or
34 poultry operations.

35 (b) The district may not require a permit to
36 construct a well described by Subsection (a)(2) of
37 this section.

38 (c) A well used for dewatering and monitoring in
39 the production of coal or lignite is exempt from permit
40 requirements, regulations, and fees imposed by the
41 district.

42 Revised Law

43 Sec. 8843.105. STANDARDS FOR RESIDENTIAL WELLS. The
44 district may not adopt standards for the construction of a

1 residential well that are more stringent than state standards for a
2 residential well. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0304(e).)

3 Source Law

4 (e) The district may not adopt standards for the
5 construction of a residential well that are more
6 stringent than state standards for a residential well.

7 Revised Law

8 Sec. 8843.106. ELECTIONS OTHER THAN DIRECTORS' ELECTIONS.
9 An election held by the district, other than an election under
10 Section 8843.053, must be scheduled to coincide with a general
11 election in May or November. (Acts 77th Leg., R.S., Ch. 966, Sec.
12 3.0311.)

13 Source Law

14 Sec. 3.0311. An election held by the district,
15 other than an election under Section 3.0309 or 3.0310
16 of this part, must be scheduled to coincide with a
17 general election in May or November.

18 Revisor's Note

19 Section 3.0311, Chapter 966, Acts of the 77th
20 Legislature, Regular Session, 2001, refers to "an
21 election under Section 3.0309 or 3.0310 of this part,"
22 meaning the confirmation and initial directors'
23 election under Section 3.0309, the first regular
24 directors' election under Section 3.0310(a), and
25 subsequent regular directors' elections under Section
26 3.0310(b). The revised law omits the reference to the
27 confirmation and initial directors' election for the
28 reason stated in Revisor's Note (1) at the end of
29 Subchapter A. The revised law omits the reference to
30 the first regular directors' election for the reason
31 stated in Revisor's Note (2) to Section 8843.053.

32 Revisor's Note
33 (End of Subchapter)

34 Section 6, Chapter 1331, Acts of the 76th
35 Legislature, Regular Session, 1999, prohibits a
36 district created under that act from adopting a
37 comprehensive management plan before September 1,

1 2001. The revised law omits that provision because the
2 prohibition has expired by its own terms. The omitted
3 law reads:

4 Sec. 6. To ensure consistency of
5 district long-term management plans with
6 the regional planning process authorized by
7 Senate Bill No. 1 (Chapter 1010), Acts of
8 the 75th Legislature, Regular Session,
9 1997, a district may not adopt the
10 comprehensive management plan required by
11 Section 36.1071, Water Code, before
12 September 1, 2001.

13 [Sections 8843.107-8843.150 reserved for expansion]

14 SUBCHAPTER D. FINANCIAL PROVISIONS

15 Revised Law

16 Sec. 8843.151. WELL CONSTRUCTION PERMIT FEE. The district
17 may charge and collect a construction permit fee not to exceed \$300
18 for a well for which the district requires a permit under Section
19 8843.103. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0312(a) (part).)

20 Source Law

21 Sec. 3.0312. (a) . . . the district [may
22 require a permit for the construction of a new well
23 . . . and] may charge and collect a construction
24 permit fee not to exceed \$300.

25 Revised Law

26 Sec. 8843.152. SERVICE CONNECTION FEE. (a) This section
27 does not apply to a water utility that has surface water as its sole
28 source of water.

29 (b) The district may levy and collect a water utility
30 service connection fee not to exceed \$300 for each new water service
31 connection made after September 1, 2001. (Acts 77th Leg., R.S., Ch.
32 966, Sec. 3.0312(b).)

33 Source Law

34 (b) The district may levy and collect a water
35 utility service connection fee not to exceed \$300 for
36 each new water service connection made after the
37 effective date of this Act. This subsection does not
38 apply to a water utility that has surface water as its
39 sole source of water.

40 Revised Law

41 Sec. 8843.153. TAXES AND OTHER FEES PROHIBITED.
42 Notwithstanding Section 8843.101 or Subchapter G, Chapter 36, Water

1 Code, the district may not:

2 (1) impose a tax; or

3 (2) assess or collect any fees except as authorized by
4 Section 8843.151 or 8843.152. (Acts 77th Leg., R.S., Ch. 966, Sec.
5 3.0312(c).)

6 Source Law

7 (c) Notwithstanding Section 3.0304(a) of this
8 part or Subchapter G, Chapter 36, Water Code, the
9 district may not impose a tax or assess or collect any
10 fees except as authorized by Subsection (a) or (b) of
11 this section.

12 Revised Law

13 Sec. 8843.154. BUDGET. (a) The district shall annually:

14 (1) prepare a budget showing proposed expenditures and
15 disbursements and estimated receipts and collections for the next
16 fiscal year; and

17 (2) hold a public hearing on the proposed budget.

18 (b) The district must publish notice of the hearing at least
19 once in a newspaper of general circulation in the county not later
20 than the 10th day before the date of the hearing.

21 (c) A taxpayer of the district is entitled to appear at the
22 hearing to be heard regarding any item in the proposed budget.

23 (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0306(a).)

24 Source Law

25 Sec. 3.0306. (a) The district annually shall
26 prepare a budget showing proposed expenditures and
27 disbursements and estimated receipts and collections
28 for the next fiscal year and shall hold a public
29 hearing on the proposed budget. The district must
30 publish notice of the hearing at least once in a
31 newspaper of general circulation in the county not
32 later than the 10th day before the date of the hearing.
33 A taxpayer of the district is entitled to appear at the
34 hearing to be heard regarding any item in the proposed
35 budget.

36 Revised Law

37 Sec. 8843.155. AUDIT. At the written request of the Hays
38 County Commissioners Court, the county auditor shall audit the
39 performance of the district. The commissioners court may request a
40 general audit of the performance of the district or may request an
41 audit of only one or more district matters. (Acts 77th Leg., R.S.,

1 Ch. 966, Sec. 3.0306(b).)

2 Source Law

3 (b) At the written request of the Hays County
4 Commissioners Court, the county auditor shall audit
5 the performance of the district. The court may request
6 a general audit of the performance of the district or
7 may request an audit of only one or more district
8 matters.

9 Revisor's Note
10 (End of Chapter)

11 (1) Section 13, Chapter 1331, Acts of the 76th
12 Legislature, Regular Session, 1999, provides that a
13 district created under that act may be modified by
14 subsequent acts of the Texas Legislature. It is a
15 well-accepted principle of constitutional law that a
16 legislature may not, through statutory law, limit or
17 expand the authority of a future legislature. By
18 application of that principle, a district created
19 under an act of the legislature may be modified by a
20 subsequent legislative act without an express
21 statement to that effect in the act creating the
22 district. Accordingly, the revised law omits that
23 provision as unnecessary. The omitted law reads:

24 Sec. 13. A district created under
25 this Act may be modified by subsequent acts
26 of the Texas Legislature. The modification
27 may be in response to the recommendations of
28 an interim study or committee, including
29 the possibility of adding additional area
30 to the district or merging the district with
31 other districts for the purposes of the
32 efficient and effective management of a
33 common groundwater resource.

34 (2) Section 15, Chapter 1331, Acts of the 76th
35 Legislature, Regular Session, 1999, provides that an
36 election to confirm the creation of a district under
37 that act and to elect initial directors may not be held
38 unless action is taken by the 77th Legislature,
39 Regular Session, to ratify the creation of the
40 district and provides for the dissolution of a
41 district created by that act whose creation is not
42 ratified. The revised law omits that provision as

1 expired as it relates to the Hays Trinity Groundwater
2 Conservation District because the creation of the
3 district was ratified by Section 3.0301, Chapter 966,
4 Acts of the 77th Legislature, Regular Session, 2001,
5 subject to approval at a confirmation election. The
6 omitted law reads:

7 Sec. 15. (a) Notwithstanding the
8 provisions of Section 10 of this Act, an
9 election for the confirmation of the
10 creation of a groundwater conservation
11 district under this Act and for the
12 selection of initial directors for such
13 district shall not be held unless action is
14 taken by the 77th Legislature in its Regular
15 Session to ratify the creation of the
16 district.

17 (b) Except as provided by Subsection
18 (c) of this section, a groundwater
19 conservation district created by this Act
20 whose creation is not ratified by the 77th
21 Legislature as provided by Subsection (a)
22 of this section is dissolved effective
23 September 1, 2001.

24 (c) If a groundwater conservation
25 district is dissolved under this section,
26 the district has no further authority,
27 except that any debts incurred shall be paid
28 and the organization of the district shall
29 be maintained until all debts are paid.

30 (3) Section 16, Chapter 1331, Acts of the 76th
31 Legislature, Regular Session, 1999, recites
32 legislative findings regarding procedural
33 requirements for the creation of the districts created
34 by that act under the constitution and other laws and
35 rules, including the provision of proper legal notice
36 and the filing of recommendations. Section 13.04,
37 Chapter 966, Acts of the 77th Legislature, Regular
38 Session, 2001, recites similar findings regarding
39 requirements for the creation of the districts
40 ratified by that act. The revised law omits those
41 provisions as executed. The omitted law reads:

42 [Acts 76th Leg., R.S., Ch. 1331]

43 Sec. 16. (a) The proper and legal
44 notice of the intention to introduce this
45 Act, setting forth the general substance of
46 this Act, has been published as provided by
47 law, and the notice and a copy of this Act
48 have been furnished to all persons,
49 agencies, officials, or entities to which

1 they are required to be furnished by the
2 constitution and other laws of this state,
3 including the governor, who has submitted
4 the notice and Act to the Texas Natural
5 Resource Conservation Commission.

6 (b) The Texas Natural Resource
7 Conservation Commission has filed its
8 recommendations relating to this Act with
9 the governor, lieutenant governor, and
10 speaker of the house of representatives
11 within the required time.

12 (c) All requirements of the
13 constitution and laws of this state and the
14 rules and procedures of the legislature
15 with respect to the notice, introduction,
16 and passage of this Act are fulfilled and
17 accomplished.

18 (d) The procedural requirements of
19 this section relating to the provision of
20 notice have been met by the provision of
21 notice of the introduction of the proposed
22 Acts of the 76th Legislature relating to the
23 creation of the groundwater conservation
24 districts now created by this Act.

25 [Acts 77th Leg., R.S., Ch. 966]

26 Sec. 13.04. (a) The proper and legal
27 notice of the intention to introduce this
28 Act, setting forth the general substance of
29 this Act, has been published as provided by
30 law, and the notice and a copy of this Act
31 have been furnished to all persons,
32 agencies, officials, or entities to which
33 they are required to be furnished by the
34 constitution and other laws of this state,
35 including the governor, who has submitted
36 the notice and Act to the Texas Natural
37 Resource Conservation Commission.

38 (b) The Texas Natural Resource
39 Conservation Commission has filed its
40 recommendations relating to this Act with
41 the governor, lieutenant governor, and
42 speaker of the house of representatives
43 within the required time.

44 (c) All requirements of the
45 constitution and laws of the state and the
46 rules and procedures of the legislature
47 with respect to the notice, introduction,
48 and passage of this Act are fulfilled and
49 accomplished.

50 (4) Section 3.0301, Chapter 966, Acts of the
51 77th Legislature, Regular Session, 2001, ratified the
52 creation of the district, subject to approval at a
53 confirmation election. The revised law omits that
54 provision as executed. The omitted law reads:

55 Sec. 3.0301. The creation by Chapter
56 1331, Acts of the 76th Legislature, Regular
57 Session, 1999, of the Hays Trinity
58 Groundwater Conservation District in Hays
59 County is ratified as required by Section
60 15(a) of that Act, subject to approval at a
61 confirmation election under Section 3.0309
62 of this part.

1 (5) Section 3.0313, Chapter 966, Acts of the
2 77th Legislature, Regular Session, 2001, contains
3 transition language regarding the expiration of the
4 part of the act relating to the district if the
5 creation of the district is not confirmed at a
6 confirmation election before a certain date. The
7 revised law omits that provision as executed because
8 the creation of the district was confirmed within the
9 required period. The omitted law reads:

10 Sec. 3.0313. If the creation of the
11 district is not confirmed at a confirmation
12 election held under Section 3.0309 of this
13 part before September 1, 2003, this part
14 expires on that date.

15 (6) Section 13.05, Chapter 966, Acts of the 77th
16 Legislature, Regular Session, 2001, provides that the
17 act is severable. The revised law omits that provision
18 because the same result is produced by the application
19 of Section 311.032(c), Government Code (Code
20 Construction Act), which provides that a provision of
21 a statute is severable from each other provision of the
22 statute that can be given effect. The omitted law
23 reads:

24 Sec. 13.05. If any provision of this
25 Act or its application to any person or
26 circumstance is held invalid, the
27 invalidity does not affect other provisions
28 or applications of this Act that can be
29 given effect without the invalid provision
30 or application, and to this end the
31 provisions of this Act are declared to be
32 severable.

33 CHAPTER 8845. IRION COUNTY WATER CONSERVATION DISTRICT

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19 CHAPTER 8845. IRION COUNTY WATER CONSERVATION DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Revised Law

22 Sec. 8845.001. DEFINITIONS. In this chapter:

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

24 (2) "Director" means a board member.

25 (3) "District" means the Irion County Water
 26 Conservation District. (Acts 69th Leg., R.S., Ch. 65, Sec. 2; New.)

27 Source Law

28 Sec. 2. In this Act, "district" means the Irion
 29 County Water Conservation 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.

1 Revised Law

2 Sec. 8845.002. NATURE AND PURPOSE OF DISTRICT. The
3 district is created under Section 59, Article XVI, Texas
4 Constitution, to provide for the conservation, preservation,
5 protection, recharge, and prevention of waste and pollution of the
6 district's groundwater and surface water, consistent with:

7 (1) the objectives of Section 59, Article XVI, Texas
8 Constitution, and Chapter 36, Water Code; and

9 (2) the powers and duties under Subchapters H and I,
10 Chapter 49, Water Code. (Acts 69th Leg., R.S., Ch. 65, Secs. 1
11 (part), 29.)

12 Source Law

13 Sec. 1. . . . the Irion County Water
14 Conservation District is created under Article XVI,
15 Section 59, of the Texas Constitution.

16 Sec. 29. The district is created to provide for
17 the conservation, preservation, protection, recharge,
18 and prevention of waste and pollution of the
19 groundwater and surface water of the district
20 consistent with:

21 (1) the objectives of Article XVI, Section
22 59, of the Texas Constitution, and Chapter 36, Water
23 Code; and

24 (2) the powers and duties under
25 Subchapters H and I, Chapter 49, Water Code.

26 Revisor's Note

27 Section 1, Chapter 65, Acts of the 69th
28 Legislature, Regular Session, 1985, 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 Sec. 1. On approval at the election
33 required by Section 6 of this Act,

34 Revised Law

35 Sec. 8845.003. LEGISLATIVE FINDINGS. The legislature finds
36 that:

37 (1) the organization of the district is feasible and
38 practicable;

39 (2) the land to be included in and the residents of the
40 district will benefit from the creation of the district;

1 (3) there is a public necessity for the district; and
2 (4) the creation of the district will further the
3 public welfare. (Acts 69th Leg., R.S., Ch. 65, Sec. 3.)

4 Source Law

5 Sec. 3. The legislature finds that:

6 (1) the organization of the district is
7 feasible and practicable;

8 (2) the land to be included in and the
9 residents of the district will be benefited by the
10 creation of the district;

11 (3) there is a public necessity for the
12 district; and

13 (4) the creation of the district will
14 further the public welfare.

15 Revised Law

16 Sec. 8845.004. DISTRICT TERRITORY. The district is
17 composed of all the territory in Irion County unless the district's
18 territory has been modified by:

19 (1) annexation under Subchapter J or consolidation
20 under Subchapter K, Chapter 36, Water Code; or

21 (2) other law. (Acts 69th Leg., R.S., Ch. 65, Sec. 4;
22 New.)

23 Source Law

24 Sec. 4. The district is composed of all the
25 territory located within Irion County and any
26 territory added through annexation or consolidation.

27 Revisor's Note

28 Section 4, Chapter 65, Acts of the 69th
29 Legislature, Regular Session, 1985, provides that the
30 district is composed of the territory in Irion County
31 and "any territory added through annexation or
32 consolidation." For the reader's convenience, the
33 revised law substitutes for the quoted language a
34 reference to the authority to add territory to the
35 district under Subchapter J, Chapter 36, Water Code,
36 and to consolidate territory with the district under
37 Subchapter K, Chapter 36, Water Code, which apply to
38 the district under Section 8845.101 of this chapter
39 and Section 36.001(1), Water Code. The revised law
40 also includes a reference to the general authority of

1 the legislature to enact other laws to change the
2 district's territory.

3 Revised Law

4 Sec. 8845.005. DISTRICT NAME CHANGE. The name of the
5 district may be changed if:

6 (1) additional territory is annexed to the district;
7 or

8 (2) the district consolidates with another district.
9 (Acts 69th Leg., R.S., Ch. 65, Sec. 28.)

10 Source Law

11 Sec. 28. The name of the district may be changed
12 if:

13 (1) additional territory is annexed to the
14 district; or
15 (2) the district consolidates with another
16 district.

17 Revised Law

18 Sec. 8845.006. OWNERSHIP OF GROUNDWATER AND SURFACE WATER
19 RIGHTS. The ownership and rights of the owner of land, the owner's
20 lessees, and assigns in groundwater and any surface water rights
21 are recognized, and this chapter does not deprive or divest the
22 owner, the owner's lessees, or assigns of those ownership rights.
23 (Acts 69th Leg., R.S., Ch. 65, Sec. 45.)

24 Source Law

25 Sec. 45. The ownership and rights of the owner
26 of land, his lessees, and assigns in groundwater and
27 any surface water rights are recognized and this Act
28 does not deprive or divest the owner, his lessees, and
29 assigns of those ownership rights.

30 Revisor's Note

31 (End of Subchapter)

32 (1) Section 6, Chapter 65, Acts of the 69th
33 Legislature, Regular Session, 1985, provides for the
34 temporary directors to hold an election to confirm the
35 district's creation. Sections 6(b), (c), and (e) also
36 contain election procedures that apply to a district
37 maintenance and operating tax election under Section
38 58, Chapter 65, Acts of the 69th Legislature, Regular
39 Session, 1985 (revised in this chapter as Section

1 8845.151). See Revisor's Note (2) to Section 8845.151
2 for a discussion of the provisions in Sections 6(b) and
3 (e) that would otherwise apply to a maintenance and
4 operating tax election but are superseded by or
5 duplicate provisions in the Election Code. Because
6 the district's creation has been confirmed, the
7 revised law omits as executed Sections 6(a), (d), (f),
8 and (g), which apply only to an election to confirm the
9 district's creation. The omitted law reads:

10 Sec. 6. (a) Not later than the 30th
11 day after the effective date of this Act,
12 the temporary directors shall meet and
13 shall call an election to be held not later
14 than the 120th day after the effective date
15 of this Act within the boundaries of the
16 proposed district to approve the creation
17 of the district.

18 (d) The ballot for the election must
19 be printed to provide for voting for or
20 against the proposition: "The creation of
21 the Irion County Water Conservation
22 District."

23 (f) If a majority of the votes cast at
24 the election favor the creation of the
25 district, the temporary directors shall
26 declare the district created and shall
27 enter the results in their minutes. If a
28 majority of the votes cast at the election
29 are against the creation of the district,
30 the temporary directors shall declare the
31 district defeated and shall enter the
32 results in their minutes. The temporary
33 directors shall file a copy of the election
34 results with the Texas Department of Water
35 Resources.

36 (g) If the creation of the district
37 is defeated, further elections may be
38 called by the temporary directors to create
39 the district, but another election to
40 confirm creation of the district may not be
41 called and held before the first
42 anniversary of the most recent creation
43 election. If the district is not created
44 within five years after the effective date
45 of this Act, this Act expires.

46 (2) Section 26, Chapter 65, Acts of the 69th
47 Legislature, Regular Session, 1985, refers to the
48 continuing right of this state to supervise the
49 district through the Texas Department of Water
50 Resources. The revised law omits the provision
51 because the Texas Commission on Environmental Quality

1 is the successor to the Texas Department of Water
2 Resources, and therefore the provision duplicates, in
3 substance, part of Section 12.081, Water Code, which
4 applies to the district. The omitted law reads:

5 Sec. 26. The district is subject to
6 the continuing right of supervision by the
7 state, to be exercised by the Texas
8 Department of Water Resources under this
9 Act and the Water Code.

10 (3) Section 56, Chapter 65, Acts of the 69th
11 Legislature, Regular Session, 1985, provides that the
12 board may pay all costs, expenses, legal fees, and
13 other incidental expenses incurred in the creation and
14 organization of the district and reimburse any person
15 for money advanced for those purposes. Section 56 also
16 permits payment of those costs, fees, and expenses to
17 be made from money obtained from maintenance taxes or
18 other district revenue. Because the costs, fees, and
19 expenses of creating and organizing the district have
20 been paid, the revised law omits the provision as
21 executed. The omitted law reads:

22 Sec. 56. (a) The district's
23 directors may pay all costs and expenses
24 necessarily incurred in the creation and
25 organization of the district, legal fees,
26 and other incidental expenses and may
27 reimburse any person for money advanced for
28 these purposes.

29 (b) Payments may be made from money
30 obtained from maintenance taxes or other
31 revenues of the district.

32 [Sections 8845.007-8845.050 reserved for expansion]

33 SUBCHAPTER B. DISTRICT ADMINISTRATION

34 Revised Law

35 Sec. 8845.051. COMPOSITION OF BOARD; TERMS. (a) The board
36 is composed of five directors.

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

38 (c) A director takes office at the first regular meeting of
39 the board following the director's election to the board. (Acts
40 69th Leg., R.S., Ch. 65, Secs. 8(a), 11, 12; New.)

1 applies to any regularly scheduled election of
2 directors held in 2012 or a later year.

3 Revisor's Note

4 Section 13, Chapter 113, Acts of the 81st
5 Legislature, Regular Session, 2009, contains
6 transition language regarding the terms of office of
7 the district's directors necessitated by the act's
8 establishment of four-year terms for directors instead
9 of the two-year terms established under legislation
10 creating the district. The revised law adds an
11 expiration date to Section 8845.0511 because the
12 transition language does not affect terms of office
13 after the regularly scheduled directors' election in
14 2012.

15 Revised Law

16 Sec. 8845.052. ELECTION OF DIRECTORS. One director is
17 elected from the district at large. One director is elected from
18 each county commissioners precinct. (Acts 69th Leg., R.S., Ch. 65,
19 Sec. 8(b).)

20 Source Law

21 (b) One director shall be elected from the
22 district at large and one director shall be elected
23 from each county commissioners precinct.

24 Revised Law

25 Sec. 8845.053. ELECTION DATE. Each even-numbered year, an
26 election shall be held on the uniform election date in May to elect
27 the appropriate number of directors. (Acts 69th Leg., R.S., Ch. 65,
28 Sec. 10.)

29 Source Law

30 Sec. 10. Beginning in the year following the
31 creation election, an election shall be held on the
32 uniform election date in May to elect the appropriate
33 number of directors to the board.

34 Revisor's Note

35 Section 10, Chapter 65, Acts of the 69th
36 Legislature, Regular Session, 1985, provides that
37 directors' elections shall be held "[b]eginning in the
38 year following the creation election." Because

1 Section 11 of Chapter 65, as originally enacted,
2 provided that directors serve two-year terms and
3 because Section 7 of Chapter 65, as originally
4 enacted, provided for the initial directors' terms to
5 be staggered, directors' elections were held each
6 year. Chapter 113, Acts of the 81st Legislature,
7 Regular Session, 2009, amended Section 11 to provide
8 that directors serve four-year terms, and Section 13
9 of Chapter 113 (revised in this chapter as Section
10 8845.0511) contains transition language that provides
11 for directors' terms to be staggered and to expire in
12 even-numbered years. Therefore, the revised law
13 substitutes "[e]ach even-numbered year" for the quoted
14 language.

15 Revised Law

16 Sec. 8845.054. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO
17 SERVE. (a) To be qualified for election as a director, a person
18 must be:

- 19 (1) a resident of the district; and
20 (2) at least 18 years of age.

21 (b) In addition to the requirements of Subsection (a), a
22 person who is a director from a county commissioners precinct must
23 be a resident of that precinct unless the composition of the board
24 changes under Section 8845.056. (Acts 69th Leg., R.S., Ch. 65, Sec.
25 9.)

26 Source Law

27 Sec. 9. (a) To be qualified for election as a
28 director, a person must be a resident of the district
29 and must be at least 18 years of age.

30 (b) In addition to the requirements of
31 Subsection (a) of this section, a person who is a
32 director from a county commissioners precinct must be
33 a resident of that precinct unless the composition of
34 the board of directors changes under Section 8(c) of
35 this Act.

36 Revised Law

37 Sec. 8845.055. BOARD VACANCY. If a vacancy occurs on the
38 board, the remaining directors shall appoint a director for the

1 unexpired term. (Acts 69th Leg., R.S., Ch. 65, Sec. 13.)

2 Source Law

3 Sec. 13. A vacancy on the board is filled by
4 appointment of the remaining members of the board for
5 the unexpired term.

6 Revised Law

7 Sec. 8845.056. COMPOSITION OF BOARD FOLLOWING ANNEXATION OR
8 CONSOLIDATION. If the district annexes territory or consolidates
9 with another district, the composition of the board shall be
10 determined in a manner that is:

11 (1) equitable for the residents of the district as
12 provided by Chapter 36, Water Code; and

13 (2) otherwise in compliance with Subchapter K, Chapter
14 36, Water Code. (Acts 69th Leg., R.S., Ch. 65, Sec. 8(c).)

15 Source Law

16 (c) If the district annexes territory or
17 consolidates with another district, the composition of
18 the board shall be determined in a manner that is:

19 (1) equitable for the residents of the
20 district as provided by Chapter 36, Water Code; and

21 (2) otherwise in compliance with
22 Subchapter K, Chapter 36, Water Code.

23 Revised Law

24 Sec. 8845.057. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An
25 official action of the board is not valid without the affirmative
26 vote of a majority of the directors. (Acts 69th Leg., R.S., Ch. 65,
27 Sec. 17 (part).)

28 Source Law

29 Sec. 17. . . . no official action of the board
30 is valid without the affirmative vote of a majority of
31 the members of the board.

32 Revisor's Note

33 Section 17, Chapter 65, Acts of the 69th
34 Legislature, Regular Session, 1985, provides that a
35 majority of the directors constitutes a quorum for the
36 transaction of district business. The revised law
37 omits the provision because it duplicates, in
38 substance, Section 36.053, Water Code. Throughout
39 this chapter, the revised law omits law that

1 used by Chapter 36, Water Code. In the context in
2 which the terms are used, the terms have the same
3 meaning.

4 (2) Section 16(c), Chapter 65, Acts of the 69th
5 Legislature, Regular Session, 1985, provides that the
6 chairman or, in his absence, the vice-chairman,
7 presides over board meetings. The revised law omits
8 the provision because it duplicates, in substance,
9 Section 36.054(c), Water Code. The omitted law reads:

10 (c) The chairman shall preside over
11 meetings of the board, and in his absence,
12 the vice-chairman shall preside.

13 Revised Law

14 Sec. 8845.059. GENERAL MANAGER. (a) The general manager
15 may execute a bond in the amount determined by the board, payable to
16 the district, and conditioned on the faithful performance of the
17 general manager's duties. The district shall pay for the bond.

18 (b) The general manager is entitled to receive the
19 compensation provided by the district's budget. (Acts 69th Leg.,
20 R.S., Ch. 65, Secs. 19(b), (c).)

21 Source Law

22 (b) The general manager may execute a bond in
23 the amount determined by the board, payable to the
24 district, and conditioned on the faithful performance
25 of the general manager's duties. The district shall
26 pay for the bond.

27 (c) The general manager is entitled to receive
28 the compensation provided by the district's budget.

29 Revisor's Note

30 Section 19(a), Chapter 65, Acts of the 69th
31 Legislature, Regular Session, 1985, provides that the
32 board may employ a general manager and delegate to that
33 person authority to manage the district's affairs. The
34 revised law omits the provision because it duplicates
35 in substance Section 36.056(a), Water Code. The
36 omitted law reads:

37 Sec. 19. (a) The board may employ a
38 general manager to be the chief
39 administrative officer of the district and
40 may delegate to him full authority to manage

1 and operate the affairs of the district
2 subject only to orders of the board.

3 Revised Law

4 Sec. 8845.060. TREASURER AND ATTORNEY. (a) The board may
5 appoint a treasurer and an attorney for the district.

6 (b) The person appointed as treasurer shall execute a bond
7 in the amount determined by the board, payable to the district,
8 conditioned on the faithful performance of the treasurer's duties.
9 The district shall pay for the bond.

10 (c) A person appointed under this section is entitled to the
11 compensation provided by the district's budget. (Acts 69th Leg.,
12 R.S., Ch. 65, Sec. 18.)

13 Source Law

14 Sec. 18. (a) The board may appoint persons to
15 serve as treasurer and attorney for the district.

16 (b) The persons appointed under this section are
17 entitled to the compensation provided by the
18 district's budget.

19 (c) The person appointed as treasurer shall
20 execute a bond in the amount determined by the board,
21 payable to the district, conditioned on the faithful
22 performance of the treasurer's duties. The district
23 shall pay for the bond.

24 Revised Law

25 Sec. 8845.061. ENGINEER. The board may:

26 (1) appoint or contract with a competent professional
27 engineer for the district; and

28 (2) determine the amount of compensation to be paid to
29 the engineer. (Acts 69th Leg., R.S., Ch. 65, Sec. 20.)

30 Source Law

31 Sec. 20. The board may appoint or contract with
32 a competent professional engineer for the district and
33 may determine the amount of compensation to be paid to
34 the engineer.

35 Revised Law

36 Sec. 8845.062. EMPLOYEES AND CONTRACT PERSONNEL. (a) The
37 general manager or the board may:

38 (1) employ other persons necessary to properly handle
39 the district's business and operation; and

40 (2) employ or contract with expert and specialized
41 personnel who are necessary to carry out this chapter.

1 (b) The board shall determine the terms of employment and
2 the compensation to be paid to employees under this section.

3 (c) The district shall pay for any bond that an employee of
4 or a person under contract with the district is required to furnish
5 under Section 36.057(d), Water Code.

6 (d) The general manager or the board may dismiss an employee
7 of the district. (Acts 69th Leg., R.S., Ch. 65, Secs. 21(a), (b),
8 (c), (d) (part).)

9 Source Law

10 Sec. 21. (a) The general manager or the board
11 may employ other persons necessary for the proper
12 handling of the business and operation of the district
13 and may employ or contract with expert and specialized
14 personnel who are necessary to carry out this Act.

15 (b) The board shall determine the terms of
16 employment and the compensation to be paid to
17 employees under this section.

18 (c) The general manager or a majority of the
19 members of the board may dismiss an employee of the
20 district.

21 (d) . . . The district shall pay for each bond.

22 Revisor's Note

23 (1) Section 21(c), Chapter 65, Acts of the 69th
24 Legislature, Regular Session, 1985, provides that "a
25 majority of the members of" the board may dismiss an
26 employee of the district. The revised law omits the
27 quoted language as duplicative because Section 17,
28 Chapter 65, Acts of the 69th Legislature, Regular
29 Session, 1985 (revised in this chapter as Section
30 8845.057), provides that an official action of the
31 board is not valid without the affirmative vote of a
32 majority of the directors.

33 (2) Section 21(d), Chapter 65, Acts of the 69th
34 Legislature, Regular Session, 1985, requires certain
35 persons employed by or under contract with the
36 district to furnish a bond. The revised law omits the
37 provision because it duplicates, in substance, Section
38 36.057(d), Water Code. The omitted law reads:

39 (d) The board shall require each
40 employee or person under contract to the
41 district who collects, pays, or handles any

1 funds of the district to furnish a bond,
2 payable to the district, for an amount
3 sufficient to protect the district from
4 financial loss resulting from actions of
5 the employee or other person. Each bond
6 shall be conditioned on the faithful
7 performance of the employee's or person's
8 duties and on accounting for all money and
9 property of the district in his hands. . . .

10 (3) Section 21(d), Chapter 65, Acts of the 69th
11 Legislature, Regular Session, 1985, provides that the
12 district shall pay for "each bond," meaning a bond
13 required of an employee of, or a person under contract
14 with, the district who collects, pays, or handles any
15 funds of the district. For the convenience of the
16 reader, the revised law substitutes "any bond that an
17 employee of or a person under contract with the
18 district is required to furnish under Section
19 36.057(d), Water Code," for the quoted language
20 because Section 36.057(d) specifies the conditions
21 under which a bond is required.

22 Revised Law

23 Sec. 8845.063. DISTRICT OFFICE. The board shall maintain
24 an office in the district for conducting district business. (Acts
25 69th Leg., R.S., Ch. 65, Sec. 22.)

26 Source Law

27 Sec. 22. The board shall maintain an office
28 within the boundaries of the district for conducting
29 the business of the district.

30 Revised Law

31 Sec. 8845.064. MEETINGS. The board shall hold regular
32 meetings at the district office on dates established by the board.
33 (Acts 69th Leg., R.S., Ch. 65, Sec. 23.)

34 Source Law

35 Sec. 23. The board shall hold regular meetings
36 at the district's office on dates established by the
37 board.

38 Revised Law

39 Sec. 8845.065. RECORDS. (a) The board shall keep a
40 complete written account of board meetings and other proceedings
41 and shall preserve the board's minutes, contracts, plans, notices,

1 accounts, receipts, and other records in a secure manner at the
2 district's office.

3 (b) Minutes, contracts, plans, notices, accounts, receipts,
4 and other records are the property of the district and are subject
5 to public inspection. (Acts 69th Leg., R.S., Ch. 65, Sec. 24.)

6 Source Law

7 Sec. 24. (a) The board shall keep a complete
8 written account of all its meetings and other
9 proceedings and shall preserve its minutes, contracts,
10 records, plans, notices, accounts, receipts, and
11 records of all kinds in a secure manner at the
12 district's office.

13 (b) Minutes, contracts, records, plans,
14 notices, accounts, receipts, and other records are the
15 property of the district and are subject to public
16 inspection.

17 Revisor's Note

18 Section 48, Chapter 65, Acts of the 69th
19 Legislature, Regular Session, 1985, requires the
20 district to keep the annual audit and other district
21 records open to inspection during regular business
22 hours at the principal office of the district. The
23 revised law omits the provision because it duplicates
24 Section 36.153(b), Water Code. The omitted law reads:

25 Sec. 48. The annual audit and other
26 district records must be open to inspection
27 during regular business hours at the
28 principal office of the district.

29 Revisor's Note
30 (End of Subchapter)

31 (1) Section 5, Chapter 65, Acts of the 69th
32 Legislature, Regular Session, 1985, names the
33 temporary directors, provides for filling vacancies on
34 the temporary board, and requires the temporary
35 directors to select certain officers. Because the
36 terms of the temporary directors have expired, the
37 revised law omits those provisions as executed. The
38 omitted law reads:

39 Sec. 5. (a) On the effective date of
40 this Act, the following persons are
41 designated as temporary directors of the
42 district:

43 (1) Precinct 1--Loye Tankersley

- 1 (2) Precinct 2--Jim Westfall
- 2 (3) Precinct 3--Tim Bennie
- 3 (4) Precinct 4--Buck Whitley
- 4 (5) At Large--Jane D. Murray.

5 (b) If a vacancy occurs in the office
6 of temporary director, the remaining
7 temporary directors shall select a person
8 with the same qualifications as provided by
9 Section 9 of this Act to fill the vacancy.

10 (c) The temporary directors shall
11 select from their members persons to serve
12 as chairman, vice-chairman, and secretary.

13 (2) Section 7, Chapter 65, Acts of the 69th
14 Legislature, Regular Session, 1985, refers to
15 "temporary" directors of the district and to elections
16 under Section 6 of that chapter. The revised law omits
17 Section 7 as executed because the terms of the
18 temporary directors have expired and the initial
19 elections for permanent directors have been held. The
20 omitted law reads:

21 Sec. 7. (a) On approval of the
22 creation of the district under Section 6 of
23 this Act, the temporary directors become
24 the permanent directors of the district and
25 shall serve on the board of directors for
26 terms as provided by Subsection (b) of this
27 section.

28 (b) The persons serving as directors
29 for Precincts 1 and 3 shall serve as
30 directors until the first regular meeting
31 of the board of directors in April following
32 the first regular directors' election. The
33 persons serving as directors for Precincts
34 2 and 4 and the director serving at large
35 shall serve until the first regular meeting
36 of the board of directors in April following
37 the second regular directors' election.

38 (3) Section 14, Chapter 65, Acts of the 69th
39 Legislature, Regular Session, 1985, requires each
40 director to take the constitutional oath of office.
41 The revised law omits that provision because Section
42 1, Article XVI, Texas Constitution, requires all
43 officers to take the oath (or affirmation) before
44 assuming office. The omitted law reads:

45 Sec. 14. Each director shall take the
46 constitutional oath of office required of
47 state officers.

48 (4) Section 15, Chapter 65, Acts of the 69th
49 Legislature, Regular Session, 1985, provides that a

1 director is entitled to certain fees of office. The
2 revised law omits the provision because it duplicates,
3 in substance, Section 36.060, Water Code. The omitted
4 law reads:

5 Sec. 15. Each director is entitled to
6 receive fees of office as provided by
7 Chapter 36, Water Code, for each day engaged
8 in the director's duties for the district.

9 [Sections 8845.066-8845.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Revised Law

12 Sec. 8845.101. GENERAL POWERS AND DUTIES. Except to the
13 extent of any conflict with this chapter or as specifically limited
14 by this chapter, the district may exercise the powers granted by,
15 and shall exercise the duties provided by, Chapter 36 and
16 Subchapters H and I, Chapter 49, Water Code, to carry out the
17 purpose of the district and this chapter. (Acts 69th Leg., R.S.,
18 Ch. 65, Sec. 31.)

19 Source Law

20 Sec. 31. Except to the extent of any conflict
21 with this Act or as specifically limited by this Act,
22 the district may exercise the powers granted and shall
23 exercise the duties under Chapter 36 and Subchapters H
24 and I, Chapter 49, Water Code, to carry out the purpose
25 of the district and this Act.

26 Revised Law

27 Sec. 8845.102. RULES. (a) The board may adopt rules
28 necessary to carry out the purpose and powers under this chapter and
29 may enforce those rules by injunction, mandatory injunction, or
30 other appropriate remedies in court.

31 (b) In addition to the rules adopted under Subsection (a),
32 the board may:

33 (1) adopt and enforce rules as provided by Chapter 36,
34 Water Code; and

35 (2) adopt rules necessary for the exercise of district
36 powers and duties under Subchapters H and I, Chapter 49, Water Code.

37 (Acts 69th Leg., R.S., Ch. 65, Sec. 30.)

1 by Subsection (a), Section 21.021, Property Code.

2 Revisor's Note

3 (1) Section 42(a), Chapter 65, Acts of the 69th
4 Legislature, Regular Session, 1985, provides that the
5 district "may exercise the power of eminent domain" to
6 acquire property "by condemnation." The revised law
7 omits "by condemnation" because, in context, the
8 meaning of that phrase is synonymous with exercising
9 the power of eminent domain.

10 (2) Section 42(c), Chapter 65, Acts of the 69th
11 Legislature, Regular Session, 1985, provides that, in
12 a condemnation proceeding brought by the district, the
13 district is not required to pay in advance or give bond
14 or other security in certain circumstances. The
15 revised law omits the provision because it duplicates
16 Section 36.105(d), Water Code. The omitted law reads:

17 (c) In a condemnation proceeding
18 brought by a district, the district is not
19 required to pay in advance or give bond or
20 other security for costs in the trial court,
21 to give bond for the issuance of a temporary
22 restraining order or a temporary
23 injunction, or to give bond for costs or
24 supersedeas on an appeal or writ of error.

25 (3) Section 42(d), Chapter 65, Acts of the 69th
26 Legislature, Regular Session, 1985, requires the
27 district to provide a comparable replacement if the
28 district relocates or alters certain property in
29 exercising the power of eminent domain. The revised
30 law omits the provision because it duplicates in
31 substance Section 36.105(e), Water Code. The omitted
32 law reads:

33 (d) In exercising the power of
34 eminent domain, if the district requires
35 relocating, raising, lowering, rerouting,
36 changing the grade, or altering the
37 construction of any railroad, highway,
38 pipeline, or electric transmission and
39 electric distribution, telegraph, or
40 telephone lines, conduits, poles, or
41 facilities, the district must bear the
42 actual cost of relocating, raising,
43 lowering, rerouting, changing the grade, or
44 altering the construction to provide

1 comparable replacement without enhancement
2 of facilities after deducting the net
3 salvage value derived for the old facility.

4 Revised Law

5 Sec. 8845.104. CONTROL, STORAGE, AND PRESERVATION OF STORM
6 WATER AND FLOODWATER. Subject to obtaining the permits required by
7 law, the district may control, store, and preserve the storm water
8 and floodwater in the district and the water of the rivers and
9 streams in the district for:

10 (1) irrigation of arid land;

11 (2) prevention of floods and flood damage in the
12 district; and

13 (3) domestic, agricultural, and industrial uses.

14 (Acts 69th Leg., R.S., Ch. 65, Sec. 36.)

15 Source Law

16 Sec. 36. Subject to obtaining the permits
17 required by law, the district may control, store, and
18 preserve the storm water and floodwater in the
19 district and the water of the rivers and streams in the
20 district for irrigation of arid land, prevention of
21 floods and flood damage in the district, and domestic,
22 agricultural, and industrial uses.

23 Revised Law

24 Sec. 8845.105. RECLAMATION. The district may:

25 (1) reclaim land in the district; and

26 (2) construct works, facilities, and improvements
27 necessary to accomplish that purpose. (Acts 69th Leg., R.S., Ch.
28 65, Sec. 37.)

29 Source Law

30 Sec. 37. The district may reclaim land within
31 the district and may construct necessary works,
32 facilities, and improvements to accomplish this
33 purpose.

34 Revised Law

35 Sec. 8845.106. SOIL CONSERVATION AND IMPROVEMENT. The
36 district may construct and maintain terraces or other structures on
37 land in the district and may engage in or promote land treatment
38 measures for soil conservation and improvement. (Acts 69th Leg.,
39 R.S., Ch. 65, Sec. 38.)

1 and improvements necessary to carry out the purpose,
2 powers, and plans of the district.

3 (b) The district shall construct and acquire
4 works, facilities, and improvements in the manner
5 provided by Subchapters H and I, Chapter 49, Water
6 Code.

7 Revised Law

8 Sec. 8845.110. INPUT WELLS. The district may drill, equip,
9 operate, and maintain input wells, pumps, and other facilities to
10 carry out its purpose and powers under this chapter. (Acts 69th
11 Leg., R.S., Ch. 65, Sec. 40.)

12 Source Law

13 Sec. 40. The district may drill, equip,
14 operate, and maintain input wells, pumps, and other
15 facilities to carry out its purpose and powers under
16 this Act.

17 Revised Law

18 Sec. 8845.111. STUDIES AND SURVEYS. (a) The board may have
19 a professional engineer conduct studies and surveys of the
20 groundwater and surface water supplies in the district and the
21 facilities available for use in the conservation, preservation,
22 protection, recharge, and prevention of waste and pollution of
23 those water resources.

24 (b) A professional engineer may determine the quantities of
25 groundwater and surface water available in the district. (Acts
26 69th Leg., R.S., Ch. 65, Sec. 33.)

27 Source Law

28 Sec. 33. The board may have professional
29 engineers make studies and surveys of the groundwater
30 and surface water supplies within the district and the
31 facilities available for use in the conservation,
32 preservation, protection, recharge, and prevention of
33 waste and pollution of those water resources. The
34 professional engineers also may determine the
35 quantities of both groundwater and surface water
36 available in the district.

37 Revised Law

38 Sec. 8845.112. RESEARCH; INFORMATION. The district may
39 engage in research projects and develop information to be used by
40 the district in preparing and implementing the district's plans and
41 in carrying out the district's powers and duties under this
42 chapter. (Acts 69th Leg., R.S., Ch. 65, Sec. 35.)

1 Revised Law

2 Sec. 8845.116. CERTAIN PERMIT DENIALS PROHIBITED. If the
3 district regulates production of groundwater by permit as
4 authorized by Chapter 36, Water Code, the board may not deny a
5 permit to drill a well to the owner of land or the owner's heirs,
6 assigns, and lessees on that land that complies with rules adopted
7 by the district. (Acts 69th Leg., R.S., Ch. 65, Sec. 32.)

8 Source Law

9 Sec. 32. If the district regulates production
10 of groundwater by permit as authorized by Chapter 36,
11 Water Code, the board may not deny a permit to drill a
12 well to the owner of land, his heirs, assigns, and
13 lessees on his land that complies with the rules
14 adopted by the district.

15 Revised Law

16 Sec. 8845.117. PROHIBITION: SUPPLY OF WATER. The district
17 may not contract to or take an action to supply groundwater or
18 surface water inside or outside the district. (Acts 69th Leg.,
19 R.S., Ch. 65, Sec. 44(a).)

20 Source Law

21 Sec. 44. (a) The district may not enter into
22 any contract or engage in any action to supply
23 underground or surface water inside or outside the
24 district.

25 Revisor's Note

26 Section 44(a), Chapter 65, Acts of the 69th
27 Legislature, Regular Session, 1985, refers to
28 "underground water." The revised law substitutes
29 "groundwater" for "underground water" because that is
30 the term used by Chapter 36, Water Code, and because
31 that is the more commonly used and modern term.

32 Revisor's Note
33 (End of Subchapter)

34 Section 25, Chapter 65, Acts of the 69th
35 Legislature, Regular Session, 1985, provides that the
36 board may enter into contracts as provided by Chapter
37 36, Water Code, and that contracts shall be executed in
38 the name of the district. The revised law omits that
39 provision because Section 36.067, Water Code, which

1 addresses contracts, applies to the district under
2 Section 8845.101 and on its own terms, and Section
3 36.067(a), Water Code, specifies that the district
4 shall enter into contracts in the name of the district.

5 The omitted law reads:

6 Sec. 25. The board may enter into
7 contracts as provided by Chapter 36, Water
8 Code, and those contracts shall be executed
9 by the board in the name of the district.

10 [Sections 8845.118-8845.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Revised Law

13 Sec. 8845.151. MAINTENANCE AND OPERATIONS TAX; ELECTION.

14 (a) The district may annually impose an ad valorem tax on property
15 in the district for use in maintaining district facilities and
16 paying district operating expenses.

17 (b) The district may not impose a maintenance and operations
18 tax until it is approved by a majority vote of the district voters
19 voting at an election held for that purpose.

20 (c) The directors shall publish notice of a maintenance and
21 operations tax election at least one time in a newspaper or
22 newspapers that have general circulation in the district. The
23 notice must be published before the 30th day preceding the date of
24 the election.

25 (d) The directors shall declare the result of a maintenance
26 and operations tax election. (Acts 69th Leg., R.S., Ch. 65, Secs.
27 6(c), (e) (part), 58(a), (b), (c) (part).)

28 Source Law

29 [Sec. 6]

30 (c) The temporary directors shall publish
31 notice of the election at least one time in a newspaper
32 or newspapers that have general circulation within the
33 boundaries of the proposed district. The notice must
34 be published before the 30th day preceding the date of
35 the election.

36 (e) . . . the . . . directors shall . . .
37 declare the result.

38 Sec. 58. (a) The district may annually levy and
39 collect a tax on property within the boundaries of the
40 district for use in maintaining facilities of the
41 district and for paying operating expenses of the

1 district.

2 (b) A maintenance and operating tax may not be
3 levied by the district until it is approved by a
4 majority vote of the individuals qualified to vote in
5 the area within the boundaries of the district voting
6 at an election called and held for that purpose.

7 (c) . . . The procedure for calling and holding
8 an election and for canvassing returns of an election
9 under this section is the same as for the creation
10 election under Section 6 of this Act.

11 Revisor's Note

12 (1) Section 6(c), Chapter 65, Acts of the 69th
13 Legislature, Regular Session, 1985, refers to the
14 "temporary" directors publishing notice of an
15 election, meaning an election to confirm the
16 district's creation, in a newspaper with general
17 circulation in the "proposed" district. The revised
18 law omits the quoted language as executed because the
19 creation of the district has been confirmed.

20 (2) Sections 6(b) and (e), Chapter 65, Acts of
21 the 69th Legislature, Regular Session, 1985, contain
22 election procedures that apply to an election to
23 confirm the district's creation. Those procedures
24 apply to a maintenance and operating tax election
25 under Section 58(c), Chapter 65, Acts of the 69th
26 Legislature, Regular Session, 1985 (revised as this
27 section), which provides that the procedures for
28 holding and canvassing the results of a maintenance
29 and operating tax election are the same as the
30 procedures for the election to confirm the district's
31 creation under Section 6. (See Revisor's Note (1) at
32 the end of Subchapter A, omitting Sections 6(a), (d),
33 (f), and (g) as executed.) To the extent Sections 6(b)
34 and (e) apply to an election to confirm the district's
35 creation, the provisions are omitted as executed. To
36 the extent those sections apply to a maintenance and
37 operating tax election, several of the provisions are
38 omitted because the applicable procedures under those
39 sections have been superseded by the Election Code or

1 duplicate procedures contained in the Election Code.

2 Section 6(b) provides that in the order calling
3 the election, the directors shall designate election
4 precincts and polling places. The provision
5 duplicates in substance Section 42.061, Election Code,
6 for the designation of precincts and Section 43.004,
7 Election Code, for the selection of polling places.
8 Sections 42.061 and 43.004, Election Code, apply to
9 the district under Section 1.002, Election Code.

10 Section 6(e) provides that immediately after the
11 election, the presiding judge of each polling place
12 shall deliver the returns of the election to the
13 directors to canvass the returns. The requirement
14 that the election returns be delivered "immediately"
15 is superseded by Section 66.053, Election Code, which
16 applies to district elections under Section 1.002,
17 Election Code. The requirement that the directors
18 canvass the election returns duplicates in substance
19 Section 67.002, Election Code, which applies to
20 district elections under Section 67.001, Election
21 Code. The omitted law reads:

22 (b) In the order calling the
23 election, the temporary directors shall
24 designate election precincts and polling
25 places for the election.

26 (e) Immediately after the election,
27 the presiding judge of each polling place
28 shall deliver the returns of the election to
29 the temporary directors, and the temporary
30 directors shall canvass the returns and
31

32 (3) Section 58(a), Chapter 65, Acts of the 69th
33 Legislature, Regular Session, 1985, refers to the
34 district's authority to "levy and collect" a "tax on
35 property." Throughout this chapter, the revised law
36 substitutes "impose" for "levy and collect" or "levy"
37 because "impose" is the term generally used in Title 1,
38 Tax Code, and includes the levying and collection of a

1 tax. The revised law also substitutes "ad valorem tax
2 on property" for "tax on property" because Section
3 1(b), Article VIII, Texas Constitution, requires that
4 all property that is taxed shall be taxed in proportion
5 to its value, and accordingly "ad valorem" tax is the
6 term most commonly used in Texas law to refer to a tax
7 on property.

8 (4) Section 58(b), Chapter 65, Acts of the 69th
9 Legislature, Regular Session, 1985, provides that a
10 maintenance and operating tax must be approved by a
11 majority vote of "the individuals qualified to vote in
12 the area within the boundaries of the district." The
13 revised law substitutes "district voters" for the
14 quoted language because Chapter 11, Election Code,
15 governs eligibility to vote in an election in this
16 state and allows only qualified voters who are
17 residents of the territory covered by the election to
18 vote in an election.

19 (5) Section 58(b), Chapter 65, Acts of the 69th
20 Legislature, Regular Session, 1985, refers to an
21 election "called and held." The revised law omits
22 references to "calling" an election because, under
23 Chapter 3, Election Code, all elections must be
24 ordered (called) before they may be held.

25 (6) Section 58(c), Chapter 65, Acts of the 69th
26 Legislature, Regular Session, 1985, provides that a
27 maintenance and operating tax election may be held at
28 the same time as the election to confirm the district's
29 creation. This provision is omitted as executed
30 because the creation of the district has been
31 confirmed. The omitted law reads:

32 (c) A maintenance and operating tax
33 election may be held at the same time and in
34 conjunction with the election to create the
35 district. . . .

1 Revised Law

2 Sec. 8845.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

3 The board shall hold a public hearing on the annual budget.

4 (b) Notice of the hearing must be published in a newspaper
5 or newspapers having general circulation in the district at least
6 10 days before the date of the hearing.

7 (c) Any district resident is entitled to be present at and
8 participate in the hearing.

9 (d) At the conclusion of the hearing, the board shall act on
10 the budget and may make changes in the proposed budget that in the
11 board's judgment the interests of the taxpayers demand. (Acts 69th
12 Leg., R.S., Ch. 65, Sec. 50.)

13 Source Law

14 Sec. 50. (a) The board shall hold a public
15 hearing on the annual budget.

16 (b) At least 10 days before the date set for the
17 hearing, notice of the hearing must be published in a
18 newspaper or newspapers that have general circulation
19 within the boundaries of the district.

20 (c) Any person residing within the boundaries of
21 the district is entitled to be present at and
22 participate in the hearing.

23 (d) At the conclusion of the hearing, the board
24 shall act on the budget and may make changes in the
25 proposed budget that in its judgment the interests of
26 the taxpayers demand.

27 Revised Law

28 Sec. 8845.153. INVESTMENT OF DISTRICT MONEY. (a) District
29 money may be invested by the board or its authorized representative
30 in direct or indirect obligations of the United States, the state,
31 or any political subdivision of the state.

32 (b) District money may be placed in certificates of deposit
33 of state or national banks or savings and loan associations in this
34 state, if that money is secured in the manner provided for the
35 security of county funds. (Acts 69th Leg., R.S., Ch. 65, Secs.
36 55(a), (b).)

37 Source Law

38 Sec. 55. (a) Funds of the district may be
39 invested and reinvested by the board or its authorized
40 representative in direct or indirect obligations of
41 the United States, the state, or any county, city,
42 school district, or other political subdivision of the
43 state.

1 (b) Funds of the district may be placed in
2 certificates of deposit of state or national banks, or
3 state or federal savings and loan associations, within
4 the state provided that the funds are secured in the
5 manner required for the security of the funds of
6 counties of the state.

7 Revisor's Note

8 (1) Sections 55(a) and (b), Chapter 65, Acts of
9 the 69th Legislature, Regular Session, 1985, refer to
10 the district's "funds." The revised law substitutes
11 "money" for "funds" because, in the context of
12 district funds, the meaning is the same and "money" is
13 the more commonly used term.

14 (2) Section 55(a), Chapter 65, Acts of the 69th
15 Legislature, Regular Session, 1985, refers to the
16 investment and reinvestment of district money. The
17 revised law omits the reference to "reinvestment"
18 because "reinvestment" in this context is included in
19 the meaning of "investment."

20 (3) Section 55(a), Chapter 65, Acts of the 69th
21 Legislature, Regular Session, 1985, refers to "any
22 county, city, school district, or other political
23 subdivision of the state." The revised law omits
24 "county," "city," and "school district" because those
25 terms are included in the meaning of "political
26 subdivision of the state."

27 (4) Section 55(c), Chapter 65, Acts of the 69th
28 Legislature, Regular Session, 1985, provides that the
29 board by resolution may provide for an authorized
30 representative to invest or reinvest district funds
31 and withdraw money from district accounts. The
32 revised law omits the provision because it duplicates
33 Section 36.156(b), Water Code. The omitted law reads:

34 (c) The board by resolution may
35 provide that an authorized representative
36 of the district may invest and reinvest the
37 funds of the authority and provide for money
38 to be withdrawn from the appropriate
39 accounts of the district for investments on
40 such terms as the board considers
41 advisable.

1 Revised Law

2 Sec. 8845.154. ANNUAL AUDIT. The board shall annually have
3 an audit made of the financial condition of the district. (Acts
4 69th Leg., R.S., Ch. 65, Sec. 47.)

5 Source Law

6 Sec. 47. Annually, the board shall have an audit
7 made of the financial condition of the district.

8 Revised Law

9 Sec. 8845.155. BORROWING MONEY. The district may borrow
10 money for any purpose authorized by this chapter or any combination
11 of those purposes. (Acts 69th Leg., R.S., Ch. 65, Sec. 57.)

12 Source Law

13 Sec. 57. The district may borrow money for any
14 purpose authorized under this Act or any combination
15 of those purposes.

16 Revised Law

17 Sec. 8845.156. PROHIBITION ON BONDS. The district may not
18 issue bonds or impose an ad valorem tax to secure the payment of
19 bonds. (Acts 69th Leg., R.S., Ch. 65, Sec. 44(b).)

20 Source Law

21 (b) The district may not issue bonds or levy a
22 property tax to secure the payment of bonds.

23 Revisor's Note

24 Section 44(b), Chapter 65, Acts of the 69th
25 Legislature, Regular Session, 1985, refers to the
26 district's authority to impose a "property tax." The
27 revised law substitutes "ad valorem tax" for "property
28 tax" for the reason stated in Revisor's Note (3) to
29 Section 8845.151.

30 Revised Law

31 Sec. 8845.157. RESTRICTION ON EXPENDITURES. Money may be
32 spent only for an expense included in the annual budget or an
33 amendment to the annual budget. (Acts 69th Leg., R.S., Ch. 65, Sec.
34 52.)

35 Source Law

36 Sec. 52. Money may not be spent for an expense
37 not included in the annual budget or an amendment to

1 it.

2 Revisor's Note
3 (End of Subchapter)

4 (1) Section 46, Chapter 65, Acts of the 69th
5 Legislature, Regular Session, 1985, requires the
6 district to operate on a fiscal year established by the
7 board and prohibits the district from changing the
8 fiscal year more than once in a 24-month period. The
9 revised law omits the provisions because they
10 duplicate Section 36.152(a) and part of Section
11 36.152(b), Water Code. The omitted law reads:

12 Sec. 46. (a) The district shall be
13 operated on the basis of a fiscal year
14 established by the board.

15 (b) The fiscal year may not be
16 changed more than once in a 24-month period.

17 (2) Section 49, Chapter 65, Acts of the 69th
18 Legislature, Regular Session, 1985, requires the
19 district to prepare and approve an annual budget. The
20 revised law omits the provision because it duplicates
21 in substance Sections 36.154(a) and (b), Water Code.
22 The omitted law reads:

23 Sec. 49. (a) The board shall prepare
24 and approve an annual budget.

25 (b) The budget shall contain a
26 complete financial statement, including a
27 statement of:

28 (1) the outstanding obligations
29 of the district;

30 (2) the amount of cash on hand
31 to the credit of the district;

32 (3) the amount of money
33 received by the district from all sources
34 during the previous year;

35 (4) the amount of money
36 available to the district from all sources
37 during the ensuing year;

38 (5) the amount of the balances
39 expected at the end of the year in which the
40 budget is being prepared;

41 (6) the estimated amount of
42 revenues and balances available to cover
43 the proposed budget; and

44 (7) the estimated maintenance
45 and operating tax rate that will be
46 required.

47 (3) Section 51, Chapter 65, Acts of the 69th
48 Legislature, Regular Session, 1985, provides that the
49 annual budget may be amended on the board's approval.

1 The revised law omits the provision because it
2 duplicates in substance Section 36.154(c), Water Code.

3 The omitted law reads:

4 Sec. 51. After the annual budget is
5 adopted, it may be amended on the board's
6 approval.

7 (4) Section 54(a), Chapter 65, Acts of the 69th
8 Legislature, Regular Session, 1985, requires the board
9 to name one or more banks to serve as depository for
10 district funds. The revised law omits that provision
11 because it duplicates Section 36.155(a), Water Code.

12 The omitted law reads:

13 Sec. 54. (a) The board shall name
14 one or more banks to serve as depository for
15 district funds.

16 (5) Section 54(b), Chapter 65, Acts of the 69th
17 Legislature, Regular Session, 1985, requires the board
18 to deposit district money with a depository bank and
19 directs that funds shall remain on deposit. The
20 revised law omits the provision because it duplicates
21 in substance Section 36.155(b), Water Code. Although
22 Section 36.155(b), Water Code, provides that the
23 requirement of depositing district funds with the
24 depository bank does not apply to funds transmitted to
25 a bank for payment of bonds, that exception does not
26 apply to the district because the district does not
27 have the authority to issue bonds. The omitted law
28 reads:

29 (b) District funds shall be deposited
30 as received with the depository bank and
31 shall remain on deposit. This subsection
32 does not limit the power of the board to
33 place a portion of the district's funds on
34 time deposit or to purchase certificates of
35 deposit.

36 (6) Section 54(c), Chapter 65, Acts of the 69th
37 Legislature, Regular Session, 1985, requires a bank to
38 provide a specified amount of collateral to ensure the
39 security of district funds deposited at the bank. The

1 revised law omits the provision as superseded by
2 Subchapter B, Chapter 2257, Government Code (enacted
3 in 1989 as Article 2529d, Vernon's Texas Civil
4 Statutes), specifically by Sections 2257.021 and
5 2257.022 of that subchapter, which establish the
6 amount of collateral required for a deposit of public
7 funds. Subchapter B applies to the security for
8 district funds under Sections 2257.002 and 2257.004,
9 Government Code. The omitted law reads:

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

19 (7) Section 59, Chapter 65, Acts of the 69th
20 Legislature, Regular Session, 1985, provides that the
21 district may impose a tax for the entire year in which
22 it is created and requires the board, if it imposes a
23 tax, to impose the tax on all taxable property in the
24 district. The revised law omits the provisions
25 because they duplicate Sections 36.202(a) and (c),
26 Water Code. The omitted law reads:

27 Sec. 59. (a) The board may levy
28 taxes for the entire year in which the
29 district is created.

30 (b) The board shall levy taxes on all
31 property within the boundaries of the
32 district subject to district taxation.

33 (8) Section 60, Chapter 65, Acts of the 69th
34 Legislature, Regular Session, 1985, requires the board
35 to consider income from sources other than taxation in
36 setting the tax rate and, after determining the rate,
37 to certify the imposition of the tax to the tax
38 assessor-collector. The revised law omits the
39 provisions because they duplicate Section 36.203,
40 Water Code. The omitted law reads:

41 Sec. 60. In setting the tax rate, the

1 board shall take into consideration the
2 income of the district from sources other
3 than taxation. On determination of the
4 amount of tax required to be levied, the
5 board shall make the levy and certify it to
6 the tax assessor-collector.

7 (9) Section 61, Chapter 65, Acts of the 69th
8 Legislature, Regular Session, 1985, provides that the
9 Tax Code governs the appraisal, assessment, and
10 collection of district taxes and that the board may
11 provide for the appointment of a tax
12 assessor-collector or may contract for those services
13 as governed by the Tax Code. The revised law omits the
14 provisions because they duplicate Section 36.204,
15 Water Code. The omitted law reads:

16 Sec. 61. (a) The Tax Code governs
17 the appraisal, assessment, and collection
18 of district taxes.

19 (b) The board may provide for the
20 appointment of a tax assessor-collector for
21 the district or may contract for the
22 assessment and collection of taxes as
23 provided by the Tax Code.

24 Revisor's Note
25 (End of Chapter)

26 (1) Section 27, Chapter 65, Acts of the 69th
27 Legislature, Regular Session, 1985, 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 Section
32 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 14, Chapter 113, Acts of the 81st
41 Legislature, Regular Session, 2009, recites
42 legislative findings regarding procedural
43 requirements for legislation affecting the district
44 under the constitution and other laws and rules,

1 including the provision of proper legal notice and the
2 filing of recommendations. The revised law omits
3 those provisions as executed. The omitted law reads:

4 Sec. 14. (a) The legal notice of the
5 intention to introduce this Act, setting
6 forth the general substance of this Act, has
7 been published as provided by law, and the
8 notice and a copy of this Act have been
9 furnished to all persons, agencies,
10 officials, or entities to which they are
11 required to be furnished under Section 59,
12 Article XVI, Texas Constitution, and
13 Chapter 313, Government Code.

14 (b) The governor, one of the required
15 recipients, has submitted the notice and
16 Act to the Texas Commission on
17 Environmental Quality.

18 (c) The Texas Commission on
19 Environmental Quality has filed its
20 recommendations relating to this Act with
21 the governor, the lieutenant governor, and
22 the speaker of the house of representatives
23 within the required time.

24 (d) All requirements of the
25 constitution and laws of this state and the
26 rules and procedures of the legislature
27 with respect to the notice, introduction,
28 and passage of this Act are fulfilled and
29 accomplished.

30 CHAPTER 8851. MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

31 SUBCHAPTER A. GENERAL PROVISIONS

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37 SUBCHAPTER B. BOARD OF DIRECTORS

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44 [Sections 8851.057-8851.100 reserved for expansion]

45 SUBCHAPTER C. POWERS AND DUTIES

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6 CHAPTER 8851. MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 8851.001. DEFINITIONS. In this chapter:

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

11 (2) "Director" means a board member.

12 (3) "District" means the Middle Pecos Groundwater
13 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;
14 Acts 77th Leg., R.S., Ch. 1299, Sec. 2; New.)

15 Source Law

16 [Acts 76th Leg., R.S., Ch. 1331]
17 Sec. 3. In this Act, "district" means a
18 groundwater conservation district created under
19 Section 1 of this Act.

20 [Acts 77th Leg., R.S., Ch. 1299]
21 Sec. 2. In this Act, "district" means the Middle
22 Pecos Groundwater Conservation District.

23 Revisor's Note

24 (1) The Middle Pecos Groundwater Conservation
25 District was created by Chapter 1331, Acts of the 76th
26 Legislature, Regular Session, 1999. That district is
27 one of 13 districts created by that act, with the
28 creation of each district subject to whether the
29 succeeding legislature enacted a law to ratify its
30 creation. See Sections 1 and 15, Chapter 1331. The
31 77th Legislature enacted Chapter 1299, Acts of the
32 77th Legislature, Regular Session, 2001, which
33 ratified the creation of the Middle Pecos Groundwater
34 Conservation District and set forth nonamendatory
35 substantive provisions governing the district. Both
36 legislative enactments are source law for this
37 chapter. Although Section 3, Chapter 1331, defines

1 "district" to mean all of the districts created under
2 Section 1 of that act, the revised law defines the term
3 to mean the Middle Pecos Groundwater Conservation
4 District because this chapter applies only to that
5 district. Similar changes are made throughout this
6 chapter.

7 (2) The definitions of "board" and "director"
8 are added to the revised law for drafting convenience
9 and to eliminate frequent, unnecessary repetition of
10 the substance of the definitions.

11 Revised Law

12 Sec. 8851.002. NATURE OF DISTRICT. The district is a
13 groundwater conservation district created under and essential to
14 accomplish the purposes of Section 59, Article XVI, Texas
15 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
16 (c).)

17 Source Law

18 Sec. 1. (a) The following groundwater
19 conservation districts are created:

20 . . .
21 (6) Middle Pecos Groundwater Conservation
22 District;
23 . . .

24 (c) Each district created under this section is
25 created under and is essential to accomplish the
26 purposes of Section 59, Article XVI, Texas
27 Constitution.

28 Revisor's Note

29 Section 1(b), Chapter 1331, Acts of the 76th
30 Legislature, Regular Session, 1999, provides that a
31 district created under Section 1 of that act is a
32 governmental agency and a body politic and corporate.
33 The revised law omits that provision because it
34 duplicates a portion of Section 59(b), Article XVI,
35 Texas Constitution, which provides that a conservation
36 and reclamation district is a governmental agency and
37 a body politic and corporate. The omitted law reads:

38 (b) A district created under this
39 section is a governmental agency and a body

1 convenience, the revised law adds references to the
2 authority to change the district's territory under
3 Subchapter J, Chapter 36, Water Code, applicable to
4 groundwater conservation districts, and to the general
5 authority of the legislature to enact other laws to
6 change the district's territory.

7 Revisor's Note
8 (End of Subchapter)

9 (1) Section 10, Chapter 1331, Acts of the 76th
10 Legislature, Regular Session, 1999, provides
11 procedures for holding elections to confirm the
12 creation of districts created under that act and to
13 elect the initial boards of those districts. Section
14 7, Chapter 1299, Acts of the 77th Legislature, Regular
15 Session, 2001, contains similar provisions relating to
16 the Middle Pecos Groundwater Conservation District.
17 The revised law omits those provisions as executed
18 because the creation of the district has been
19 confirmed and its initial board has been elected. The
20 omitted law reads:

21 [Acts 76th Leg., R.S., Ch. 1331]

22 Sec. 10. (a) Not earlier than
23 September 1, 2001, the temporary board of
24 directors shall call and hold an election to
25 confirm the district and to elect the
26 initial directors.

27 (b) At the confirmation and initial
28 directors' election, the temporary board of
29 directors shall have placed on the ballot
30 the names of the candidates for each of the
31 positions on the board. To qualify as a
32 candidate for a position, a person must be a
33 resident of the district.

34 (c) If the district is confirmed at
35 the election, the temporary board of
36 directors, at the time the vote is
37 canvassed, shall:

38 (1) declare the qualified
39 person who receives the most votes for each
40 position to be elected as the initial
41 director for that position; and

42 (2) include the results of the
43 initial directors' election in the
44 district's election report to the Texas
45 Natural Resource Conservation Commission.

46 (d) The initial directors shall draw
47 lots to determine their terms so that:

48 (1) one-half or a simple
49 majority of the directors serve four-year

1 terms that expire on the fourth anniversary of
2 of the date the initial directors were
3 elected; and

4 (2) the remaining directors
5 serve two-year terms that expire on the
6 second anniversary of the date the initial
7 directors were elected.

8 (e) Subsection (a), Section 41.001,
9 Election Code, applies to a confirmation
10 and initial directors' election held as
11 provided by this section.

12 (f) Except as provided by this
13 section, a confirmation and initial
14 directors' election must be conducted as
15 provided by Subsections (b)-(h), Section
16 36.017, Water Code, and the Election Code.

17 (g) If the establishment of the
18 district has not been confirmed at an
19 election held under this section before the
20 fourth anniversary of the effective date of
21 this Act, the district is dissolved on that
22 date, except that any debts incurred shall
23 be paid and the organization of the district
24 shall be maintained until all debts are
25 paid.

26 [Acts 77th Leg., R.S., Ch. 1299]

27 Sec. 7. (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 qualified to be a candidate under Sections 5
39 and 6 may file for an initial director's
40 position.

41 (c) Section 41.001(a), Election
42 Code, does not apply to a confirmation and
43 initial directors' election held as
44 provided by this section.

45 (d) Except as provided by this
46 section, a confirmation and initial
47 directors' election must be conducted as
48 provided by Sections 36.017(b)-(h), Water
49 Code, and the Election Code.

50 (e) The elected initial directors
51 shall draw lots to determine their terms.
52 One director from each county commissioners
53 precinct and the director from the district
54 at large serve terms that expire on the date
55 of the first election held under Section 8
56 of this Act. The remaining directors serve
57 terms that expire on the date of the second
58 election held under Section 8 of this Act.

59 (f) If the majority of the votes cast
60 at an election held under this section is
61 against the confirmation of the district,
62 the temporary directors may call another
63 election under this section not later than
64 August 31, 2003.

65 (2) Section 14, Chapter 1331, Acts of the 76th
66 Legislature, Regular Session, 1999, provides that,

1 except as otherwise provided by that act, that act
2 prevails over a conflicting provision of Chapter 36,
3 Water Code. Section 4(a), Chapter 1299, Acts of the
4 77th Legislature, Regular Session, 2001, provides that
5 that act prevails over general law, including Chapter
6 1331, Acts of the 76th Legislature, Regular Session,
7 1999, in case of a conflict or inconsistency.

8 The revised law omits Section 14, Chapter 1331,
9 and the provision in Section 4(a), Chapter 1299,
10 pertaining to conflicts with general law because they
11 duplicate, in substance, Section 311.026, Government
12 Code (Code Construction Act), and part of Section
13 36.052(a), Water Code, which provides that a "special
14 law governing a specific district" prevails over
15 Chapter 36. Throughout this chapter, the revised law
16 omits law that duplicates law contained in Chapter 36,
17 which applies to the district under Section 8851.101
18 of this chapter and Section 36.001(1), Water Code.

19 The revised law also omits the provision in
20 Section 4(a), Chapter 1299, pertaining to conflicts
21 with Chapter 1331. As noted in Revisor's Note (1) to
22 Section 8851.001 of this chapter, Chapters 1331 and
23 1299 are source law for this chapter. In accordance
24 with Section 4(a), Chapter 1299, the provisions of
25 Chapter 1331 that conflict with Chapter 1299 are
26 omitted from the revised law. Accordingly, the
27 provision in Section 4(a), Chapter 1299, pertaining to
28 conflicts with Chapter 1331 no longer serves any
29 purpose.

30 The omitted law reads:

31 [Acts 76th Leg., R.S., Ch. 1331]
32 Sec. 14. Except as otherwise
33 provided by this Act, if there is a conflict
34 between this Act and Chapter 36, Water Code,
35 this Act controls.

36 [Acts 77th Leg., R.S., Ch. 1299]
37 Sec. 4. (a) . . . This Act prevails

1 over any provision of general law that is in
2 conflict or inconsistent with this Act,
3 including any provision of Chapter 1331,
4 Acts of the 76th Legislature, Regular
5 Session, 1999 (Senate Bill No. 1911).

6 (3) Section 4(b), Chapter 1299, Acts of the 77th
7 Legislature, Regular Session, 2001, provides that
8 certain provisions of the Water Code prevail over a
9 conflicting or inconsistent provision of the act. The
10 revised law omits Section 4(b) because it
11 substantially duplicates Section 36.052(b), Water
12 Code, which provides that the provisions of the Water
13 Code referenced in Section 4(b), in addition to
14 Section 36.107, Water Code, prevail over a conflicting
15 or inconsistent provision of a special law that
16 governs a specific district. Although Section 4(b)
17 does not reference Section 36.107, Water Code, that
18 section of Chapter 36 is not in conflict or
19 inconsistent with any provision of this chapter. The
20 omitted law reads:

21 (b) Notwithstanding Subsection (a)
22 of this section, the following provisions
23 prevail over a conflicting or inconsistent
24 provision of this Act:

- 25 (1) Sections 36.1071-36.108,
26 Water Code;
27 (2) Sections 36.159-36.161,
28 Water Code; and
29 (3) Subchapter I, Chapter 36,
30 Water Code.

31 [Sections 8851.005-8851.050 reserved for expansion]

32 SUBCHAPTER B. BOARD OF DIRECTORS

33 Revised Law

34 Sec. 8851.051. COMPOSITION OF BOARD; TERMS. (a) The
35 district is governed by a board of 11 directors.

36 (b) Directors serve staggered four-year terms. (Acts 77th
37 Leg., R.S., Ch. 1299, Secs. 5(a), (d).)

38 Source Law

39 Sec. 5. (a) The district is governed by a board
40 of 11 directors.

41 (d) Permanent directors serve staggered
42 four-year terms.

1 Revisor's Note

2 (1) Section 5(d), Chapter 1299, Acts of the 77th
3 Legislature, Regular Session, 2001, refers to
4 "[p]ermanent" directors. Section 5 refers to
5 "temporary," "initial," and "permanent" directors to
6 distinguish between the original "temporary"
7 directors, the "initial" directors who immediately
8 succeeded the "temporary" directors after the first
9 election of directors, and subsequently serving
10 "permanent" directors. Because the revised law omits
11 provisions regarding "temporary" and "initial"
12 directors as executed (see the revisor's notes at the
13 end of this subchapter), it is no longer necessary to
14 distinguish between "temporary," "initial," and
15 "permanent" directors. Accordingly, the revised law
16 also omits "permanent."

17 (2) Section 5(e), Chapter 1299, Acts of the 77th
18 Legislature, Regular Session, 2001, provides that a
19 director must qualify to serve in the manner provided
20 by Section 36.055, Water Code. The revised law omits
21 that provision because Section 36.055, Water Code,
22 applies to the district under Section 8851.101 of this
23 chapter and Section 36.001(1), Water Code. The
24 omitted law reads:

25 (e) Each director must qualify to
26 serve as director in the manner provided by
27 Section 36.055, Water Code.

28 (3) Section 5(f), Chapter 1299, Acts of the 77th
29 Legislature, Regular Session, 2001, provides that a
30 director serves until a successor has qualified. The
31 revised law omits that provision because it duplicates
32 Section 17, Article XVI, Texas Constitution, which
33 provides that an officer in this state continues to
34 perform the officer's official duties until a
35 successor has qualified. The omitted law reads:

1 (f) A director serves until the
2 director's successor has qualified.

3 Revised Law

4 Sec. 8851.052. ELECTION OF DIRECTORS. (a) Directors are
5 elected according to the method provided by this section.

6 (b) One director is elected by the voters of the entire
7 district. Two directors are elected from each county commissioners
8 precinct by the voters of that precinct. One director is elected
9 from Iraan by the voters of that municipality. One director is
10 elected from Fort Stockton by the voters of that municipality.

11 (c) A person shall indicate on the application for a place
12 on the ballot:

13 (1) the precinct or municipality that the person seeks
14 to represent; or

15 (2) that the person seeks to represent the district at
16 large.

17 (d) At the first election after the county commissioners
18 precincts are redrawn under Section 18, Article V, Texas
19 Constitution, eight new directors are elected to represent the
20 precincts. The directors shall draw lots to determine which four
21 directors serve two-year terms and which four directors serve
22 four-year terms. (Acts 77th Leg., R.S., Ch. 1299, Secs. 6(a), (b),
23 (d), (e).)

24 Source Law

25 Sec. 6. (a) The directors of the district
26 shall be elected according to the method provided by
27 this section.

28 (b) One director shall be elected by the
29 qualified voters of the entire district, two directors
30 shall be elected from each county commissioners
31 precinct by the qualified voters of that precinct, one
32 director shall be elected from the city of Iraan by the
33 qualified voters of that city, and one director shall
34 be elected from the city of Fort Stockton by the
35 qualified voters of that city.

36 (d) A person shall indicate on the application
37 for a place on the ballot:

38 (1) the precinct or city that the person
39 seeks to represent; or

40 (2) that the person seeks to represent the
41 district at large.

42 (e) At the first election after the county
43 commissioners precincts are redrawn under Section 18,
44 Article V, Texas Constitution, eight new directors
45 shall be elected to represent the precincts. The

1 directors elected shall draw lots to determine which
2 four directors serve two-year terms and which four
3 directors serve four-year terms.

4 Revisor's Note

5 (1) Section 6(b), Chapter 1299, Acts of the 77th
6 Legislature, Regular Session, 2001, refers to an
7 election by the "qualified" voters of the district, of
8 each precinct, and of the cities of Iraan and Fort
9 Stockton. The revised law omits "qualified" as
10 unnecessary in this context because Chapter 11,
11 Election Code, governs eligibility to vote in an
12 election in this state and allows only "qualified"
13 voters who are residents of the territory covered by
14 the election to vote in an election.

15 (2) Sections 6(b) and (d), Chapter 1299, Acts of
16 the 77th Legislature, Regular Session, 2001, refer to
17 a "city." Throughout this chapter, the revised law
18 substitutes "municipality" for "city" because that is
19 the term used in the Local Government Code.

20 Revised Law

21 Sec. 8851.053. ELECTION DATE. On the uniform election date
22 in May of each even-numbered year, the appropriate number of
23 directors shall be elected. (Acts 77th Leg., R.S., Ch. 1299, Sec. 8
24 (part).)

25 Source Law

26 Sec. 8. [On the first Saturday in May of the
27 first even-numbered year after the year in which the
28 district is authorized to be created at a confirmation
29 election and] on the first Saturday in May of each
30 subsequent second year, an election shall be held in
31 the district to elect the appropriate number of
32 directors.

33 Revisor's Note

34 (1) Section 8, Chapter 1299, Acts of the 77th
35 Legislature, Regular Session, 2001, prescribes the
36 election date for the first directors' election
37 following the confirmation election. Because the
38 election of the first permanent directors has been
39 held, the revised law omits that provision as

1 executed. The omitted law reads:

2 Sec. 8. On the first Saturday in May
3 of the first even-numbered year after the
4 year in which the district is authorized to
5 be created at a confirmation election and
6 . . . [an election shall be held in the
7 district to elect the appropriate number of
8 directors].

9 (2) Section 8, Chapter 1299, Acts of the 77th
10 Legislature, Regular Session, 2001, requires board
11 elections to be held on the "first Saturday in May of
12 each subsequent second year" following the first
13 election of permanent directors. When Chapter 1299
14 was enacted, Section 41.001, Election Code, also
15 provided for a uniform election date of the first
16 Saturday in May for all political subdivisions,
17 indicating that the legislature intended the
18 district's election to coincide with that uniform
19 date. Chapter 1315, Acts of the 78th Legislature,
20 Regular Session, 2003, amended Section 41.001,
21 Election Code, to change the uniform election date in
22 May to the third Saturday in May. Chapter 1, Acts of
23 the 78th Legislature, 3rd Called Session, 2003,
24 amended Section 41.001 to change the uniform election
25 date in May back to the first Saturday in May. Chapter
26 471, Acts of the 79th Legislature, Regular Session,
27 2005, amended Section 41.001 to change the uniform
28 election date in May to the second Saturday in May.
29 The revised law substitutes "uniform election date in
30 May" for "first Saturday in May" to reflect those
31 changes and to preserve the legislative intent that
32 the election be held on the uniform election date in
33 May.

34 The revised law also substitutes "each
35 even-numbered year" for "each subsequent second year"
36 because the first election of permanent directors was
37 held in an even-numbered year. As a result, subsequent

1 directors' elections will also be held in
2 even-numbered years.

3 Revised Law

4 Sec. 8851.054. QUALIFICATIONS FOR OFFICE. (a) To be
5 qualified to be a candidate for or to serve as director at large, a
6 person must be a registered voter in the district.

7 (b) To be qualified to be a candidate for or to serve as
8 director from a county commissioners precinct, a person must be a
9 registered voter of that precinct.

10 (c) To be qualified to be a candidate for or to serve as
11 director from a municipality, a person must be a registered voter of
12 that municipality. (Acts 77th Leg., R.S., Ch. 1299, Sec. 6(c).)

13 Source Law

14 (c) To be qualified to be a candidate for or to
15 serve as a director at large, a person must be a
16 registered voter in the district. To be a candidate for
17 or to serve as director from a county commissioners
18 precinct or a city, a person must be a registered voter
19 of that precinct or city, as applicable.

20 Revised Law

21 Sec. 8851.055. BOARD VACANCY. (a) If there is a vacancy on
22 the board, the remaining directors shall appoint a director to
23 serve the remainder of the term.

24 (b) If at any time there are fewer than three qualified
25 directors, the Pecos County Commissioners Court shall appoint the
26 necessary number of persons to fill all the vacancies on the board.
27 (Acts 77th Leg., R.S., Ch. 1299, Sec. 5(g).)

28 Source Law

29 (g) If there is a vacancy on the board, the
30 remaining directors shall appoint a director to serve
31 the remainder of the term. If at any time there are
32 fewer than three qualified directors, the Pecos County
33 Commissioners Court shall appoint the necessary number
34 of persons to fill all the vacancies on the board.

35 Revised Law

36 Sec. 8851.056. COMPENSATION; EXPENSES. A director may not
37 receive a salary or other compensation for service as a director but
38 may be reimbursed for actual expenses of attending meetings at the
39 rate in effect for employees of Pecos County. (Acts 77th Leg.,

1 R.S., Ch. 1299, Sec. 5(h).)

2 Source Law

3 (h) A director may not receive a salary or other
4 compensation for service as a director but may be
5 reimbursed for actual expenses of attending meetings
6 at the rate in effect for employees of Pecos County.

7 Revisor's Note
8 (End of Subchapter)

9 (1) Sections 5 and 12, Chapter 1331, Acts of the
10 76th Legislature, Regular Session, 1999, govern the
11 powers of the temporary directors of a district
12 created under that act. The revised law omits those
13 provisions as executed. The omitted law reads:

14 Sec. 5. (a) Except as provided by
15 Subsections (c) and (d) of this section or
16 otherwise by this Act, the temporary
17 directors of a district have the same
18 permitting and general management powers as
19 those granted to initial and permanent
20 directors under Chapter 36, Water Code.

21 (b) The temporary directors or their
22 designees have the authority to enter any
23 public or private property located within
24 the district to inspect a water well as
25 provided by Section 49.221, Water Code.

26 (c) The temporary directors do not
27 have the authority granted by the following
28 provisions of Chapter 36, Water Code:

29 (1) Sections 36.017, 36.019,
30 36.020, and 36.059, relating to elections;

31 (2) Sections 36.105, 36.1071,
32 36.1072, 36.1073, and 36.108, relating to
33 eminent domain and management plans;

34 (3) Sections 36.171-36.181,
35 relating to bonds and notes;

36 (4) Sections 36.201-36.204,
37 relating to taxes; and

38 (5) Sections 36.321-36.359,
39 relating to annexation and consolidation.

40 (d) The temporary directors may
41 regulate the transfer of groundwater out of
42 the district as provided by Section 36.122,
43 Water Code, but may not prohibit the
44 transfer of groundwater out of the
45 district.

46 Sec. 12. Prior to September 1, 2001,
47 the temporary directors of a district shall
48 not hold an election for the imposition of a
49 tax.

50 (2) Section 7, Chapter 1331, Acts of the 76th
51 Legislature, Regular Session, 1999, relates to the
52 election of initial directors of a district created
53 under that act. The revised law omits that provision

1 as executed. The omitted law reads:

2 Sec. 7. The initial directors may not
3 be elected until after September 1, 2001.

4 (3) Sections 8 and 9, Chapter 1331, Acts of the
5 76th Legislature, Regular Session, 1999, provide for
6 the appointment of temporary directors of a district
7 created under that act and require the temporary
8 directors to hold an organizational meeting of the
9 district. The revised law omits those provisions as
10 executed. The omitted law reads:

11 Sec. 8. (a) Except as provided by
12 Subsections (b) and (c) of this section, the
13 commissioners court of a county containing
14 territory included within the district
15 shall appoint temporary directors in
16 accordance with the provisions of Section
17 36.016, Water Code, relating to the
18 appointment of temporary directors by
19 county commissioners courts.

20 (b) For districts composed of more
21 than one county, the county commissioners
22 court of each county with territory in the
23 district shall appoint an equal number of
24 temporary directors, the total number of
25 temporary directors appointed to be
26 determined by the county commissioners
27 courts except that the total number of
28 directors may not be fewer than five or more
29 than 11.

30 (c) The 90-day limit for the
31 appointment of temporary directors under
32 Section 36.016, Water Code, does not apply
33 to the appointment of temporary directors
34 under this Act.

35 Sec. 9. (a) As soon as practicable
36 after the temporary directors are appointed
37 as provided by this Act, the temporary
38 directors shall hold the organizational
39 meeting of the district and take office at
40 that time.

41 (b) The temporary directors shall
42 hold the meeting at a location within the
43 district to which a majority of the
44 temporary directors agree.

45 (4) Section 11, Chapter 1331, Acts of the 76th
46 Legislature, Regular Session, 1999, provides for the
47 election of permanent directors of a district created
48 under that act. The revised law omits that section
49 because, as that section relates to the Middle Pecos
50 Groundwater Conservation District, it is superseded by
51 Section 8, Chapter 1299, Acts of the 77th Legislature,

1 Regular Session, 2001, which provides for the election
2 of the district's directors. See Section 8851.053 of
3 this chapter and the revisor's notes to that section.
4 Section 4, Chapter 1299, which is omitted in pertinent
5 part as described by Revisor's Note (2) at the end of
6 Subchapter A of this chapter, provides that the act
7 prevails over Chapter 1331 in case of a conflict or
8 inconsistency. The omitted law reads:

9 Sec. 11. Beginning in the second year
10 after the year in which the district has
11 held a confirmation election, an election
12 shall be held in the district on the first
13 Saturday in the month in which the initial
14 directors were elected under Section 10 of
15 this Act and every two years after that date
16 to elect the appropriate number of
17 directors to the board.

18 (5) Sections 5(b) and (c), Chapter 1299, Acts of
19 the 77th Legislature, Regular Session, 2001, provide
20 for the terms of office of temporary and initial
21 directors of the district. The revised law omits those
22 provisions as executed because the terms of the
23 temporary and initial directors have expired. The
24 omitted law reads:

25 (b) Temporary directors serve until
26 initial directors are elected under Section
27 7 of this Act.

28 (c) Initial directors serve until
29 permanent directors are elected under
30 Section 8 of this Act.

31 [Sections 8851.057-8851.100 reserved for expansion]

32 SUBCHAPTER C. POWERS AND DUTIES

33 Revised Law

34 Sec. 8851.101. GROUNDWATER CONSERVATION DISTRICT POWERS
35 AND DUTIES. The district has the rights, powers, privileges,
36 functions, and duties provided by the general law of this state,
37 including Chapter 36, Water Code, applicable to groundwater
38 conservation districts created under Section 59, Article XVI, Texas
39 Constitution. (Acts 77th Leg., R.S., Ch. 1299, Sec. 4(a) (part).)

40 Source Law

41 Sec. 4. (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 4(a), Chapter 1299, Acts of the 77th
8 Legislature, Regular Session, 2001, refers to the
9 "rights, powers, privileges, [and] authority" of the
10 district. The revised law omits the reference to
11 "authority" because, in context, "authority" is
12 included in the meaning of "rights, powers, [and]
13 privileges."

14 Revised Law

15 Sec. 8851.102. POWERS AND DUTIES NOT SUBJECT TO STATE
16 SUPERVISION. The rights, powers, privileges, functions, and duties
17 of the district are not subject to the continuing right of
18 supervision of the state through the Texas Commission on
19 Environmental Quality. (Acts 77th Leg., R.S., Ch. 1299, Sec.
20 4(d).)

21 Source Law

22 (d) The rights, powers, privileges, authority,
23 functions, and duties of the district are not subject
24 to the continuing right of supervision of the state
25 through the Texas Natural Resource Conservation
26 Commission.

27 Revisor's Note

28 (1) Section 4(d), Chapter 1299, Acts of the 77th
29 Legislature, Regular Session, 2001, refers to the
30 "rights, powers, privileges, [and] authority" of the
31 district. The revised law omits the reference to
32 "authority" for the reason stated in the Revisor's Note
33 to Section 8851.101.

34 (2) Section 4(d), Chapter 1299, Acts of the 77th
35 Legislature, Regular Session, 2001, refers to the
36 "Texas Natural Resource Conservation Commission." The
37 name of that commission was changed to the Texas
38 Commission on Environmental Quality by Section 18.01,
39 Chapter 965, Acts of the 77th Legislature, Regular

1 Session, 2001. The revised law is drafted
2 accordingly.

3 Revised Law

4 Sec. 8851.103. LIMITATION ON RULEMAKING POWER NOT
5 APPLICABLE. Section 36.121, Water Code, does not apply to the
6 district. (Acts 77th Leg., R.S., Ch. 1299, Sec. 4(c).)

7 Source Law

8 (c) Section 36.121, Water Code, does not apply
9 to the district.

10 Revised Law

11 Sec. 8851.104. GROUNDWATER FOR USE OUTSIDE DISTRICT. (a)
12 The district may not impose a rule on the production of groundwater
13 for use outside the district that is in addition to the rules the
14 district imposes on the production of groundwater for use inside
15 the district.

16 (b) In addition to other fees assessed by the district, the
17 district may assess a fee on groundwater transferred out of the
18 district in an amount not to exceed 10 percent of the amount of the
19 fee assessed for the production of water for use in the district.
20 (Acts 77th Leg., R.S., Ch. 1299, Secs. 4(e), (f).)

21 Source Law

22 (e) In addition to other fees assessed by the
23 district, the district may assess an additional fee on
24 groundwater transferred out of the district not to
25 exceed 10 percent of the amount of the fee assessed for
26 the production of water for use within the district.

27 (f) The district may not impose any additional
28 rules or regulations on the production of groundwater
29 for use outside of the district than imposed upon
30 production for in-district use.

31 Revisor's Note

32 Section 4(f), Chapter 1299, Acts of the 77th
33 Legislature, Regular Session, 2001, refers to district
34 "rules or regulations." The revised law omits
35 "regulations" because under Section 311.005(5),
36 Government Code (Code Construction Act), a rule is
37 defined to include a regulation.

1 Legislature, Regular Session, 1999, provides that an
2 election to confirm the creation of a district under
3 that act and to elect initial directors may not be held
4 unless action is taken by the 77th Legislature,
5 Regular Session, 2001, to ratify the creation of the
6 district and provides for the dissolution of a
7 district created by that act whose creation is not
8 ratified. The revised law omits that provision as
9 expired as it relates to the Middle Pecos Groundwater
10 Conservation District because the creation of the
11 district was ratified by Section 1, Chapter 1299, Acts
12 of the 77th Legislature, Regular Session, 2001,
13 subject to approval at a confirmation election. The
14 omitted law reads:

15 Sec. 15. (a) Notwithstanding the
16 provisions of Section 10 of this Act, an
17 election for the confirmation of the
18 creation of a groundwater conservation
19 district under this Act and for the
20 selection of initial directors for such
21 district shall not be held unless action is
22 taken by the 77th Legislature in its Regular
23 Session to ratify the creation of the
24 district.

25 (b) Except as provided by Subsection
26 (c) of this section, a groundwater
27 conservation district created by this Act
28 whose creation is not ratified by the 77th
29 Legislature as provided by Subsection (a)
30 of this section is dissolved effective
31 September 1, 2001.

32 (c) If a groundwater conservation
33 district is dissolved under this section,
34 the district has no further authority,
35 except that any debts incurred shall be paid
36 and the organization of the district shall
37 be maintained until all debts are paid.

38 (3) Section 16, Chapter 1331, Acts of the 76th
39 Legislature, Regular Session, 1999, recites
40 legislative findings regarding procedural
41 requirements for the creation of the districts created
42 by that act under the constitution and other laws and
43 rules, including the provision of proper legal notice
44 and the filing of recommendations. Section 9, Chapter
45 1299, Acts of the 77th Legislature, Regular Session,

1 2001, recites similar findings regarding requirements
2 for the creation of the Middle Pecos Groundwater
3 Conservation District. The revised law omits those
4 provisions as executed. The omitted law reads:

5 [Acts 76th Leg., R.S., Ch. 1331]

6 Sec. 16. (a) The proper and legal
7 notice of the intention to introduce this
8 Act, setting forth the general substance of
9 this Act, has been published as provided by
10 law, and the notice and a copy of this Act
11 have been furnished to all persons,
12 agencies, officials, or entities to which
13 they are required to be furnished by the
14 constitution and other laws of this state,
15 including the governor, who has submitted
16 the notice and Act to the Texas Natural
17 Resource Conservation Commission.

18 (b) The Texas Natural Resource
19 Conservation Commission has filed its
20 recommendations relating to this Act with
21 the governor, lieutenant governor, and
22 speaker of the house of representatives
23 within the required time.

24 (c) All requirements of the
25 constitution and laws of this state and the
26 rules and procedures of the legislature
27 with respect to the notice, introduction,
28 and passage of this Act are fulfilled and
29 accomplished.

30 (d) The procedural requirements of
31 this section relating to the provision of
32 notice have been met by the provision of
33 notice of the introduction of the proposed
34 Acts of the 76th Legislature relating to the
35 creation of the groundwater conservation
36 districts now created by this Act.

37 [Acts 77th Leg., R.S., Ch. 1299]

38 Sec. 9. (a) The proper and legal
39 notice of the intention to introduce this
40 Act, setting forth the general substance of
41 this Act, has been published as provided by
42 law, and the notice and a copy of this Act
43 have been furnished to all persons,
44 agencies, officials, or entities to which
45 they are required to be furnished by the
46 constitution and other laws of this state,
47 including the governor, who has submitted
48 the notice and Act to the Texas Natural
49 Resource Conservation Commission.

50 (b) The Texas Natural Resource
51 Conservation Commission has filed its
52 recommendations relating to this Act with
53 the governor, lieutenant governor, and
54 speaker of the house of representatives
55 within the required time.

56 (c) All requirements of the
57 constitution and laws of this state and the
58 rules and procedures of the legislature
59 with respect to the notice, introduction,
60 and passage of this Act are fulfilled and
61 accomplished.

62 (4) Section 1, Chapter 1299, Acts of the 77th

1 Legislature, Regular Session, 2001, ratified the
2 creation of the district, subject to approval at a
3 confirmation election. The revised law omits that
4 provision as executed. The omitted law reads:

5 Sec. 1. The creation by Chapter 1331,
6 Acts of the 76th Legislature, Regular
7 Session, 1999 (Senate Bill No. 1911), of the
8 Middle Pecos Groundwater Conservation
9 District in Pecos County is ratified as
10 required by Section 15(a) of that Act,
11 subject to approval at a confirmation
12 election under Section 7 of this Act.

13 (5) Section 10(b), Chapter 1299, Acts of the
14 77th Legislature, Regular Session, 2001, contains
15 transition language regarding the expiration of the
16 act if the creation of the district is not confirmed at
17 a confirmation election before a certain date. The
18 revised law omits that provision as executed because
19 the creation of the district was confirmed within the
20 required period. The omitted law reads:

21 (b) If the creation of the district
22 is not confirmed at a confirmation election
23 held under Section 7 of this Act before
24 September 1, 2003, the district is
25 dissolved and this Act expires on that date.

26 CHAPTER 8854. REFUGIO GROUNDWATER CONSERVATION DISTRICT

27 SUBCHAPTER A. GENERAL PROVISIONS

28 Sec. 8854.001. DEFINITIONS 1065
29 Sec. 8854.002. NATURE OF DISTRICT 1066
30 Sec. 8854.003. FINDINGS OF PUBLIC USE AND BENEFIT 1067
31 Sec. 8854.004. DISTRICT TERRITORY 1067

32 [Sections 8854.005-8854.050 reserved for expansion]

33 SUBCHAPTER B. BOARD OF DIRECTORS

34 Sec. 8854.051. COMPOSITION OF BOARD; TERMS 1072
35 Sec. 8854.052. ELECTION OF DIRECTORS 1074
36 Sec. 8854.053. ELECTION DATE 1076
37 Sec. 8854.054. QUALIFICATIONS FOR OFFICE 1078
38 Sec. 8854.055. APPOINTMENT ON FAILURE TO QUALIFY 1079

39 [Sections 8854.056-8854.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8854.101. GROUNDWATER CONSERVATION DISTRICT

3 POWERS AND DUTIES 1082

4 Sec. 8854.102. AUTHORITY TO SET FEES 1083

5 CHAPTER 8854. REFUGIO GROUNDWATER CONSERVATION DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Revised Law

8 Sec. 8854.001. DEFINITIONS. In this chapter:

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

10 (2) "Director" means a board member.

11 (3) "District" means the Refugio Groundwater
12 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;
13 Acts 77th Leg., R.S., Ch. 966, Sec. 3.0902; Acts 77th Leg., R.S.,
14 Ch. 1314, Sec. 2; New.)

15 Source Law

16 [Acts 76th Leg., R.S., Ch. 1331]

17 Sec. 3. In this Act, "district" means a
18 groundwater conservation district created under
19 Section 1 of this Act.

20 [Acts 77th Leg., R.S., Ch. 966]

21 Sec. 3.0902. In this part, "district" means the
22 Refugio Groundwater Conservation District.

23 [Acts 77th Leg., R.S., Ch. 1314]

24 Sec. 2. In this Act, "district" means the
25 Refugio Groundwater Conservation District.

26 Revisor's Note

27 (1) The Refugio Groundwater Conservation
28 District (Refugio GCD) was created by Chapter 1331,
29 Acts of the 76th Legislature, Regular Session, 1999.
30 That district is one of 13 districts created by that
31 act, with the creation of each district subject to
32 whether the succeeding legislature enacted a law to
33 ratify its creation. See Sections 1 and 15, Chapter
34 1331. The 77th Legislature enacted two laws that
35 ratified the creation of the Refugio GCD. Chapter 966,
36 Acts of the 77th Legislature, Regular Session, 2001,
37 ratified the creation of many of the districts,
38 including the Refugio GCD, and set forth nonamendatory

1 substantive provisions governing those districts. See
2 Part 9, Article 3, Chapter 966, regarding the Refugio
3 GCD, and see the remainder of Article 3, Chapter 966,
4 regarding the other districts. Chapter 1314, Acts of
5 the 77th Legislature, Regular Session, 2001, also
6 ratified the creation of the Refugio GCD and set forth
7 nonamendatory substantive provisions governing that
8 district. All three legislative enactments are source
9 law for this chapter. Although Section 3, Chapter
10 1331, defines "district" to mean all of the districts
11 created under Section 1 of that act, the revised law
12 defines the term to mean the Refugio GCD because this
13 chapter applies only to that district. Similar
14 changes are made throughout this chapter.

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

19 Revised Law

20 Sec. 8854.002. NATURE OF DISTRICT. The district is a
21 groundwater conservation district created under and essential to
22 accomplish the purposes of Section 59, Article XVI, Texas
23 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
24 (c).)

25 Source Law

26 Sec. 1. (a) The following groundwater
27 conservation districts are created:

28 . . .
29 (8) Refugio Groundwater Conservation
30 District;
31 . . .

32 (c) Each district created under this section is
33 created under and is essential to accomplish the
34 purposes of Section 59, Article XVI, Texas
35 Constitution.

36 Revisor's Note

37 Section 1(b), Chapter 1331, Acts of the 76th
38 Legislature, Regular Session, 1999, provides that a

1 district created under Section 1 of that act is a
2 governmental agency and a body politic and corporate.
3 The revised law omits that provision because it
4 duplicates a portion of Section 59(b), Article XVI,
5 Texas Constitution, which provides that a conservation
6 and reclamation district is a governmental agency and
7 a body politic and corporate. The omitted law reads:

8 (b) A district created under this
9 section is a governmental agency and a body
10 politic and corporate.

11 Revised Law

12 Sec. 8854.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
13 district is created to serve a public use and benefit.

14 (b) All land and other property included in the district
15 will benefit from the works and projects accomplished by the
16 district under the powers conferred by Section 59, Article XVI,
17 Texas Constitution. (Acts 76th Leg., R.S., Ch. 1331, Sec. 4.)

18 Source Law

19 Sec. 4. All of the land and other property
20 included within the boundaries of a district will be
21 benefited by the works and projects that are to be
22 accomplished by the district under powers conferred by
23 Section 59, Article XVI, Texas Constitution. The
24 district is created to serve a public use and benefit.

25 Revised Law

26 Sec. 8854.004. DISTRICT TERRITORY. The district's
27 boundaries are coextensive with the boundaries of Refugio County
28 unless the district's territory has been modified under:

- 29 (1) Subchapter J, Chapter 36, Water Code; or
30 (2) other law. (Acts 76th Leg., R.S., Ch. 1331, Sec.
31 2(a) (part); Acts 77th Leg., R.S., Ch. 966, Sec. 3.0903; Acts 77th
32 Leg., R.S., Ch. 1314, Sec. 3; New.)

33 Source Law

34 [Acts 76th Leg., R.S., Ch. 1331]
35 Sec. 2. (a) The boundaries of the following
36 groundwater conservation districts are coextensive
37 with county boundaries as follows:

38 . . .
39 (6) the boundaries of the Refugio
40 Groundwater Conservation District are coextensive
41 with the boundaries of Refugio County; and
42 . . .

1 [Acts 77th Leg., R.S., Ch. 966]
2 Sec. 3.0903. The boundaries of the district are
3 coextensive with the boundaries of Refugio County.

4 [Acts 77th Leg., R.S., Ch. 1314]
5 Sec. 3. The boundaries of the district are
6 coextensive with the boundaries of Refugio County,
7 Texas.

8 Revisor's Note

9 The revision of the law governing the district
10 revises the statutory language describing the
11 territory of the district. Because the district's
12 boundaries are subject to change, that description may
13 not be accurate on the effective date of the revision
14 or at the time of a later reading. For the reader's
15 convenience, the revised law adds references to the
16 authority to change the district's territory under
17 Subchapter J, Chapter 36, Water Code, applicable to
18 groundwater conservation districts, and to the general
19 authority of the legislature to enact other laws to
20 change the district's territory.

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 elections to confirm the
26 creation of districts created under that act and to
27 elect the initial boards of those districts. Section
28 3.0907, Chapter 966, and Section 8, Chapter 1314, Acts
29 of the 77th Legislature, Regular Session, 2001,
30 contain similar provisions relating to the Refugio
31 Groundwater Conservation District. The revised law
32 omits those provisions as executed because the
33 creation of the district has been confirmed and its
34 initial board has been elected. The omitted law reads:

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. 3.0907. (a) The temporary
51 board of directors shall call and hold an
52 election to confirm establishment of the
53 district and to elect initial directors.

54 (b) At the confirmation and initial
55 directors election, the temporary board of
56 directors shall have placed on the ballot
57 the name of any candidate filing for an
58 initial director position and blank spaces
59 to write in the names of other persons. A
60 temporary director who is qualified to be a
61 candidate under Sections 3.0905 and 3.0906
62 of this part may file for an initial
63 director position.

64 (c) Section 41.001(a), Election
65 Code, does not apply to a confirmation and
66 initial directors election held as provided
67 by this section.

68 (d) Except as provided by this

1 section, a confirmation and initial
2 directors election must be conducted as
3 provided by Sections 36.017(b)-(h), Water
4 Code, and the Election Code.

5 [Acts 77th Leg., R.S., Ch. 1314]

6 Sec. 8. (a) The temporary board of
7 directors shall call and hold an election to
8 confirm establishment of the district and
9 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's position and blank
15 spaces to write in the names of other
16 persons. A temporary director who is
17 qualified to be a candidate under Sections 6
18 and 7 of this Act may file for an initial
19 director's position.

20 (c) Section 41.001(a), Election
21 Code, does not apply to a confirmation and
22 initial directors' election held as
23 provided by this section.

24 (d) Except as provided by this
25 section, a confirmation and initial
26 directors' election must be conducted as
27 provided by Sections 36.017(b)-(h), Water
28 Code, and the Election Code.

29 (2) Section 14, Chapter 1331, Acts of the 76th
30 Legislature, Regular Session, 1999, provides that,
31 except as otherwise provided by that act, that act
32 prevails over a conflicting provision of Chapter 36,
33 Water Code. Section 3.0904, Chapter 966, Acts of the
34 77th Legislature, Regular Session, 2001, provides that
35 the part of that act pertaining to the district
36 prevails over general law, including Chapter 36, Water
37 Code, in case of a conflict or inconsistency.
38 Similarly, Section 4(a), Chapter 1314, Acts of the
39 77th Legislature, Regular Session, 2001, provides that
40 the act prevails over general law in case of a conflict
41 or inconsistency.

42 The revised law omits Section 14, Chapter 1331,
43 and the provisions of Section 3.0904, Chapter 966, and
44 Section 4(a), Chapter 1314, pertaining to conflicts
45 with general law, because they duplicate, in
46 substance, Section 311.026, Government Code (Code
47 Construction Act), and part of Section 36.052(a),
48 Water Code, which provides that a "special law

1 governing a specific district" prevails over Chapter
2 36. Throughout this chapter, the revised law omits law
3 that duplicates law contained in Chapter 36, Water
4 Code, which applies to the district under Section
5 8854.101 of this chapter and Section 36.001(1), Water
6 Code. The revised law also omits the provisions of
7 Section 3.0904, Chapter 966, and Section 4(a), Chapter
8 1314, pertaining to conflicts with Chapter 1331. As
9 noted in Revisor's Note (1) to Section 8854.001 of this
10 chapter, Chapters 1331, 966, and 1314 are source law
11 for this chapter. In accordance with Section 3.0904,
12 Chapter 966, and Section 4(a), Chapter 1314, the
13 provisions of Chapter 1331 that conflict with the part
14 of Chapter 966 pertaining to the district or with
15 Chapter 1314 are omitted from the revised law.
16 Therefore, the provisions of Section 3.0904, Chapter
17 966, and Section 4(a), Chapter 1314, pertaining to
18 conflicts with Chapter 1331 no longer serve any
19 purpose. The omitted law reads:

20 [Acts 76th Leg., R.S., Ch. 1331]
21 Sec. 14. Except as otherwise
22 provided by this Act, if there is a conflict
23 between this Act and Chapter 36, Water Code,
24 this Act controls.

25 [Acts 77th Leg., R.S., Ch. 966]
26 Sec. 3.0904. . . . This part
27 prevails over any provision of general law,
28 including Chapter 36, Water Code, or
29 Chapter 1331, Acts of the 76th Legislature,
30 Regular Session, 1999, that is in conflict
31 or inconsistent with this part.

32 [Acts 77th Leg., R.S., Ch. 1314]
33 Sec. 4. (a) . . . This Act prevails
34 over any provision of general law that is in
35 conflict or inconsistent with this Act,
36 including any provision of Chapter 1331,
37 Acts of the 76th Legislature, Regular
38 Session, 1999 (Senate Bill No. 1911).

39 (3) Section 4(b), Chapter 1314, Acts of the 77th
40 Legislature, Regular Session, 2001, provides that
41 certain provisions of the Water Code prevail over a
42 conflicting or inconsistent provision of the act. The

1 revised law omits Section 4(b) because it
2 substantially duplicates Section 36.052(b), Water
3 Code, which provides that the provisions of the Water
4 Code referenced in Section 4(b), as well as Section
5 36.107, Water Code, prevail over a conflicting or
6 inconsistent provision of a special law that governs a
7 specific district. Although Section 4(b) does not
8 reference Section 36.107, Water Code, that section of
9 Chapter 36 is not in conflict or inconsistent with any
10 provision of this chapter. The omitted law reads:

11 (b) Notwithstanding Subsection (a)
12 of this section, the following provisions
13 prevail over a conflicting or inconsistent
14 provision of this Act:

- 15 (1) Sections 36.1071-36.108,
16 Water Code;
17 (2) Sections 36.159-36.161,
18 Water Code; and
19 (3) Subchapter I, Chapter 36,
20 Water Code.

21 [Sections 8854.005-8854.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Revised Law

24 Sec. 8854.051. COMPOSITION OF BOARD; TERMS. (a) The
25 district is governed by a board of five directors.

26 (b) Directors serve staggered four-year terms. (Acts 77th
27 Leg., R.S., Ch. 966, Secs. 3.0905(a), (d); Acts 77th Leg., R.S., Ch.
28 1314, Secs. 6(a), (d).)

29 Source Law

30 [Acts 77th Leg., R.S., Ch. 966]

31 Sec. 3.0905. (a) The district is governed by a
32 board of five directors.

33 (d) Permanent directors serve staggered
34 four-year terms.

35 [Acts 77th Leg., R.S., Ch. 1314]

36 Sec. 6. (a) The district is governed by a board
37 of five directors.

38 (d) Permanent directors serve staggered
39 four-year terms.

40 Revisor's Note

41 (1) Section 3.0905(d), Chapter 966, and Section
42 6(d), Chapter 1314, Acts of the 77th Legislature,

1 Regular Session, 2001, refer to "[p]ermanent"
2 directors. Section 3.0905 of Chapter 966 and Section 6
3 of Chapter 1314 refer to "temporary," "initial," and
4 "permanent" directors to distinguish between the
5 original "temporary" directors, the "initial"
6 directors who immediately succeeded the "temporary"
7 directors after the first election of directors, and
8 subsequently serving "permanent" directors. The
9 revised law omits provisions regarding "temporary" and
10 "initial" directors as executed (see the revisor's
11 notes at the end of this subchapter). The revised law
12 also omits "permanent" because it is no longer
13 necessary to distinguish between "temporary,"
14 "initial," and "permanent" directors.

15 (2) Section 3.0905(e), Chapter 966, and Section
16 6(e), Chapter 1314, Acts of the 77th Legislature,
17 Regular Session, 2001, provide that a director must
18 qualify to serve in the manner provided by Section
19 36.055, Water Code. The revised law omits those
20 provisions because Section 36.055, Water Code, applies
21 to the district under Section 8854.101 of this chapter
22 and Section 36.001(1), Water Code. The omitted law
23 reads:

24 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0905]
25 (e) Each director must qualify to
26 serve as director in the manner provided by
27 Section 36.055, Water Code.

28 [Acts 77th Leg., R.S., Ch. 1314, Sec. 6]
29 (e) Each director must qualify to
30 serve as director in the manner provided by
31 Section 36.055, Water Code.

32 (3) Section 3.0905(f), Chapter 966, and Section
33 6(f), Chapter 1314, Acts of the 77th Legislature,
34 Regular Session, 2001, provide that a director serves
35 until a successor has qualified. The revised law omits
36 those provisions because they duplicate Section 17,
37 Article XVI, Texas Constitution, which provides that

1 an officer in this state continues to perform the
2 officer's official duties until a successor has
3 qualified. The omitted law reads:

4 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0905]
5 (f) A director serves until the
6 director's successor has qualified.

7 [Acts 77th Leg., R.S., Ch. 1314, Sec. 6]
8 (f) A director serves until the
9 director's successor has qualified.

10 Revised Law

11 Sec. 8854.052. ELECTION OF DIRECTORS. (a) Directors are
12 elected according to the commissioners precinct method as provided
13 by this section.

14 (b) One director is elected by the voters of the entire
15 district. One director is elected from each county commissioners
16 precinct by the voters of that precinct.

17 (c) A person shall indicate on the application for a place
18 on the ballot:

19 (1) the precinct that the person seeks to represent;
20 or

21 (2) that the person seeks to represent the district at
22 large.

23 (d) When the boundaries of the county commissioners
24 precincts are changed, each director in office on the effective
25 date of the change or elected to a term of office beginning on or
26 after the effective date of the change serves in the precinct to
27 which the director was elected for the entire term to which the
28 director was elected, even though the change in boundaries places
29 the person's residence outside the precinct for which the person
30 was elected. (Acts 77th Leg., R.S., Ch. 966, Secs. 3.0906(a), (b),
31 (d), (e); Acts 77th Leg., R.S., Ch. 1314, Secs. 7(a), (b), (d).)

32 Source Law

33 [Acts 77th Leg., R.S., Ch. 966]
34 Sec. 3.0906. (a) The directors of the district
35 shall be elected according to the commissioners
36 precinct method as provided by this section.
37 (b) One director shall be elected by the
38 qualified voters of the entire district, and one
39 director shall be elected from each county
40 commissioners precinct by the qualified voters of that

1 precinct.

2 (d) A person shall indicate on the application
3 for a place on the ballot:

4 (1) the precinct that the person seeks to
5 represent; or

6 (2) that the person seeks to represent the
7 district at large.

8 (e) When the boundaries of the commissioners
9 precincts are changed, each director in office on the
10 effective date of the change or elected to a term of
11 office beginning on or after the effective date of the
12 change serves in the precinct to which the director was
13 elected for the entire term to which the director was
14 elected, even though the change in boundaries places
15 the person's residence outside the precinct for which
16 the person was elected.

17 [Acts 77th Leg., R.S., Ch. 1314]

18 Sec. 7. (a) The directors of the district shall
19 be elected according to the commissioners precinct
20 method as provided by this section.

21 (b) One director shall be elected by the
22 qualified voters of the entire district, and one
23 director shall be elected from each county
24 commissioners precinct by the qualified voters of that
25 precinct.

26 (d) A person shall indicate on the application
27 for a place on the ballot:

28 (1) the precinct that the person seeks to
29 represent; or

30 (2) that the person seeks to represent the
31 district at large.

32 Revisor's Note

33 (1) Section 3.0906(b), Chapter 966, and Section
34 7(b), Chapter 1314, Acts of the 77th Legislature,
35 Regular Session, 2001, refer to an election by the
36 "qualified voters" of the district and of each
37 precinct. The revised law omits "qualified" as
38 unnecessary in this context because Chapter 11,
39 Election Code, governs eligibility to vote in an
40 election in this state and allows only "qualified"
41 voters who are residents of the territory covered by
42 the election to vote in an election.

43 (2) Section 3.0906(e), Chapter 966, Acts of the
44 77th Legislature, Regular Session, 2001, provides that
45 when county commissioners precinct boundaries change,
46 a director represents the precinct to which the
47 director was elected for the entire term to which the
48 director was elected. Section 7(e), Chapter 1314,

1 Acts of the 77th Legislature, Regular Session, 2001,
2 provides instead that when precinct boundaries change
3 under Section 18, Article V, Texas Constitution, four
4 new directors are to be elected to represent the
5 redrawn precincts. The two provisions are
6 irreconcilable. Under Section 312.014, Government
7 Code, applicable to those provisions under Section
8 312.001 of that code, if statutes are irreconcilable,
9 the statute latest in date of enactment prevails. The
10 date of enactment is the date on which the last
11 legislative vote is taken on the bill enacting the
12 statute. The last legislative vote on Chapter 966 was
13 taken on May 27, 2001. The last legislative vote on
14 Chapter 1314 was taken on May 23, 2001. Accordingly,
15 the revised law codifies Section 3.0906(e), Chapter
16 966, and omits Section 7(e), Chapter 1314. The omitted
17 law reads:

18 (e) At the first election after the
19 county commissioners precincts are redrawn
20 under Section 18, Article V, Texas
21 Constitution, four new directors shall be
22 elected to represent the precincts. The
23 directors elected shall draw lots to
24 determine which two directors serve
25 two-year terms and which two directors
26 serve four-year terms.

27 Revised Law

28 Sec. 8854.053. ELECTION DATE. On the uniform election date
29 in November of each even-numbered year, the appropriate number of
30 directors shall be elected. (Acts 77th Leg., R.S., Ch. 966, Sec.
31 3.0908(b); Acts 77th Leg., R.S., Ch. 1314, Sec. 9(b).)

32 Source Law

33 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0908]

34 (b) On the first Saturday in May of each
35 subsequent second year following the election, the
36 appropriate number of directors shall be elected.

37 [Acts 77th Leg., R.S., Ch. 1314, Sec. 9]

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.

1 Revisor's Note

2 (1) Section 3.0908(b), Chapter 966, and Section
3 9(b), Chapter 1314, Acts of the 77th Legislature,
4 Regular Session, 2001, require directors' elections to
5 be held on the "first Saturday in May of each
6 subsequent second year following the election" of the
7 first permanent directors (see Revisor's Note (2)
8 below). However, under the authority of a former
9 version of Section 41.0052, Election Code (see
10 Chapters 1074 and 1315, Acts of the 78th Legislature,
11 Regular Session, 2003), the district board, on March
12 16, 2004, changed the directors' election date to the
13 uniform election date in November of even-numbered
14 years, as reported in the district's board meeting
15 minutes for that date and as reflected in the March 24,
16 2005, submission to the United States Department of
17 Justice Civil Rights Division, Voting Section, to
18 preclear the change under Section 5 of the federal
19 Voting Rights Act. The district received a letter
20 dated June 3, 2005, from the acting chief of the Voting
21 Rights Division announcing that the attorney general
22 had no objection to the change. Since the district has
23 effectively changed its election date to the first
24 Tuesday after the first Monday in November in
25 even-numbered years, which is the uniform election
26 date specified by Section 41.001(a)(2), Election Code,
27 the revised law substitutes for the source laws'
28 specified date in May a reference to the uniform
29 election date in November of each even-numbered year.

30 (2) Section 3.0908(a), Chapter 966, and Section
31 9(a), Chapter 1314, Acts of the 77th Legislature,
32 Regular Session, 2001, prescribe the election date for
33 the first directors' election following the
34 confirmation election. Because the election of the

1 first permanent directors has been held, the revised
2 law omits those provisions as executed. The omitted
3 law reads:

4 [Acts 77th Leg., R.S., Ch. 966]

5 Sec. 3.0908. (a) On the first
6 Saturday in May of the first even-numbered
7 year after the year in which the district is
8 authorized to be created at a confirmation
9 election, an election shall be held in the
10 district for the election of three
11 directors to serve four-year terms and two
12 directors to serve two-year terms.

13 [Acts 77th Leg., R.S., Ch. 1314]

14 Sec. 9. (a) On the first Saturday in
15 May of the first even-numbered year after
16 the year in which the district is authorized
17 to be created at a confirmation election, an
18 election shall be held in the district for
19 the election of three directors to serve
20 four-year terms and two directors to serve
21 two-year terms.

22 Revised Law

23 Sec. 8854.054. QUALIFICATIONS FOR OFFICE. (a) To be
24 qualified to be a candidate for or to serve as director at large, a
25 person must be a registered voter in the district.

26 (b) To be a candidate for or to serve as director from a
27 county commissioners precinct, a person must be a registered voter
28 of that precinct, except as provided by Section 8854.052(d). (Acts
29 77th Leg., R.S., Ch. 966, Sec. 3.0906(c); Acts 77th Leg., R.S., Ch.
30 1314, Sec. 7(c); New.)

31 Source Law

32 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0906]

33 (c) To be qualified to be a candidate for or to
34 serve as director at large, a person must be a
35 registered voter in the district. To be a candidate for
36 or to serve as director from a county commissioners
37 precinct, a person must be a registered voter of that
38 precinct.

39 [Acts 77th Leg., R.S., Ch. 1314, Sec. 7]

40 (c) To be qualified to be a candidate for or to
41 serve as director at large, a person must be a
42 registered voter in the district. To be a candidate for
43 or to serve as director from a county commissioners
44 precinct, a person must be a registered voter of that
45 precinct.

46 Revisor's Note

47 Section 3.0906(c), Chapter 966, and Section 7(c),
48 Chapter 1314, Acts of the 77th Legislature, Regular

1 Session, 2001, provide that to be qualified to serve as
2 a director from a county commissioners precinct, a
3 person must be a registered voter of that precinct.
4 For the convenience of the reader, the revised law adds
5 a cross-reference to Section 8854.052(d) of this
6 chapter because that section provides for an exception
7 to the requirement when the county commissioners
8 precincts are redrawn.

9 Revised Law

10 Sec. 8854.055. APPOINTMENT ON FAILURE TO QUALIFY. If a
11 director fails to qualify for office, the commissioners court shall
12 appoint a person to fill the vacancy. (Acts 77th Leg., R.S., Ch.
13 966, Sec. 3.0905(g) (part); Acts 77th Leg., R.S., Ch. 1314, Sec.
14 6(g) (part).)

15 Source Law

16 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0905]

17 (g) If a director fails to qualify for office or
18 . . . the commissioners court shall appoint a person
19 to fill the vacancy.

20 [Acts 77th Leg., R.S., Ch. 1314, Sec. 6]

21 (g) If a director fails to qualify for office or
22 . . . the commissioners court shall appoint a person
23 to fill the vacancy.

24 Revisor's Note

25 Section 3.0905(g), Chapter 966, and Section 6(g),
26 Chapter 1314, Acts of the 77th Legislature, Regular
27 Session, 2001, provide that in the event of a vacancy
28 on the temporary board, the commissioners court shall
29 appoint a person to fill the vacancy. The revised law
30 omits those provisions as executed because the terms
31 of the temporary directors have expired. The omitted
32 law reads:

33 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0905]

34 (g) . . . if there is at any time a
35 vacancy on the temporary board of
36 directors, [the commissioners court shall
37 appoint a person to fill the vacancy].

38 [Acts 77th Leg., R.S., Ch. 1314, Sec. 6]

39 (g) . . . if there is at any time a
40 vacancy on the temporary board of
41 directors, [the commissioners court shall

1 appoint a person to fill the vacancy].

2 Revisor's Note
3 (End of Subchapter)

4 (1) Sections 5 and 12, Chapter 1331, Acts of the
5 76th Legislature, Regular Session, 1999, govern the
6 powers of the temporary directors of a district
7 created under that act. The revised law omits those
8 provisions as executed. The omitted law reads:

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. The revised law omits that provision
49 as executed. The omitted law reads:

50 Sec. 7. The initial directors may not
51 be elected until after September 1, 2001.

52 (3) Sections 8 and 9, Chapter 1331, Acts of the
53 76th Legislature, Regular Session, 1999, provide for

1 the appointment of temporary directors of a district
2 created under that act and require the temporary
3 directors to hold an organizational meeting of the
4 district. The revised law omits those provisions as
5 executed. The omitted law reads:

6 Sec. 8. (a) Except as provided by
7 Subsections (b) and (c) of this section, the
8 commissioners court of a county containing
9 territory included within the district
10 shall appoint temporary directors in
11 accordance with the provisions of Section
12 36.016, Water Code, relating to the
13 appointment of temporary directors by
14 county commissioners courts.

15 (b) For districts composed of more
16 than one county, the county commissioners
17 court of each county with territory in the
18 district shall appoint an equal number of
19 temporary directors, the total number of
20 temporary directors appointed to be
21 determined by the county commissioners
22 courts except that the total number of
23 directors may not be fewer than five or more
24 than 11.

25 (c) The 90-day limit for the
26 appointment of temporary directors under
27 Section 36.016, Water Code, does not apply
28 to the appointment of temporary directors
29 under this Act.

30 Sec. 9. (a) As soon as practicable
31 after the temporary directors are appointed
32 as provided by this Act, the temporary
33 directors shall hold the organizational
34 meeting of the district and take office at
35 that time.

36 (b) The temporary directors shall
37 hold the meeting at a location within the
38 district to which a majority of the
39 temporary directors agree.

40 (4) Section 11, Chapter 1331, Acts of the 76th
41 Legislature, Regular Session, 1999, provides for the
42 election of permanent directors of a district created
43 under that act. The revised law omits that section
44 because, as that section relates to the Refugio
45 Groundwater Conservation District, it is superseded by
46 Section 3.0908, Chapter 966, and Section 9, Chapter
47 1314, Acts of the 77th Legislature, Regular Session,
48 2001, which provide for the election of the district's
49 directors. See Section 8854.053 of this chapter and
50 the revisor's notes to that section. Section 3.0904,
51 Chapter 966, and Section 4(a), Chapter 1314 (which are

1 omitted from this revision in pertinent part as
2 described by Revisor's Note (2) at the end of
3 Subchapter A of this chapter), provide that the part of
4 the act pertaining to the district or the act,
5 respectively, prevails over Chapter 1331 in case of a
6 conflict or inconsistency. The omitted law reads:

7 Sec. 11. Beginning in the second year
8 after the year in which the district has
9 held a confirmation election, an election
10 shall be held in the district on the first
11 Saturday in the month in which the initial
12 directors were elected under Section 10 of
13 this Act and every two years after that date
14 to elect the appropriate number of
15 directors to the board.

16 (5) Sections 3.0905(b) and (c), Chapter 966,
17 Acts of the 77th Legislature, Regular Session, 2001,
18 provide for the terms of temporary and initial
19 directors of the district. Sections 6(b) and (c),
20 Chapter 1314, Acts of the 77th Legislature, Regular
21 Session, 2001, contain similar provisions. The
22 revised law omits Sections 3.0905(b) and (c), Chapter
23 966, and Sections 6(b) and (c), Chapter 1314, as
24 executed because the terms of the temporary and
25 initial directors have expired. The omitted law
26 reads:

27 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0905]

28 (b) Temporary directors serve until
29 initial directors are elected under Section
30 3.0907 of this part.

31 (c) Initial directors serve until
32 permanent directors are elected under
33 Section 3.0908 of this part.

34 [Acts 77th Leg., R.S., Ch. 1314, Sec. 6]

35 (b) Temporary directors serve until
36 initial directors are elected under Section
37 8 of this Act.

38 (c) Initial directors serve until
39 permanent directors are elected under
40 Section 9 of this Act.

41 [Sections 8854.056-8854.100 reserved for expansion]

42 SUBCHAPTER C. POWERS AND DUTIES

43 Revised Law

44 Sec. 8854.101. GROUNDWATER CONSERVATION DISTRICT POWERS

1 AND DUTIES. The district has the rights, powers, privileges,
2 functions, and duties provided by the general law of this state,
3 including Chapter 36, Water Code, applicable to groundwater
4 conservation districts created under Section 59, Article XVI, Texas
5 Constitution. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0904 (part);
6 Acts 77th Leg., R.S., Ch. 1314, Sec. 4(a) (part).)

7 Source Law

8 [Acts 77th Leg., R.S., Ch. 966]

9 Sec. 3.0904. The district has all of the rights,
10 powers, privileges, authority, functions, and duties
11 provided by the general law of this state, including
12 Chapter 36, Water Code, applicable to groundwater
13 conservation districts created under Section 59,
14 Article XVI, Texas Constitution. . . .

15 [Acts 77th Leg., R.S., Ch. 1314]

16 Sec. 4. (a) The district has all of the rights,
17 powers, privileges, authority, functions, and duties
18 provided by the general law of this state, including
19 Chapter 36, Water Code, applicable to groundwater
20 conservation districts created under Section 59,
21 Article XVI, Texas Constitution. . . .

22 Revisor's Note

23 Section 3.0904, Chapter 966, and Section 4(a),
24 Chapter 1314, Acts of the 77th Legislature, Regular
25 Session, 2001, refer to the "rights, powers,
26 privileges, [and] authority" of the district. The
27 revised law omits the references to "authority"
28 because, in context, "authority" is included in the
29 meaning of "rights, powers, [and] privileges."

30 Revised Law

31 Sec. 8854.102. AUTHORITY TO SET FEES. (a) In this section,
32 "agriculture" includes:

- 33 (1) cultivating the soil;
- 34 (2) producing crops for:
 - 35 (A) human food;
 - 36 (B) animal feed;
 - 37 (C) planting seed; or
 - 38 (D) the production of fibers;
- 39 (3) floriculture, viticulture, silviculture, and
40 horticulture, including the cultivation of plants in containers or

1 non-soil media;

2 (4) raising, feeding, or keeping livestock or other
3 animals for the production of food or fiber, leather, pelts, or
4 other tangible products having a commercial value;

5 (5) wildlife management;

6 (6) planting cover crops, including cover crops
7 cultivated for transplantation; and

8 (7) leaving land idle for the purpose of participating
9 in any governmental program or normal crop or livestock rotation
10 procedure.

11 (b) The district may set and collect fees for all services
12 provided outside the boundaries of the district. The fees may not
13 unreasonably exceed the cost to the district of providing the
14 services outside the district.

15 (c) The district may assess a production fee based on the
16 amount of water a permit authorizes to be withdrawn from a well or
17 the amount actually withdrawn. The district may assess a
18 production fee instead of or in conjunction with any tax otherwise
19 imposed by the district. The district may use production fee
20 revenue for any lawful purpose. Production fees may not exceed:

21 (1) \$1 per acre-foot for water used for agriculture;

22 or

23 (2) \$10 per acre-foot annually for water used for
24 another purpose.

25 (d) The district may assess a production fee under
26 Subsection (c) for water that is:

27 (1) produced under an exemption under Section 36.117,
28 Water Code; and

29 (2) subsequently sold to another person.

30 (e) Notwithstanding Section 36.117, Water Code, the
31 district may assess a production fee under Subsection (c) of this
32 section for any water produced for injection into a geologic
33 formation for the recovery of oil or natural gas. (Acts 77th Leg.,
34 R.S., Ch. 1314, Secs. 5(a), (c), (d), (e), (f).)

1 36.205(a), Water Code. The omitted law reads:

2 (b) The district may set fees for
3 administrative acts of the district, such
4 as filing applications. Fees set by the
5 district may not unreasonably exceed the
6 cost to the district of performing the
7 administrative function for which the fee
8 is charged.

9 Revisor's Note
10 (End of Subchapter)

11 Section 6, Chapter 1331, Acts of the 76th
12 Legislature, Regular Session, 1999, prohibits a
13 district created under that act from adopting a
14 comprehensive management plan before September 1,
15 2001. The revised law omits that provision because the
16 prohibition has expired by its own terms. The omitted
17 law reads:

18 Sec. 6. To ensure consistency of
19 district long-term management plans with
20 the regional planning process authorized by
21 Senate Bill No. 1 (Chapter 1010), Acts of
22 the 75th Legislature, Regular Session,
23 1997, a district may not adopt the
24 comprehensive management plan required by
25 Section 36.1071, Water Code, before
26 September 1, 2001.

27 Revisor's Note
28 (End of Chapter)

29 (1) Section 13, Chapter 1331, Acts of the 76th
30 Legislature, Regular Session, 1999, provides that a
31 district created under that act may be modified by
32 subsequent acts of the Texas Legislature. It is a
33 well-accepted principle of constitutional law that a
34 legislature may not, through statutory law, limit or
35 expand the authority of a future legislature. By
36 application of that principle, a district created
37 under an act of the legislature may be modified by a
38 subsequent legislative act without an express
39 statement to that effect in the act creating the
40 district. Accordingly, the revised law omits that
41 provision as unnecessary. The omitted law reads:

42 Sec. 13. A district created under
43 this Act may be modified by subsequent acts

1 of the Texas Legislature. The modification
2 may be in response to the recommendations of
3 an interim study or committee, including
4 the possibility of adding additional area
5 to the district or merging the district with
6 other districts for the purposes of the
7 efficient and effective management of a
8 common groundwater resource.

9 (2) Section 15, Chapter 1331, Acts of the 76th
10 Legislature, Regular Session, 1999, provides that an
11 election to confirm the creation of a district under
12 that act and to elect initial directors may not be held
13 unless action is taken by the 77th Legislature,
14 Regular Session, to ratify the creation of the
15 district and provides for the dissolution of a
16 district created by that act whose creation is not
17 ratified. The revised law omits that provision as
18 expired as it relates to the Refugio Groundwater
19 Conservation District because the creation of the
20 district was ratified by Section 3.0901, Chapter 966,
21 and Section 1, Chapter 1314, Acts of the 77th
22 Legislature, Regular Session, 2001, subject to
23 approval at a confirmation election. The omitted law
24 reads:

25 Sec. 15. (a) Notwithstanding the
26 provisions of Section 10 of this Act, an
27 election for the confirmation of the
28 creation of a groundwater conservation
29 district under this Act and for the
30 selection of initial directors for such
31 district shall not be held unless action is
32 taken by the 77th Legislature in its Regular
33 Session to ratify the creation of the
34 district.

35 (b) Except as provided by Subsection
36 (c) of this section, a groundwater
37 conservation district created by this Act
38 whose creation is not ratified by the 77th
39 Legislature as provided by Subsection (a)
40 of this section is dissolved effective
41 September 1, 2001.

42 (c) If a groundwater conservation
43 district is dissolved under this section,
44 the district has no further authority,
45 except that any debts incurred shall be paid
46 and the organization of the district shall
47 be maintained until all debts are paid.

48 (3) Section 16, Chapter 1331, Acts of the 76th
49 Legislature, Regular Session, 1999, recites

1 legislative findings regarding procedural
2 requirements for the creation of the districts created
3 by that act under the constitution and other laws and
4 rules, including the provision of proper legal notice
5 and the filing of recommendations. Section 13.04,
6 Chapter 966, and Section 10, Chapter 1314, Acts of the
7 77th Legislature, Regular Session, 2001, recite
8 similar findings regarding requirements for the
9 creation of the districts ratified by that act and of
10 the Refugio Groundwater Conservation District,
11 respectively. The revised law omits those provisions
12 as executed. The omitted law reads:

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
47 legal notice of the intention to introduce
48 this Act, setting forth the general
49 substance of this Act, has been published as
50 provided by law, and the notice and a copy
51 of this Act have been furnished to all
52 persons, agencies, officials, or entities
53 to which they are required to be furnished
54 by the constitution and other laws of this
55 state, including the governor, who has

1 submitted the notice and Act to the Texas
2 Natural 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. 1314]

16 Sec. 10. (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.

40 (4) Section 3.0901, Chapter 966, and Section 1,
41 Chapter 1314, Acts of the 77th Legislature, Regular
42 Session, 2001, ratified the creation of the district,
43 subject to approval at a confirmation election. The
44 revised law omits those provisions as executed. The
45 omitted law reads:

46 [Acts 77th Leg., R.S., Ch. 966]

47 Sec. 3.0901. The creation of the
48 Refugio Groundwater Conservation District
49 in Refugio County by Chapter 1331, Acts of
50 the 76th Legislature, Regular Session,
51 1999, is ratified as required by Section
52 15(a) of that chapter, subject to approval
53 at a confirmation election under Section
54 3.0907 of this part.

55 [Acts 77th Leg., R.S., Ch. 1314]

56 Sec. 1. The creation by Chapter 1331,
57 Acts of the 76th Legislature, Regular
58 Session, 1999 (Senate Bill No. 1911), of the
59 Refugio Groundwater Conservation District
60 in Refugio County is ratified as required by

1 Section 15(a) of that Act, subject to
2 approval at a confirmation election under
3 Section 8 of this Act.

4 (5) Section 3.0909, Chapter 966, and Section 11,
5 Chapter 1314, Acts of the 77th Legislature, Regular
6 Session, 2001, contain transition language regarding
7 the expiration of the part of the act relating to the
8 district or of the act, respectively, if the creation
9 of the district is not confirmed at a confirmation
10 election before a certain date. The revised law omits
11 those provisions as executed because the creation of
12 the district was confirmed within the required period.
13 The omitted law reads:

14 [Acts 77th Leg., R.S., Ch. 966]
15 Sec. 3.0909. If the creation of the
16 district is not confirmed at a confirmation
17 election held under Section 3.0907 of this
18 part before September 1, 2003, the district
19 is dissolved and this part expires on that
20 date.

21 [Acts 77th Leg., R.S., Ch. 1314]
22 Sec. 11. This Act expires on
23 September 1, 2003, if, before that date, the
24 establishment of the district has not been
25 confirmed at a confirmation election held
26 under Section 8 of this Act.

27 (6) Section 13.05, Chapter 966, Acts of the 77th
28 Legislature, Regular Session, 2001, provides that the
29 act is severable. The revised law omits that provision
30 because the same result is produced by application of
31 Section 311.032(c), Government Code (Code
32 Construction Act), which provides that a provision of
33 a statute is severable from each other provision of the
34 statute that can be given effect. The omitted law
35 reads:

36 Sec. 13.05. If any provision of this
37 Act or its application to any person or
38 circumstance is held invalid, the
39 invalidity does not affect other provisions
40 or applications of this Act that can be
41 given effect without the invalid provision
42 or application, and to this end the
43 provisions of this Act are declared to be
44 severable.

1 CHAPTER 8857. TEXANA GROUNDWATER CONSERVATION DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

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8 SUBCHAPTER B. BOARD OF DIRECTORS

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24 CHAPTER 8857. TEXANA GROUNDWATER CONSERVATION DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Revised Law

27 Sec. 8857.001. DEFINITIONS. In this chapter:

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

29 (2) "Director" means a board member.

30 (3) "District" means the Texana Groundwater

31 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;

32 Acts 77th Leg., R.S., Ch. 307, Sec. 2; Acts 77th Leg., R.S., Ch.

33 966, Sec. 3.1102; New.)

1 to mean the Texana Groundwater Conservation District
2 because this chapter applies only to that district.
3 Similar changes are made throughout this chapter.

4 (2) The definitions of "board" and "director"
5 are added to the revised law for drafting convenience
6 and to eliminate frequent, unnecessary repetition of
7 the substance of the definitions.

8 Revised Law

9 Sec. 8857.002. NATURE OF DISTRICT. The district is a
10 groundwater conservation district created under and essential to
11 accomplish the purposes of Section 59, Article XVI, Texas
12 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
13 (c).)

14 Source Law

15 Sec. 1. (a) The following groundwater
16 conservation districts are created:

17 . . .
18 (10) Texana Groundwater Conservation
19 District.

20 (c) Each district created under this section is
21 created under and is essential to accomplish the
22 purposes of Section 59, Article XVI, Texas
23 Constitution.

24 Revisor's Note

25 Section 1(b), Chapter 1331, Acts of the 76th
26 Legislature, Regular Session, 1999, provides that a
27 district created under Section 1 of that act is a
28 governmental agency and a body politic and corporate.
29 The revised law omits the provision because it
30 duplicates a portion of Section 59(b), Article XVI,
31 Texas Constitution, which provides that a conservation
32 and reclamation district is a governmental agency and
33 a body politic and corporate. The omitted law reads:

34 (b) A district created under this
35 section is a governmental agency and a body
36 politic and corporate.

37 Revised Law

38 Sec. 8857.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
39 district is created to serve a public use and benefit.

1 (b) All land and other property included in the district
2 will benefit from the works and projects accomplished by the
3 district under the powers conferred by Section 59, Article XVI,
4 Texas Constitution. (Acts 76th Leg., R.S., Ch. 1331, Sec. 4.)

5 Source Law

6 Sec. 4. All of the land and other property
7 included within the boundaries of a district will be
8 benefited by the works and projects that are to be
9 accomplished by the district under powers conferred by
10 Section 59, Article XVI, Texas Constitution. The
11 district is created to serve a public use and benefit.

12 Revised Law

13 Sec. 8857.004. DISTRICT TERRITORY. The district's
14 boundaries are coextensive with the boundaries of Jackson County
15 unless the district's territory has been modified under:

- 16 (1) Subchapter J, Chapter 36, Water Code; or
17 (2) other law. (Acts 76th Leg., R.S., Ch. 1331, Sec.
18 2(a) (part); Acts 77th Leg., R.S., Ch. 307, Sec. 3; Acts 77th Leg.,
19 R.S., Ch. 966, Sec. 3.1103; New.)

20 Source Law

21 [Acts 76th Leg., R.S., Ch. 1331]
22 Sec. 2. (a) The boundaries of the following
23 groundwater conservation districts are coextensive
24 with county boundaries as follows:

25 . . .
26 (7) the boundaries of the Texana
27 Groundwater Conservation District are coextensive
28 with the boundaries of Jackson County.

29 [Acts 77th Leg., R.S., Ch. 307]
30 Sec. 3. The boundaries of the district are
31 coextensive with the boundaries of Jackson County,
32 Texas.

33 [Acts 77th Leg., R.S., Ch. 966]
34 Sec. 3.1103. The boundaries of the district are
35 coextensive with the boundaries of Jackson County.

36 Revisor's Note

37 The revision of the law governing the district
38 revises the statutory language describing the
39 territory of the district. Because the district's
40 boundaries are subject to change, that description may
41 not be accurate on the effective date of the revision
42 or at the time of a later reading. For the reader's
43 convenience, the revised law adds references to the

1 authority to change the district's territory under
2 Subchapter J, Chapter 36, Water Code, applicable to
3 groundwater conservation districts, and to the general
4 authority of the legislature to enact other laws to
5 change the district's territory.

6 Revisor's Note
7 (End of Subchapter)

8 (1) Section 10, Chapter 1331, Acts of the 76th
9 Legislature, Regular Session, 1999, provides
10 procedures for holding elections to confirm the
11 creation of districts created under that act and to
12 elect the initial boards of those districts. Section
13 7, Chapter 307, and Section 3.1107, Chapter 966, Acts
14 of the 77th Legislature, Regular Session, 2001,
15 contain similar provisions relating to the Texana
16 Groundwater Conservation District. The revised law
17 omits those provisions as executed because the
18 creation of the district has been confirmed and its
19 initial board has been elected. The omitted law reads:

20 [Acts 76th Leg., R.S., Ch. 1331]

21 Sec. 10. (a) Not earlier than
22 September 1, 2001, the temporary board of
23 directors shall call and hold an election to
24 confirm the district and to elect the
25 initial directors.

26 (b) At the confirmation and initial
27 directors' election, the temporary board of
28 directors shall have placed on the ballot
29 the names of the candidates for each of the
30 positions on the board. To qualify as a
31 candidate for a position, a person must be a
32 resident of the district.

33 (c) If the district is confirmed at
34 the election, the temporary board of
35 directors, at the time the vote is
36 canvassed, shall:

37 (1) declare the qualified
38 person who receives the most votes for each
39 position to be elected as the initial
40 director for that position; and

41 (2) include the results of the
42 initial directors' election in the
43 district's election report to the Texas
44 Natural Resource Conservation Commission.

45 (d) The initial directors shall draw
46 lots to determine their terms so that:

47 (1) one-half or a simple
48 majority of the directors serve four-year
49 terms that expire on the fourth anniversary
50 of the date the initial directors were

1 elected; and

2 (2) the remaining directors
3 serve two-year terms that expire on the
4 second anniversary of the date the initial
5 directors were elected.

6 (e) Subsection (a), Section 41.001,
7 Election Code, applies to a confirmation
8 and initial directors' election held as
9 provided by this section.

10 (f) Except as provided by this
11 section, a confirmation and initial
12 directors' election must be conducted as
13 provided by Subsections (b)-(h), Section
14 36.017, Water Code, and the Election Code.

15 (g) If the establishment of the
16 district has not been confirmed at an
17 election held under this section before the
18 fourth anniversary of the effective date of
19 this Act, the district is dissolved on that
20 date, except that any debts incurred shall
21 be paid and the organization of the district
22 shall be maintained until all debts are
23 paid.

24 [Acts 77th Leg., R.S., Ch. 307]

25 Sec. 7. (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 qualified to be a candidate under Sections 5
37 and 6 may file for an initial director's
38 position.

39 (c) Section 41.001(a), Election
40 Code, does not apply to a confirmation and
41 initial directors' election held as
42 provided by this section.

43 (d) Except as provided by this
44 section, a confirmation and initial
45 directors' election must be conducted as
46 provided by Sections 36.017(b)-(h), Water
47 Code, and the Election Code.

48 (e) If the majority of the votes cast
49 at an election held under this section is
50 against the confirmation of the district,
51 the temporary directors may not call
52 another election under this section before
53 the first anniversary of that election.

54 [Acts 77th Leg., R.S., Ch. 966]

55 Sec. 3.1107. (a) The temporary board
56 of directors shall call and hold an election
57 to confirm establishment of the district
58 and to elect initial directors.

59 (b) At the confirmation and initial
60 directors election, the temporary board of
61 directors shall have placed on the ballot
62 the name of any candidate filing for an
63 initial director position and blank spaces
64 to write in the names of other persons. A
65 temporary director who is qualified to be a
66 candidate under Sections 3.1105 and 3.1106
67 of this part may file for an initial

1 director position.

2 (c) Section 41.001(a), Election
3 Code, does not apply to a confirmation and
4 initial directors election held as provided
5 by this section.

6 (d) Except as provided by this
7 section, a confirmation and initial
8 directors election must be conducted as
9 provided by Sections 36.017(b)-(h), Water
10 Code, and the Election Code.

11 (e) If the majority of the votes cast
12 at an election held under this section is
13 against the confirmation of the district,
14 the temporary directors may not call
15 another election under this section before
16 the first anniversary of that election.

17 (2) Section 14, Chapter 1331, Acts of the 76th
18 Legislature, Regular Session, 1999, provides that,
19 except as otherwise provided by that act, that act
20 prevails over a conflicting provision of Chapter 36,
21 Water Code. Section 4(a), Chapter 307, Acts of the 77th
22 Legislature, Regular Session, 2001, provides that the
23 act prevails over general law, including Chapter 1331,
24 Acts of the 76th Legislature, Regular Session, 1999,
25 in case of a conflict or inconsistency. Similarly,
26 Section 3.1104, Chapter 966, Acts of the 77th
27 Legislature, Regular Session, 2001, provides that the
28 part of that act pertaining to the district prevails
29 over general law, including Chapter 36, Water Code, or
30 Chapter 1331, Acts of the 76th Legislature, Regular
31 Session, 1999, in case of a conflict or inconsistency.

32 The revised law omits Section 14, Chapter 1331,
33 and the provisions of Section 4(a), Chapter 307, and
34 Section 3.1104, Chapter 966, pertaining to conflicts
35 with general law because they duplicate, in substance,
36 Section 311.026, Government Code (Code Construction
37 Act), and part of Section 36.052(a), Water Code, which
38 provides that a "special law governing a specific
39 district" prevails over Chapter 36. Throughout this
40 chapter, the revised law omits law that duplicates law
41 contained in Chapter 36, Water Code, which applies to
42 the district under Section 8857.101 of this chapter

1 and Section 36.001(1), Water Code.

2 The revised law also omits the provisions of
3 Section 4(a), Chapter 307, and Section 3.1104, Chapter
4 966, pertaining to conflicts with Chapter 1331. As
5 noted in Revisor's Note (1) to Section 8857.001 of this
6 chapter, Chapters 1331, 307, and 966 are source law for
7 this chapter. In accordance with Section 4(a),
8 Chapter 307, and Section 3.1104, Chapter 966, the
9 provisions of Chapter 1331 that conflict with Chapter
10 307 and the part of Chapter 966 pertaining to the
11 district are omitted from the revised law. Therefore,
12 the provisions of Section 4(a), Chapter 307, and
13 Section 3.1104, Chapter 966, pertaining to conflicts
14 with Chapter 1331 no longer serve any purpose.

15 The omitted law reads:

16 [Acts 76th Leg., R.S., Ch. 1331]
17 Sec. 14. Except as otherwise
18 provided by this Act, if there is a conflict
19 between this Act and Chapter 36, Water Code,
20 this Act controls.

21 [Acts 77th Leg., R.S., Ch. 307]
22 Sec. 4. (a) . . . This Act prevails
23 over any provision of general law that is in
24 conflict or inconsistent with this Act,
25 including any provision of Chapter 1331,
26 Acts of the 76th Legislature, Regular
27 Session, 1999 (Senate Bill No. 1911).

28 [Acts 77th Leg., R.S., Ch. 966]
29 Sec. 3.1104. . . . This part
30 prevails over any provision of general law,
31 including Chapter 36, Water Code, or
32 Chapter 1331, Acts of the 76th Legislature,
33 Regular Session, 1999, that is in conflict
34 or inconsistent with this part.

35 (3) Section 4(b), Chapter 307, Acts of the 77th
36 Legislature, Regular Session, 2001, provides that
37 certain provisions of the Water Code prevail over a
38 conflicting or inconsistent provision of the act. The
39 revised law omits Section 4(b) because it
40 substantially duplicates Section 36.052(b), Water
41 Code, which provides that the provisions of the Water
42 Code referenced in Section 4(b), in addition to

1 Section 36.107, Water Code, prevail over a conflicting
2 or inconsistent provision of a special law that
3 governs a specific district. Although Section 4(b)
4 does not reference Section 36.107, Water Code, that
5 section of Chapter 36 is not in conflict or
6 inconsistent with any provision of this chapter. The
7 omitted law reads:

8 (b) Notwithstanding Subsection (a),
9 the following provisions prevail over a
10 conflicting or inconsistent provision of
11 this Act:

- 12 (1) Sections 36.1071-36.108,
13 Water Code;
14 (2) Sections 36.159-36.161,
15 Water Code; and
16 (3) Subchapter I, Chapter 36,
17 Water Code.

18 [Sections 8857.005-8857.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Revised Law

21 Sec. 8857.051. COMPOSITION OF BOARD; TERMS. (a) The
22 district is governed by a board of seven directors.

23 (b) Directors serve staggered four-year terms. (Acts 77th
24 Leg., R.S., Ch. 307, Secs. 5(a), (d); Acts 77th Leg., R.S., Ch. 966,
25 Secs. 3.1105(a), (d).)

26 Source Law

27 [Acts 77th Leg., R.S., Ch. 307]

28 Sec. 5. (a) The district is governed by a board
29 of seven directors.

30 (d) Permanent directors serve staggered
31 four-year terms.

32 [Acts 77th Leg., R.S., Ch. 966]

33 Sec. 3.1105. (a) The district is governed by a
34 board of seven directors.

35 (d) Permanent directors serve staggered
36 four-year terms.

37 Revisor's Note

38 (1) Section 5(d), Chapter 307, and Section
39 3.1105(d), Chapter 966, Acts of the 77th Legislature,
40 Regular Session, 2001, refer to "[p]ermanent"
41 directors. Section 5, Chapter 307, and Section
42 3.1105, Chapter 966, refer to "temporary," "initial,"

1 and "permanent" directors to distinguish between the
2 original "temporary" directors, the "initial"
3 directors who immediately succeeded the "temporary"
4 directors after the first election of directors, and
5 subsequently serving "permanent" directors. Because
6 the revised law omits provisions regarding "temporary"
7 and "initial" directors as executed (see the revisor's
8 notes at the end of this subchapter), it is no longer
9 necessary to distinguish between "temporary,"
10 "initial," and "permanent" directors. Accordingly,
11 the revised law also omits "permanent."

12 (2) Section 5(e), Chapter 307, and Section
13 3.1105(e), Chapter 966, 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 8857.101 of this chapter
19 and Section 36.001(1), Water Code. The omitted law
20 reads:

21 [Acts 77th Leg., R.S., Ch. 307, Sec. 5]
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. 966, Sec. 3.1105]
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 5(f), Chapter 307, and Section
30 3.1105(f), Chapter 966, 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. 307, Sec. 5]
2 (f) A director serves until the
3 director's successor has qualified.

4 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1105]
5 (f) A director serves until the
6 director's successor has qualified.

7 Revised Law

8 Sec. 8857.052. ELECTION OF DIRECTORS. (a) Directors are
9 elected according to the commissioners precinct method provided by
10 this section.

11 (b) Three directors are 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. 307, Secs. 6(a), (b), (d);
28 Acts 77th Leg., R.S., Ch. 966, Secs. 3.1106(a), (b), (d), (e).)

29 Source Law

30 [Acts 77th Leg., R.S., Ch. 307]

31 Sec. 6. (a) The directors of the district
32 shall be elected according to the commissioners
33 precinct method as provided by this section.

34 (b) Three directors shall be elected by the
35 electors of the entire district, and one director
36 shall be elected from each county commissioners
37 precinct by the electors 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 [Acts 77th Leg., R.S., Ch. 966]

2 Sec. 3.1106. (a) The directors of the district
3 shall be elected according to the commissioners
4 precinct method as provided by this section.

5 (b) Three directors shall be elected by the
6 qualified voters of the entire district, and one
7 director shall be elected from each county
8 commissioners precinct by the qualified voters of that
9 precinct.

10 (d) A person shall indicate on the application
11 for a place on the ballot:

12 (1) the precinct that the person seeks to
13 represent; or

14 (2) that the person seeks to represent the
15 district at large.

16 (e) When the boundaries of the commissioners
17 precincts are changed, each director in office on the
18 effective date of the change or elected to a term of
19 office beginning on or after the effective date of the
20 change serves in the precinct to which the director was
21 elected for the entire term to which the director was
22 elected, even though the change in boundaries places
23 the person's residence outside the precinct for which
24 the person was elected.

25 Revisor's Note

26 (1) Section 6(b), Chapter 307, Acts of the 77th
27 Legislature, Regular Session, 2001, refers to
28 "electors" of the entire district and of each county
29 commissioners precinct in the district. Section
30 3.1106(b), Chapter 966, Acts of the 77th Legislature,
31 Regular Session, 2001, refers to "qualified voters" of
32 the entire district and of each county commissioners
33 precinct in the district. The revised law refers to
34 "voters" rather than "electors" because "voters" is
35 the term used in the Election Code. In addition, the
36 revised law omits "qualified" as unnecessary in this
37 context because Chapter 11, Election Code, governs
38 eligibility to vote in an election in this state and
39 allows only "qualified" voters who are residents of
40 the territory covered by the election to vote in an
41 election.

42 (2) Section 6(e), Chapter 307, Acts of the 77th
43 Legislature, Regular Session, 2001, provides that when
44 county commissioners precinct boundaries change under
45 Section 18, Article V, Texas Constitution, four new

1 directors are to be elected to represent the redrawn
2 precincts. Section 3.1106(e), Chapter 966, Acts of
3 the 77th Legislature, Regular Session, 2001, provides
4 instead that when precinct boundaries change, a
5 director represents the precinct to which the director
6 was elected for the entire term to which the director
7 was elected. The two provisions are irreconcilable.
8 Under Section 312.014, Government Code, applicable to
9 those provisions under Section 312.001, Government
10 Code, if statutes are irreconcilable, the statute
11 latest in date of enactment prevails. The date of
12 enactment is the date on which the last legislative
13 vote is taken on the bill enacting the statute. The
14 last legislative vote on Chapter 966 was taken on May
15 27, 2001. The last legislative vote on Chapter 307 was
16 taken on May 10, 2001. Accordingly, the revised law
17 codifies Section 3.1106(e), Chapter 966, and omits
18 Section 6(e), Chapter 307. The omitted law reads:

19 (e) At the first election after the
20 county commissioners precincts are redrawn
21 under Section 18, Article V, Texas
22 Constitution, four new directors shall be
23 elected to represent the precincts. The
24 directors elected shall draw lots to
25 determine which two directors serve
26 two-year terms and which two directors
27 serve four-year terms.

28 Revised Law

29 Sec. 8857.053. ELECTION DATE. On the uniform election date
30 in May of each even-numbered year, the appropriate number of
31 directors shall be elected. (Acts 77th Leg., R.S., Ch. 307, Sec.
32 8(b); Acts 77th Leg., R.S., Ch. 966, Sec. 3.1108(b).)

33 Source Law

34 [Acts 77th Leg., R.S., Ch. 307, Sec. 8]

35 (b) On the first Saturday in May of each
36 subsequent second year following the election, the
37 appropriate number of directors shall be elected.

38 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1108]

39 (b) On the first Saturday in May of each
40 subsequent second year following the election, the
41 appropriate number of directors shall be elected.

1 Revisor's Note

2 (1) Section 8(b), Chapter 307, and Section
3 3.1108(b), Chapter 966, Acts of the 77th Legislature,
4 Regular Session, 2001, require board elections to be
5 held on the "first Saturday in May of each subsequent
6 second year following the election," meaning the first
7 election of permanent directors (see Revisor's Note
8 (2)). When Chapters 307 and 966 were enacted, Section
9 41.001, Election Code, also provided for a uniform
10 election date of the first Saturday in May for all
11 political subdivisions, indicating that the
12 legislature intended the district's election to
13 coincide with that uniform date. Chapter 1315, Acts of
14 the 78th Legislature, Regular Session, 2003, amended
15 Section 41.001, Election Code, to change the uniform
16 election date in May to the third Saturday in May.
17 Chapter 1, Acts of the 78th Legislature, 3rd Called
18 Session, 2003, amended Section 41.001 to change the
19 uniform election date in May back to the first Saturday
20 in May. Chapter 471, Acts of the 79th Legislature,
21 Regular Session, 2005, amended Section 41.001 to
22 change the uniform election date in May to the second
23 Saturday in May. The revised law substitutes "uniform
24 election date in May" for "first Saturday in May" to
25 reflect those changes and to preserve the legislative
26 intent that the election be held on the uniform
27 election date in May.

28 The revised law also substitutes "each
29 even-numbered year" for "each subsequent second year
30 following the election" because the first election of
31 permanent directors was held in May 2002. As a result,
32 subsequent directors' elections will also be held in
33 even-numbered years.

34 (2) Section 8(a), Chapter 307, and Section

1 3.1108(a), Chapter 966, Acts of the 77th Legislature,
2 Regular Session, 2001, prescribe the election date for
3 the first directors' election following the
4 confirmation election. Because that first election of
5 permanent directors has been held, the revised law
6 omits those provisions as executed. The omitted law
7 reads:

8 [Acts 77th Leg., R.S., Ch. 307]

9 Sec. 8. (a) On the first Saturday in
10 May of the first even-numbered year after
11 the year in which the district is authorized
12 to be created at a confirmation election, an
13 election shall be held in the district for
14 the election of two directors at large and
15 two directors representing precincts to
16 serve four-year terms and one director at
17 large and two directors representing
18 precincts to serve two-year terms.

19 [Acts 77th Leg., R.S., Ch. 966]

20 Sec. 3.1108. (a) On the first
21 Saturday in May of the first even-numbered
22 year after the year in which the district is
23 authorized to be created at a confirmation
24 election, an election shall be held in the
25 district for the election of two directors
26 at large and two directors representing
27 precincts to serve four-year terms and one
28 director at large and two directors
29 representing precincts to serve two-year
30 terms.

31 Revised Law

32 Sec. 8857.054. QUALIFICATIONS FOR OFFICE. (a) To be
33 qualified to be a candidate for or to serve as director at large, a
34 person must be a registered voter in the district.

35 (b) To be a candidate for or to serve as director from a
36 county commissioners precinct, a person must be a registered voter
37 of that precinct, except as provided by Section 8857.052(d). (Acts
38 77th Leg., R.S., Ch. 307, Sec. 6(c); Acts 77th Leg., R.S., Ch. 966,
39 Sec. 3.1106(c); New.)

40 Source Law

41 [Acts 77th Leg., R.S., Ch. 307, Sec. 6]

42 (c) To be qualified to be a candidate for or to
43 serve as a director at large, a person must be a
44 registered voter in the district. To be a candidate
45 for or to serve as director from a county commissioners
46 precinct, a person must be a registered voter of that
47 precinct.

48 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1106]

1 (c) To be qualified to be a candidate for or to
2 serve as a director at large, a person must be a
3 registered voter in the district. To be a candidate
4 for or to serve as director from a county commissioners
5 precinct, a person must be a registered voter of that
6 precinct.

7 Revisor's Note

8 Section 6(c), Chapter 307, and Section 3.1106(c),
9 Chapter 966, Acts of the 77th Legislature, Regular
10 Session, 2001, provide that to serve as a director from
11 a county commissioners precinct, a person must be a
12 registered voter of that precinct. For the
13 convenience of the reader, the revised law adds a
14 cross-reference to Section 8857.052(d) of this chapter
15 because that section provides for an exception to the
16 eligibility requirement when the county commissioners
17 precincts are redrawn.

18 Revised Law

19 Sec. 8857.055. BOARD VACANCY. If there is a vacancy on the
20 board, the remaining directors shall appoint a director to serve
21 the remainder of the term. (Acts 77th Leg., R.S., Ch. 307, Sec.
22 5(g); Acts 77th Leg., R.S., Ch. 966, Sec. 3.1105(g).)

23 Source Law

24 [Acts 77th Leg., R.S., Ch. 307, Sec. 5]

25 (g) If there is a vacancy on the board, the
26 remaining directors shall appoint a director to serve
27 the remainder of the term.

28 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1105]

29 (g) If there is a vacancy on the board, the
30 remaining directors shall appoint a director to serve
31 the remainder of the term.

32 Revised Law

33 Sec. 8857.056. COMPENSATION; EXPENSES. A director may not
34 receive a salary or other compensation for service as a director but
35 may be reimbursed for actual expenses of attending meetings at the
36 rate in effect for employees of Jackson County. (Acts 77th Leg.,
37 R.S., Ch. 307, Sec. 5(h); Acts 77th Leg., R.S., Ch. 966, Sec.
38 3.1105(h).)

39 Source Law

40 [Acts 77th Leg., R.S., Ch. 307, Sec. 5]

41 (h) A director may not receive a salary or other

1 compensation for service as a director but may be
2 reimbursed for actual expenses of attending meetings
3 at the rate in effect for employees of Jackson County.

4 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1105]

5 (h) A director may not receive a salary or other
6 compensation for service as a director but may be
7 reimbursed for actual expenses of attending meetings
8 at the rate in effect for employees of Jackson County.

9 Revisor's Note
10 (End of Subchapter)

11 (1) Sections 5 and 12, Chapter 1331, Acts of the
12 76th Legislature, Regular Session, 1999, govern the
13 powers of the temporary directors of a district
14 created under that act. The revised law omits those
15 provisions as executed. The omitted law reads:

16 Sec. 5. (a) Except as provided by
17 Subsections (c) and (d) of this section or
18 otherwise by this Act, the temporary
19 directors of a district have the same
20 permitting and general management powers as
21 those granted to initial and permanent
22 directors under Chapter 36, Water Code.

23 (b) The temporary directors or their
24 designees have the authority to enter any
25 public or private property located within
26 the district to inspect a water well as
27 provided by Section 49.221, Water Code.

28 (c) The temporary directors do not
29 have the authority granted by the following
30 provisions of Chapter 36, Water Code:

31 (1) Sections 36.017, 36.019,
32 36.020, and 36.059, relating to elections;

33 (2) Sections 36.105, 36.1071,
34 36.1072, 36.1073, and 36.108, relating to
35 eminent domain and management plans;

36 (3) Sections 36.171-36.181,
37 relating to bonds and notes;

38 (4) Sections 36.201-36.204,
39 relating to taxes; and

40 (5) Sections 36.321-36.359,
41 relating to annexation and consolidation.

42 (d) The temporary directors may
43 regulate the transfer of groundwater out of
44 the district as provided by Section 36.122,
45 Water Code, but may not prohibit the
46 transfer of groundwater out of the
47 district.

48 Sec. 12. Prior to September 1, 2001,
49 the temporary directors of a district shall
50 not hold an election for the imposition of a
51 tax.

52 (2) Section 7, Chapter 1331, Acts of the 76th
53 Legislature, Regular Session, 1999, relates to the
54 election of initial directors of a district created
55 under that act. The revised law omits that provision

1 as executed. The omitted law reads:

2 Sec. 7. The initial directors may not
3 be elected until after September 1, 2001.

4 (3) Sections 8 and 9, Chapter 1331, Acts of the
5 76th Legislature, Regular Session, 1999, provide for
6 the appointment of temporary directors of a district
7 created under that act and require the temporary
8 directors to hold an organizational meeting of the
9 district. The revised law omits those provisions as
10 executed. The omitted law reads:

11 Sec. 8. (a) Except as provided by
12 Subsections (b) and (c) of this section, the
13 commissioners court of a county containing
14 territory included within the district
15 shall appoint temporary directors in
16 accordance with the provisions of Section
17 36.016, Water Code, relating to the
18 appointment of temporary directors by
19 county commissioners courts.

20 (b) For districts composed of more
21 than one county, the county commissioners
22 court of each county with territory in the
23 district shall appoint an equal number of
24 temporary directors, the total number of
25 temporary directors appointed to be
26 determined by the county commissioners
27 courts except that the total number of
28 directors may not be fewer than five or more
29 than 11.

30 (c) The 90-day limit for the
31 appointment of temporary directors under
32 Section 36.016, Water Code, does not apply
33 to the appointment of temporary directors
34 under this Act.

35 Sec. 9. (a) As soon as practicable
36 after the temporary directors are appointed
37 as provided by this Act, the temporary
38 directors shall hold the organizational
39 meeting of the district and take office at
40 that time.

41 (b) The temporary directors shall
42 hold the meeting at a location within the
43 district to which a majority of the
44 temporary directors agree.

45 (4) Section 11, Chapter 1331, Acts of the 76th
46 Legislature, Regular Session, 1999, provides for the
47 election of permanent directors of a district created
48 under that act. The revised law omits that section
49 because, as that section relates to the Texana
50 Groundwater Conservation District, it is superseded by
51 Section 8, Chapter 307, and Section 3.1108, Chapter

1 966, Acts of the 77th Legislature, Regular Session,
2 2001, which provide for the election of the district's
3 directors. See Section 8857.053 of this chapter and
4 the revisor's notes to that section. Section 4(a),
5 Chapter 307, and Section 3.1104, Chapter 966, which
6 are omitted in pertinent part in Revisor's Note (2) at
7 the end of Subchapter A of this chapter, provide that
8 the part of the act pertaining to the district or the
9 act, respectively, prevails over Chapter 1331 in case
10 of a conflict or inconsistency. The omitted law reads:

11 Sec. 11. Beginning in the second year
12 after the year in which the district has
13 held a confirmation election, an election
14 shall be held in the district on the first
15 Saturday in the month in which the initial
16 directors were elected under Section 10 of
17 this Act and every two years after that date
18 to elect the appropriate number of
19 directors to the board.

20 (5) Sections 5(b) and (c), Chapter 307, Acts of
21 the 77th Legislature, Regular Session, 2001, provide
22 for the terms of office of temporary and initial
23 directors of the district. Sections 3.1105(b) and (c),
24 Chapter 966, Acts of the 77th Legislature, Regular
25 Session, 2001, contain similar provisions. The
26 revised law omits Sections 5(b) and (c), Chapter 307,
27 and Sections 3.1105(b) and (c), Chapter 966, as
28 executed because the terms of the temporary and
29 initial directors have expired. The omitted law
30 reads:

31 [Acts 77th Leg., R.S., Ch. 307, Sec. 5]

32 (b) Temporary directors serve until
33 initial directors are elected under Section
34 7 of this Act.

35 (c) Initial directors serve until
36 permanent directors are elected under
37 Section 8 of this Act.

38 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.1105]

39 (b) Temporary directors serve until
40 initial directors are elected under Section
41 3.1107 of this part.

42 (c) Initial directors serve until
43 permanent directors are elected under
44 Section 3.1108 of this part.

1 [Sections 8857.057-8857.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 8857.101. 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. 307, Sec. 4(a) (part);
10 Acts 77th Leg., R.S., Ch. 966, Sec. 3.1104 (part).)

11 Source Law

12 [Acts 77th Leg., R.S., Ch. 307]

13 Sec. 4. (a) The district has all of the rights,
14 powers, privileges, authority, functions, and duties
15 provided by the general law of this state, including
16 Chapter 36, Water Code, applicable to groundwater
17 conservation districts created under Section 59,
18 Article XVI, Texas Constitution. . . .

19 [Acts 77th Leg., R.S., Ch. 966]

20 Sec. 3.1104. The district has all of the rights,
21 powers, privileges, authority, functions, and duties
22 provided by the general law of the 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 4(a), Chapter 307, and Section 3.1104,
28 Chapter 966, 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. 8857.102. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES.

36 (a) The district may contract with other governmental entities.

37 (b) The district may contract with other governmental
38 entities, including a river authority in the district, to perform
39 district functions.

40 (c) A river authority that contracts with the district under

1 Subsection (b) may perform district functions as provided by the
2 contract. (Acts 77th Leg., R.S., Ch. 307, Sec. 10; Acts 77th Leg.,
3 R.S., Ch. 966, Sec. 3.1110.)

4 Source Law

5 [Acts 77th Leg., R.S., Ch. 307]

6 Sec. 10. (a) The district may contract with
7 other government entities.

8 (b) The district may contract with other
9 governmental entities, including river authorities
10 located in the district, for the performance of any or
11 all district functions. A river authority with which
12 the district contracts under this section may perform
13 district functions as provided by the contract.

14 [Acts 77th Leg., R.S., Ch. 966]

15 Sec. 3.1110. (a) The district may contract with
16 other government entities.

17 (b) The district may contract with other
18 governmental entities, including river authorities
19 located in the district, for the performance of any or
20 all district functions. A river authority with which
21 the district contracts under this section may perform
22 district functions as provided by the contract.

23 Revisor's Note

24 (End of Subchapter)

25 Section 6, Chapter 1331, Acts of the 76th
26 Legislature, Regular Session, 1999, prohibits a
27 district created under that act from adopting a
28 comprehensive management plan before September 1,
29 2001. The revised law omits that provision because the
30 prohibition has expired by its own terms. The omitted
31 law reads:

32 Sec. 6. To ensure consistency of
33 district long-term management plans with
34 the regional planning process authorized by
35 Senate Bill No. 1 (Chapter 1010), Acts of
36 the 75th Legislature, Regular Session,
37 1997, a district may not adopt the
38 comprehensive management plan required by
39 Section 36.1071, Water Code, before
40 September 1, 2001.

41 [Sections 8857.103-8857.150 reserved for expansion]

42 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

43 Revised Law

44 Sec. 8857.151. LIMITATION ON TAXES. The district may not
45 impose an ad valorem tax at a rate that exceeds two cents on each
46 \$100 valuation of taxable property in the district. (Acts 77th
47 Leg., R.S., Ch. 307, Sec. 9; Acts 77th Leg., R.S., Ch. 966, Sec.

1 3.1109.)

2 Source Law

3 [Acts 77th Leg., R.S., Ch. 307]
4 Sec. 9. The district may not levy or collect an
5 ad valorem tax at a rate that exceeds two cents on each
6 \$100 valuation of taxable property in the district.

7 [Acts 77th Leg., R.S., Ch. 966]
8 Sec. 3.1109. The district may not levy or
9 collect an ad valorem tax at a rate that exceeds two
10 cents on each \$100 valuation of taxable property in the
11 district.

12 Revisor's Note

13 Section 9, Chapter 307, and Section 3.1109,
14 Chapter 966, Acts of the 77th Legislature, Regular
15 Session, 2001, limits the authority of the district to
16 "levy or collect an ad valorem tax." The revised law
17 substitutes "impose" for "levy or collect" because
18 "impose" is the term generally used in Title 1, Tax
19 Code, and includes the levy and collection of a tax.

20 Revisor's Note
21 (End of Chapter)

22 (1) Section 13, Chapter 1331, Acts of the 76th
23 Legislature, Regular Session, 1999, provides that a
24 district created under that act may be modified by
25 subsequent acts of the Texas Legislature. It is a
26 well-accepted principle of constitutional law that a
27 legislature may not, through statutory law, limit or
28 expand the authority of a future legislature. By
29 application of that principle, a district created
30 under an act of the legislature may be modified by a
31 subsequent legislative act without an express
32 statement to that effect in the act creating the
33 district. Accordingly, the revised law omits that
34 provision as unnecessary. The omitted law reads:

35 Sec. 13. A district created under
36 this Act may be modified by subsequent acts
37 of the Texas Legislature. The modification
38 may be in response to the recommendations of
39 an interim study or committee, including
40 the possibility of adding additional area
41 to the district or merging the district with
42 other districts for the purposes of the

1 efficient and effective management of a
2 common groundwater resource.

3 (2) Section 15, Chapter 1331, Acts of the 76th
4 Legislature, Regular Session, 1999, provides that an
5 election to confirm the creation of a district under
6 that act and to elect initial directors may not be held
7 unless action is taken by the 77th Legislature,
8 Regular Session, to ratify the creation of the
9 district and provides for the dissolution of a
10 district created by that act whose creation is not
11 ratified. The revised law omits that provision as
12 expired as it relates to the Texana Groundwater
13 Conservation District because the creation of the
14 district was ratified by Section 1, Chapter 307, and
15 Section 3.1101, Chapter 966, Acts of the 77th
16 Legislature, Regular Session, 2001, subject to
17 approval at a confirmation election. The omitted law
18 reads:

19 Sec. 15. (a) Notwithstanding the
20 provisions of Section 10 of this Act, an
21 election for the confirmation of the
22 creation of a groundwater conservation
23 district under this Act and for the
24 selection of initial directors for such
25 district shall not be held unless action is
26 taken by the 77th Legislature in its Regular
27 Session to ratify the creation of the
28 district.

29 (b) Except as provided by Subsection
30 (c) of this section, a groundwater
31 conservation district created by this Act
32 whose creation is not ratified by the 77th
33 Legislature as provided by Subsection (a)
34 of this section is dissolved effective
35 September 1, 2001.

36 (c) If a groundwater conservation
37 district is dissolved under this section,
38 the district has no further authority,
39 except that any debts incurred shall be paid
40 and the organization of the district shall
41 be maintained until all debts are paid.

42 (3) Section 16, Chapter 1331, Acts of the 76th
43 Legislature, Regular Session, 1999, recites
44 legislative findings regarding procedural
45 requirements for the creation of the districts created
46 by that act under the constitution and other laws and

1 rules, including the provision of proper legal notice
2 and the filing of recommendations. Section 11,
3 Chapter 307, and Section 13.04, Chapter 966, Acts of
4 the 77th Legislature, Regular Session, 2001, recite
5 similar findings regarding requirements for the
6 creation of the Texana Groundwater Conservation
7 District and of the districts ratified by Chapter 966,
8 respectively. The revised law omits those provisions
9 as executed. The omitted law reads:

10 [Acts 76th Leg., R.S., Ch. 1331]

11 Sec. 16. (a) The proper and legal
12 notice of the intention to introduce this
13 Act, setting forth the general substance of
14 this Act, has been published as provided by
15 law, and the notice and a copy of this Act
16 have been furnished to all persons,
17 agencies, officials, or entities to which
18 they are required to be furnished by the
19 constitution and other laws of this state,
20 including the governor, who has submitted
21 the notice and Act to the Texas Natural
22 Resource Conservation Commission.

23 (b) The Texas Natural Resource
24 Conservation Commission has filed its
25 recommendations relating to this Act with
26 the governor, lieutenant governor, and
27 speaker of the house of representatives
28 within the required time.

29 (c) All requirements of the
30 constitution and laws of this state and the
31 rules and procedures of the legislature
32 with respect to the notice, introduction,
33 and passage of this Act are fulfilled and
34 accomplished.

35 (d) The procedural requirements of
36 this section relating to the provision of
37 notice have been met by the provision of
38 notice of the introduction of the proposed
39 Acts of the 76th Legislature relating to the
40 creation of the groundwater conservation
41 districts now created by this Act.

42 [Acts 77th Leg., R.S., Ch. 307]

43 Sec. 11. (a) The proper and legal
44 notice of the intention to introduce this
45 Act, setting forth the general substance of
46 this Act, has been published as provided by
47 law, and the notice and a copy of this Act
48 have been furnished to all persons,
49 agencies, officials, or entities to which
50 they are required to be furnished by the
51 constitution and other laws of this state,
52 including the governor, who has submitted
53 the notice and Act to the Texas Natural
54 Resource Conservation Commission.

55 (b) The Texas Natural Resource
56 Conservation Commission has filed its
57 recommendations relating to this Act with
58 the governor, lieutenant governor, and

1 speaker of the house of representatives
2 within the required time.

3 (c) All requirements of the
4 constitution and laws of this state and the
5 rules and procedures of the legislature
6 with respect to the notice, introduction,
7 and passage of this Act are fulfilled and
8 accomplished.

9 [Acts 77th Leg., R.S., Ch. 966]

10 Sec. 13.04. (a) The proper and
11 legal notice of the intention to introduce
12 this Act, setting forth the general
13 substance of this Act, has been published as
14 provided by law, and the notice and a copy
15 of this Act have been furnished to all
16 persons, agencies, officials, or entities
17 to which they are required to be furnished
18 by the constitution and other laws of this
19 state, including the governor, who has
20 submitted the notice and Act to the Texas
21 Natural Resource Conservation Commission.

22 (b) The Texas Natural Resource
23 Conservation Commission has filed its
24 recommendations relating to this Act with
25 the governor, lieutenant governor, and
26 speaker of the house of representatives
27 within the required time.

28 (c) All requirements of the
29 constitution and laws of the state and the
30 rules and procedures of the legislature
31 with respect to the notice, introduction,
32 and passage of this Act are fulfilled and
33 accomplished.

34 (4) Section 1, Chapter 307, and Section 3.1101,
35 Chapter 966, Acts of the 77th Legislature, Regular
36 Session, 2001, ratified the creation of the district,
37 subject to approval at a confirmation election. The
38 revised law omits those provisions as executed. The
39 omitted law reads:

40 [Acts 77th Leg., R.S., Ch. 307]

41 Sec. 1. The creation by Chapter 1331,
42 Acts of the 76th Legislature, Regular
43 Session, 1999 (Senate Bill No. 1911), of the
44 Texana Groundwater Conservation District in
45 Jackson County is ratified as required by
46 Section 15(a) of that Act, subject to
47 approval at a confirmation election under
48 Section 7 of this Act.

49 [Acts 77th Leg., R.S., Ch. 966]

50 Sec. 3.1101. The creation of the
51 Texana Groundwater Conservation District in
52 Jackson County by Chapter 1331, Acts of the
53 76th Legislature, Regular Session, 1999, is
54 ratified as required by Section 15(a) of
55 that chapter, subject to approval at a
56 confirmation election under Section 3.1107
57 of this part.

58 (5) Section 12(b), Chapter 307, Acts of the 77th

1 Legislature, Regular Session, 2001, contains
2 transition language regarding the expiration of the
3 act if the creation of the district is not confirmed at
4 a confirmation election before a certain date. The
5 revised law omits that provision as executed because
6 the creation of the district was confirmed within the
7 required period. The omitted law reads:

8 (b) If the creation of the district
9 is not confirmed at a confirmation election
10 held under Section 7 of this Act before
11 September 1, 2003, this Act expires on that
12 date.

13 (6) Section 13.05, Chapter 966, Acts of the 77th
14 Legislature, Regular Session, 2001, provides that the
15 act is severable. The revised law omits that provision
16 because the same result is produced by application of
17 Section 311.032(c), Government Code (Code
18 Construction Act), which provides that a provision of
19 a statute is severable from each other provision of the
20 statute that can be given effect. The omitted law
21 reads:

22 Sec. 13.05. If any provision of this
23 Act or its application to any person or
24 circumstance is held invalid, the
25 invalidity does not affect other provisions
26 or applications of this Act that can be
27 given effect without the invalid provision
28 or application, and to this end the
29 provisions of this Act are declared to be
30 severable.

31 SUBTITLE M. WATER POWER CONTROL DISTRICTS

32 CHAPTER 9701. RED BLUFF WATER POWER CONTROL DISTRICT: TRANSFER OF
33 FUNDS

34 SUBCHAPTER A. GENERAL PROVISIONS

35 Sec. 9701.001. DEFINITIONS 1117
36 Sec. 9701.002. NATURE OF DISTRICT 1118
37 Sec. 9701.003. MEMBER DISTRICTS 1119

38 [Sections 9701.004-9701.150 reserved for expansion]

39 SUBCHAPTER B. GENERAL FINANCIAL PROVISIONS

40 Sec. 9701.151. USE OF MONEY 1119

1 Sec. 9701.152. ALLOCATION OF EARNED INTEREST 1120
2 Sec. 9701.153. INVESTMENT AND EXPENDITURE OF PRINCIPAL . . . 1121
3 Sec. 9701.154. ANNUAL ACCOUNTING 1122

4 SUBTITLE M. WATER POWER CONTROL DISTRICTS

5 CHAPTER 9701. RED BLUFF WATER POWER CONTROL DISTRICT: TRANSFER OF
6 FUNDS

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 9701.001. DEFINITIONS. In this chapter:

10 (1) "Member district" means a district listed as a
11 member of the Red Bluff District in Section 9701.003.

12 (2) "Principal amount" means the amount of \$13.8
13 million, representing the amount received by this state by order of
14 the United States Supreme Court in the case of Texas v. New Mexico
15 (494 U.S. 111 (1990)) and deposited to the credit of the Pecos River
16 compact account established by Section 1, Chapter 3, Acts of the
17 71st Legislature, 5th Called Session, 1990.

18 (3) "Red Bluff District" means the Red Bluff Water
19 Power Control District. (Acts 72nd Leg., 1st C.S., Ch. 4, Secs.
20 10.01(3) (part), (4), (5), (6) (part).)

21 Source Law

22 Sec. 10.01. In this article:

23 . . .
24 (3) "Member district" means any one of the
25 seven member districts of Red Bluff District,

26 (4) "Pecos River compact account" means
27 the special account in the water assistance fund of the
28 board created under Section 15.702, Water Code.

29 (5) "Principal amount" means the amount of
30 \$13.8 million, representing the amount received by the
31 state by order of the United States Supreme Court in
32 the case of Texas v. New Mexico (58 U.S.L.W. 3543) and
33 deposited to the credit of the Pecos River compact
34 account.

35 (6) "Red Bluff District" means the Red
36 Bluff Water Power Control District,

37 Revisor's Note

38 (1) Section 10.01(3), Chapter 4, Acts of the
39 72nd Legislature, 1st Called Session, 1991, defines
40 "member district" to mean any of the seven districts
41 that compose the Red Bluff District and lists the seven

1 districts. Because the list of member districts is
2 revised as Section 9701.003 of this chapter, a
3 reference to that section is added to the revised law
4 definition of "member district."

5 (2) Section 10.01(4), Chapter 4, Acts of the
6 72nd Legislature, 1st Called Session, 1991, refers to
7 the special account in the water assistance fund of the
8 board created under Section 15.702, Water Code. The
9 revised law substitutes a reference to the session law
10 that created the account for the reference to Section
11 15.702, Water Code, because that version of Section
12 15.702 was repealed in 1991 (see Section 10.06,
13 Chapter 4, Acts of the 72nd Legislature, 1st Called
14 Session, 1991) and the section number was reused for an
15 unrelated law in 1993. The revised law omits the
16 reference to the "special" account in the "water
17 assistance fund of the board" as unnecessary because
18 only one account is established by the session law
19 referenced in the revised law.

20 (3) Section 10.01(5), Chapter 4, Acts of the
21 72nd Legislature, 1st Called Session, 1991, refers to
22 a United States Supreme Court case by citing the
23 publication United States Law Week. As a convenience
24 to the reader, the revised law substitutes a citation
25 to the official United States Reports, which is much
26 more commonly used.

27 Revised Law

28 Sec. 9701.002. NATURE OF DISTRICT. The Red Bluff District
29 is a water power control district created under Chapter 76, General
30 Laws, Acts of the 43rd Legislature, Regular Session, 1933 (Article
31 7807d, Vernon's Texas Civil Statutes). (Acts 72nd Leg., 1st C.S.,
32 Ch. 4, Sec. 10.01(6) (part).)

33 Source Law

34 (6) "Red Bluff District" . . . a water
35 power control district created under Chapter 76,

1 General Laws, Acts of the 43rd Legislature, Regular
2 Session, 1933 (Article 7807d, Vernon's Texas Civil
3 Statutes).

4 Revised Law

5 Sec. 9701.003. MEMBER DISTRICTS. The Red Bluff District is
6 composed of the following member districts:

- 7 (1) Loving County Water Improvement District No. 1;
8 (2) Reeves County Water Improvement District No. 2;
9 (3) Ward County Irrigation District No. 3;
10 (4) Ward County Irrigation District No. 1;
11 (5) Ward County Water Improvement District No. 2;
12 (6) Pecos County Water Improvement District No. 2; and
13 (7) Pecos County Water Improvement District No. 3.

14 (Acts 72nd Leg., 1st C.S., Ch. 4, Sec. 10.01(3).)

15 Source Law

16 (3) "Member district" means any one of the
17 seven member districts of Red Bluff District, which
18 are:

- 19 (A) Loving County Water Improvement
20 District No. One;
21 (B) Reeves County Water Improvement
22 District No. Two;
23 (C) Ward County Water Improvement
24 District No. Three;
25 (D) Ward County Irrigation District
26 Number One;
27 (E) Ward County Water Improvement
28 District No. Two;
29 (F) Pecos County Water Improvement
30 District No. Two; and
31 (G) Pecos County Water Improvement
32 District No. Three.

33 Revisor's Note

34 Section 10.01(3), Chapter 4, Acts of the 72nd
35 Legislature, 1st Called Session, 1991, refers to the
36 "Ward County Water Improvement District No. Three."
37 In 2003, that district changed its name to "Ward County
38 Irrigation District No. 3." The revised law is drafted
39 accordingly.

40 [Sections 9701.004-9701.150 reserved for expansion]

41 SUBCHAPTER B. GENERAL FINANCIAL PROVISIONS

42 Revised Law

43 Sec. 9701.151. USE OF MONEY. (a) The money received by the
44 Red Bluff District under Chapter 4, Acts of the 72nd Legislature,

1 1st Called Session, 1991, and any interest earned on the money, may
2 be used by the Red Bluff District or a member district only for
3 agricultural or irrigation projects, including an associated water
4 quality improvement project that affects surface water irrigators
5 in Loving, Pecos, Reeves, or Ward County.

6 (b) A project authorized under Subsection (a) may include:

7 (1) the operation of the Red Bluff District or a member
8 district; and

9 (2) the maintenance of a water supply reservoir,
10 associated downstream diversion facility, or internal distribution
11 system of the Red Bluff District or a member district. (Acts 72nd
12 Leg., 1st C.S., Ch. 4, Sec. 10.03.)

13 Source Law

14 Sec. 10.03. The funds received by Red Bluff
15 District under this article, together with any
16 interest earned on the funds, shall be used by Red
17 Bluff District or a member district only for
18 agricultural or irrigation projects, including
19 associated water quality improvement projects that
20 affect surface water irrigators in the counties of
21 Loving, Ward, Reeves, and Pecos. The projects may
22 include the operation of the Red Bluff District or a
23 member district and the maintenance of the water
24 supply reservoirs, associated downstream diversion
25 facilities, and internal distribution systems of the
26 Red Bluff District or a member district.

27 Revisor's Note

28 Section 10.03, Chapter 4, Acts of the 72nd
29 Legislature, 1st Called Session, 1991, refers to the
30 "funds" received by the district. Throughout this
31 chapter, the revised law substitutes "money" for
32 "funds" in the context of district funds because the
33 meaning is the same and "money" is the more commonly
34 used term.

35 Revised Law

36 Sec. 9701.152. ALLOCATION OF EARNED INTEREST. The Red
37 Bluff District shall annually distribute interest earned on the
38 principal amount as follows:

39 (1) one-third to the Red Bluff District; and

40 (2) two-thirds to the member districts, to be

1 allocated among the member districts in the same percentages as
2 each member district's pro rata share of water under the master
3 contract between the Red Bluff District and the member districts
4 dated March 8, 1934. (Acts 72nd Leg., 1st C.S., Ch. 4, Secs.
5 10.01(2), 10.04(a), (d).)

6 Source Law

7 [Sec. 10.01]

8 (2) "Master contract" means the master
9 contract between Red Bluff District and member
10 districts dated March 8, 1934.

11 Sec. 10.04. (a) Interest earned on the
12 principal amount shall be allocated:

13 (1) one-third to Red Bluff District; and
14 (2) two-thirds to member districts, to be
15 allocated among the member districts in the same
16 percentages as each member district's pro rata share of
17 water under the master contract.

18 (d) Interest earned on the principal amount
19 after the distribution date shall be distributed by
20 Red Bluff District annually in accordance with
21 Subsection (a) of this section.

22 Revisor's Note

23 Section 10.04(d), Chapter 4, Acts of the 72nd
24 Legislature, 1st Called Session, 1991, specifies the
25 method for allocating interest earned on certain money
26 "after the distribution date," a reference to the date
27 of the planned transfer of money from the Pecos River
28 compact account to the Red Bluff Water Power Control
29 District. The revised law omits "after the
30 distribution date" because the distribution date and
31 the planned transfer of money have occurred, interest
32 earned before the distribution date has been
33 distributed, and there is no longer a need to
34 distinguish between interest earned before and after
35 the distribution date.

36 Revised Law

37 Sec. 9701.153. INVESTMENT AND EXPENDITURE OF PRINCIPAL.

38 (a) The Red Bluff District shall invest the principal amount in
39 accordance with Chapter 2256, Government Code.

40 (b) The Red Bluff District shall comply with Chapter 2257,

1 Government Code, to the extent applicable.

2 (c) The Red Bluff District may not spend any portion of the
3 principal amount unless the expenditure is approved by an
4 affirmative vote of:

5 (1) the board of directors of the Red Bluff District;
6 and

7 (2) the boards of directors of at least five member
8 districts. (Acts 72nd Leg., 1st C.S., Ch. 4, Secs. 10.04(c), (e).)

9 Source Law

10 (c) Red Bluff District shall invest the
11 principal amount in accordance with the Public Funds
12 Investment Act of 1987 (Article 842a-2, Vernon's Texas
13 Civil Statutes). Red Bluff District shall comply with
14 the Public Funds Collateral Act (Article 2529d,
15 Vernon's Texas Civil Statutes) to the extent
16 applicable.

17 (e) Red Bluff District may not spend any portion
18 of the principal amount unless an affirmative vote in
19 favor of the expenditure is received from:

20 (1) the board of directors of Red Bluff
21 District; and

22 (2) the boards of directors of at least
23 five of the member districts.

24 Revisor's Note

25 (1) Section 10.04(c), Chapter 4, Acts of the
26 72nd Legislature, 1st Called Session, 1991, refers to
27 the Public Funds Investment Act of 1987 (Article
28 842a-2, Vernon's Texas Civil Statutes). That act was
29 codified in 1993 as Chapter 2256, Government Code. The
30 revised law is drafted accordingly.

31 (2) Section 10.04(c), Chapter 4, Acts of the
32 72nd Legislature, 1st Called Session, 1991, refers to
33 the Public Funds Collateral Act (Article 2529d,
34 Vernon's Texas Civil Statutes). That act was codified
35 in 1993 as Chapter 2257, Government Code. The revised
36 law is drafted accordingly.

37 Revised Law

38 Sec. 9701.154. ANNUAL ACCOUNTING. The Red Bluff District
39 shall provide to each member district and the Texas Water
40 Development Board an annual accounting of the Red Bluff District's

1 administration of money under this chapter and of the amount of
2 interest earned. (Acts 72nd Leg., 1st C.S., Ch. 4, Secs. 10.01(1),
3 10.05.)

4 Source Law

5 [Sec. 10.01]

6 (1) "Board" means the Texas Water
7 Development Board.

8 Sec. 10.05. Red Bluff District shall provide an
9 annual accounting of its administration of funds under
10 this article and of the amount of interest earned to
11 each member district and the board.

12 Revisor's Note
13 (End of Chapter)

14 Sections 10.01(7), 10.02, and 10.04(b), Chapter
15 4, Acts of the 72nd Legislature, 1st Called Session,
16 1991, contain various provisions relating to the
17 transfer of money from the Pecos River compact account
18 to the Red Bluff District. The revised law omits those
19 provisions as executed. The omitted law reads:

20 [Sec. 10.01]

21 (7) "Distribution date" means
22 the date of the distribution of funds held
23 in the Pecos River compact account from the
24 board to Red Bluff District under this Act.

25 Sec. 10.02. (a) As soon as
26 practicable after the effective date of
27 this article, the board shall transfer
28 one-half of the interest earned by the Pecos
29 River compact account on or after March 1,
30 1990, and before September 1, 1991, to the
31 state treasurer for deposit to the credit of
32 the general revenue fund.

33 (b) Notwithstanding the provisions
34 of any other law, the board, after making
35 the transfer required by Subsection (a) of
36 this section, shall promptly distribute all
37 funds, including the principal amount and
38 all accrued interest not transferred under
39 Subsection (a) of this section, in the Pecos
40 River compact account to Red Bluff
41 District.

42 [Sec. 10.04]

43 (b) On receipt of funds from the
44 board under this article, Red Bluff
45 District shall promptly distribute interest
46 earned on the principal amount as of the
47 distribution date and received by Red Bluff
48 District in accordance with Subsection (a)
49 of this section.

1 APPENDIX A

2 CONFORMING AMENDMENTS

3 SECTION 2.01. Section 1(a), Chapter 1331, Acts of the 76th
4 Legislature, Regular Session, 1999, is amended to read as follows:

5 (a) The following groundwater conservation districts are
6 created:

- 7 (1) [~~Cow Creek Groundwater Conservation District,~~
8 [~~(2) Brazos Valley Groundwater Conservation District,~~
9 [~~(3)] Crossroads Groundwater Conservation District;~~
10 (2) [~~(4) Hays Trinity Groundwater Conservation~~
11 ~~District,~~
12 [~~(5)] McMullen Groundwater Conservation District;~~
13 (3) [~~(6) Middle Pecos Groundwater Conservation~~
14 ~~District,~~
15 [~~(7)] Red Sands Groundwater Conservation District;~~
16 and
17 (4) [~~(8) Refugio Groundwater Conservation District,~~
18 [~~(9)] Southeast Trinity Groundwater Conservation~~
19 ~~District,~~ ~~and~~
20 [~~(10) Texana Groundwater Conservation District].~~

21 SECTION 2.02. Section 2(a), Chapter 1331, Acts of the 76th
22 Legislature, Regular Session, 1999, is amended to read as follows:

23 (a) The boundaries of the following groundwater
24 conservation districts are coextensive with county boundaries as
25 follows:

- 26 (1) [~~the boundaries of the Cow Creek Groundwater~~
27 ~~Conservation District are coextensive with the boundaries of~~
28 ~~Kendall County,~~
29 [~~(2) the boundaries of the Brazos Valley Groundwater~~
30 ~~Conservation District are coextensive with the boundaries of~~
31 ~~Robertson and Brazos Counties,~~
32 [~~(3)] the boundaries of the Crossroads Groundwater~~
33 ~~Conservation District are coextensive with the boundaries of~~
34 ~~Victoria County; and~~

1 (2) [~~(4)~~] the boundaries of the McMullen Groundwater
2 Conservation District are coextensive with the boundaries of
3 McMullen County[+]

4 ~~[(5) the boundaries of the Middle Pecos Groundwater~~
5 ~~Conservation District are coextensive with the boundaries of Pecos~~
6 ~~County,~~

7 ~~[(6) the boundaries of the Refugio Groundwater~~
8 ~~Conservation District are coextensive with the boundaries of~~
9 ~~Refugio County; and~~

10 ~~[(7) the boundaries of the Texana Groundwater~~
11 ~~Conservation District are coextensive with the boundaries of~~
12 ~~Jackson County].~~

13 SECTION 3.01. The following statutes are repealed:

14 (1) Chapter 38, Acts of the 60th Legislature, Regular
15 Session, 1967;

16 (2) Chapter 1017, Acts of the 70th Legislature,
17 Regular Session, 1987;

18 (3) Chapter 183, Acts of the 60th Legislature, Regular
19 Session, 1967;

20 (4) Chapter 431, Acts of the 60th Legislature, Regular
21 Session, 1967;

22 (5) Article 3, Chapter 132, Acts of the 74th
23 Legislature, Regular Session, 1995;

24 (6) Chapter 548, Acts of the 71st Legislature, Regular
25 Session, 1989;

26 (7) Chapter 54, Acts of the 58th Legislature, Regular
27 Session, 1963;

28 (8) Chapter 470, Acts of the 61st Legislature, Regular
29 Session, 1969;

30 (9) Chapter 200, Acts of the 62nd Legislature, Regular
31 Session, 1971;

32 (10) Chapter 1047, Acts of the 68th Legislature,
33 Regular Session, 1983;

34 (11) Chapter 135, Acts of the 58th Legislature,

1 Regular Session, 1963;

2 (12) Chapter 16, Acts of the 59th Legislature, Regular
3 Session, 1965;

4 (13) Chapter 1055, Acts of the 68th Legislature,
5 Regular Session, 1983;

6 (14) Chapter 653, Acts of the 59th Legislature,
7 Regular Session, 1965;

8 (15) Sections 2 and 3, Chapter 838, Acts of the 66th
9 Legislature, Regular Session, 1979;

10 (16) Chapter 24, Acts of the 72nd Legislature, Regular
11 Session, 1991;

12 (17) Chapter 422, Acts of the 60th Legislature,
13 Regular Session, 1967;

14 (18) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
15 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 265, Acts
16 of the 67th Legislature, Regular Session, 1981; and

17 (19) Chapter 848, Acts of the 62nd Legislature,
18 Regular Session, 1971.

19 SECTION 3.02. The following statutes are repealed:

20 (1) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,
21 15, and 16, Chapter 472, Acts of the 69th Legislature, Regular
22 Session, 1985;

23 (2) Chapter 201, Acts of the 64th Legislature, Regular
24 Session, 1975;

25 (3) Sections 3, 4, and 5, Chapter 588, Acts of the 71st
26 Legislature, Regular Session, 1989;

27 (4) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
28 1066, Acts of the 75th Legislature, Regular Session, 1997;

29 (5) Section 7, Chapter 1141, Acts of the 76th
30 Legislature, Regular Session, 1999;

31 (6) Sections 3 and 4, Chapter 410, Acts of the 81st
32 Legislature, Regular Session, 2009;

33 (7) Part 13, Article 3, Chapter 966, Acts of the 77th
34 Legislature, Regular Session, 2001;

1 (8) Article 2, Chapter 1307, Acts of the 77th
2 Legislature, Regular Session, 2001;

3 (9) Part 1, Article 3, Chapter 966, Acts of the 77th
4 Legislature, Regular Session, 2001;

5 (10) Chapter 1349, Acts of the 77th Legislature,
6 Regular Session, 2001;

7 (11) Sections 4 and 5, Chapter 1064, Acts of the 81st
8 Legislature, Regular Session, 2009;

9 (12) Chapter 1352, Acts of the 77th Legislature,
10 Regular Session, 2001;

11 (13) Sections 9 and 10, Chapter 192, Acts of the 80th
12 Legislature, Regular Session, 2007;

13 (14) Chapter 1359, Acts of the 77th Legislature,
14 Regular Session, 2001;

15 (15) Section 2, Chapter 12, Acts of the 81st
16 Legislature, Regular Session, 2009;

17 (16) Section 2(b), Chapter 1331, Acts of the 76th
18 Legislature, Regular Session, 1999;

19 (17) Part 3, Article 3, Chapter 966, Acts of the 77th
20 Legislature, Regular Session, 2001;

21 (18) Chapter 65, Acts of the 69th Legislature, Regular
22 Session, 1985;

23 (19) Sections 13 and 14, Chapter 113, Acts of the 81st
24 Legislature, Regular Session, 2009;

25 (20) Chapter 1299, Acts of the 77th Legislature,
26 Regular Session, 2001;

27 (21) Part 9, Article 3, Chapter 966, Acts of the 77th
28 Legislature, Regular Session, 2001;

29 (22) Chapter 1314, Acts of the 77th Legislature,
30 Regular Session, 2001;

31 (23) Chapter 307, Acts of the 77th Legislature,
32 Regular Session, 2001;

33 (24) Part 11, Article 3, Chapter 966, Acts of the 77th
34 Legislature, Regular Session, 2001; and

1 (25) Article 10, Chapter 4, Acts of the 72nd
2 Legislature, 1st Called Session, 1991.

3 SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.
4 This Act is enacted under Section 43, Article III, Texas
5 Constitution. This Act is intended as a codification only, and no
6 substantive change in the law is intended by this Act. This Act
7 does not increase or decrease the territory of any special district
8 of the state as those boundaries exist on the effective date of this
9 Act.

10 SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS
11 LAW. (a) The repeal of a law, including a validating law, by this
12 Act does not remove, void, or otherwise affect in any manner a
13 validation under the repealed law. The validation is preserved and
14 continues to have the same effect that it would have if the law were
15 not repealed.

16 (b) Subsection (a) of this section does not diminish the
17 saving provisions prescribed by Section 311.031, Government Code.

18 SECTION 4.03. EFFECTIVE DATE. This Act takes effect April
19 1, 2013.

1 APPENDIX B

2 CHAPTER 311. CODE CONSTRUCTION ACT

3 (current as of end of 82nd Legislature, 1st Called Session, 2011)

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.

APPENDIX C

DISPOSITION TABLE

SPECIAL DISTRICT LOCAL LAWS CODE

4	58th Leg., R.S., Ch. 54		
5	Sec. 1 (part)		1098.002
6	(part)		1098.004
7	Sec. 2 (part)	RN	1098.007
8	(part)		1098.101
9	(part)		1098.104
10	Sec. 2A		1098.102
11	Sec. 3(a) (part)		1098.051
12	(part)	RN	1098.064
13	(b) (part)		1098.054
14	(part)		1098.055
15	(part)		1098.057
16	(part)	RN	1098.057
17	(c) (part)		1098.051
18	(part)	RN	1098.051
19	(part)		1098.052
20	(part)	RN	1098.064
21	(d)		1098.053
22	Sec. 4(a) (part)		1098.056
23	(part)		1098.103
24	(b)		1098.058
25	(c)		1098.059
26	(d)		1098.060
27	(e)		1098.112
28	(f)		1098.107
29	(g)		1098.107
30	(h)		1098.111
31	(i)		1098.062
32	(j)		1098.060
33	(k)	RN	1098.253
34	(l)		1098.061
35	(m)		1098.113
36	Sec. 5(a) (part)		1098.251
37	(part)		1098.252
38	(b)		1098.251
39	(c) (part)		1098.253
40	(part)	RN	1098.253
41	Sec. 6(a)		1098.201
42	(b)		1098.202
43	(c)		1098.203
44	(d)		1098.203
45	(e) (part)		1098.204
46	(part)		1098.205
47	(part)	RN	1098.206
48	Sec. 6A		1098.206
49	Sec. 7(a) (part)		1098.064
50	(part)		1098.106
51	(part)		1098.110
52	(part)		1098.154
53	(b)		1098.063
54	(c)		1098.105
55	Sec. 8(a) (part)		1098.155
56	(part)		1098.156
57	(part)		1098.157
58	(b) (part)		1098.151
59	(part)		1098.152
60	(part)		1098.153
61	(part)		1098.154
62	(part)		1098.158
63	(c) (part)		1098.151
64	(part)		1098.152
65	(part)		1098.251

1		(part)	1098.253
2		(part)	RN 1098.253
3	Sec. 9		1098.108
4	Sec. 10		1098.159
5	Sec. 11		1098.113
6	Sec. 12		1098.109
7	Sec. 13		RN 1098.206
8	Sec. 14	(part)	1098.003
9		(part)	1098.114
10	Sec. 15		1098.161
11	Sec. 15A		1098.160
12	Sec. 15B	(a)	1098.301
13		(b)	1098.301
14		(c) (part)	1098.301
15		(part)	RN 1098.301
16		(d) (part)	1098.302
17		(part)	1098.303
18		(e)	1098.304
19		(f)	1098.305
20		(g)	1098.305
21		(h)	1098.307
22		(i)	1098.307
23		(j)	1098.307
24		(k)	1098.308
25		(l)	1098.308
26		(m)	1098.306
27		(n)	1098.306
28	Sec. 16	(part)	1098.006
29		(part)	1098.007
30	Sec. 17	(part)	1098.005
31		(part)	RN 1098.005
32		(part)	RN 1098.308
33	Sec. 18		RN 1098.308
34	58th Leg., R.S., Ch. 135		
35	Sec. 1	(part)	1102.002
36		(part)	1102.004
37	Sec. 2	(part)	1102.101
38		(part)	1102.104
39	Sec. 2a		1102.105
40	Sec. 3(a)	(part)	1102.051
41		(part)	1102.053
42		(part)	1102.054
43		(part)	RN 1102.054
44		(b) (part)	1102.055
45		(part)	1102.056
46		(part)	1102.058
47		(part)	RN 1102.058
48		(c) (part)	1102.051
49		(part)	1102.052
50		(part)	RN 1102.061
51	Sec. 4	(part)	1102.057
52		(part)	1102.103
53	Sec. 5(a)	(part)	1102.202
54		(part)	1102.251
55		(part)	RN 1102.251
56		(part)	1102.252
57		(b)	RN 1102.253
58		(c)	1102.253
59	Sec. 6(a)	(part)	1102.201
60		(part)	1102.202
61		(b) (part)	1102.204
62		(part)	RN 1102.207
63		(c) (part)	1102.203
64		(part)	RN 1102.203
65		(d)	RN 1102.207
66		(e)	1102.205
67	Sec. 6A		1102.206
68	Sec. 6B		1102.207
69	Sec. 7(a)	(part)	1102.059

1		(part)	1102.061
2		(part)	1102.107
3		(b)	1102.060
4		(c)	1102.106
5		(d)	1102.059
6	Sec. 7A		1102.111
7	Sec. 7B		1102.156
8	Sec. 8(a)		1102.153
9		(b)	1102.154
10		(c) (part)	1102.151
11		(part)	1102.152
12		(part)	1102.251
13		(part)	RN 1102.253
14	Sec. 9		1102.108
15	Sec. 9A(a)		1102.301
16		(b)	1102.301
17		(c)	1102.301
18		(d)	1102.301
19		(e)	1102.302
20		(f)	1102.303
21		(g)	1102.304
22		(h)	1102.305
23		(i)	1102.305
24		(j)	1102.305
25		(k)	1102.306
26		(l)	1102.306
27		(m)	1102.306
28		(n)	1102.307
29		(o)	1102.307
30	Sec. 10		1102.155
31	Sec. 11		RN 1102.112
32	Sec. 12	(part)	1102.101
33		(part)	1102.102
34	Sec. 13		1102.110
35	Sec. 14		1102.109
36	Sec. 15		RN 1102.207
37	Sec. 16	(part)	1102.003
38		(part)	1102.112
39	Sec. 17	(part)	1102.005
40		(part)	RN 1102.005
41		(part)	RN 1102.307
42	59th Leg., R.S., Ch. 16		
43	Sec. 1	(part)	1103.002
44		(part)	1103.004
45	Sec. 2	(part)	1103.101
46		(part)	1103.104
47		(part)	RN 1103.253
48	Sec. 3	(part)	RN 1103.006
49		(part)	1103.251
50		(part)	1103.252
51	Sec. 4	(part)	RN 1103.006
52		(part)	1103.051
53		(part)	RN 1103.051
54		(part)	1103.052
55		(part)	1103.053
56		(part)	1103.054
57		(part)	1103.055
58		(part)	1103.056
59		(part)	1103.057
60		(part)	1103.058
61		(part)	RN 1103.058
62		(part)	1103.063
63		(part)	RN 1103.063
64	Sec. 5	(part)	1103.059
65		(part)	1103.060
66		(part)	1103.061
67		(part)	1103.062
68		(part)	1103.103
69		(part)	1103.105

1	(part)	1103.109
2	(part)	1103.111
3	Sec. 6 (part)	1103.151
4	(part)	1103.152
5	(part)	1103.153
6	(part)	1103.154
7	Sec. 7 (part)	1103.201
8	(part)	1103.202
9	(part)	1103.203
10	(part)	RN 1103.203
11	(part)	1103.204
12	(part)	1103.205
13	(part)	RN 1103.205
14	(part)	RN 1103.207
15	Sec. 7A	1103.207
16	Sec. 8 (part)	1103.003
17	(part)	1103.206
18	Sec. 9 (part)	1103.105
19	(part)	1103.106
20	Sec. 10	1103.155
21	Sec. 11	RN 1103.207
22	Sec. 12	1103.107
23	Sec. 13 (part)	1103.251
24	(part)	1103.253
25	(part)	RN 1103.253
26	Sec. 14	1103.110
27	Sec. 15	1103.108
28	Sec. 16	1103.151
29	Sec. 17 (part)	1103.101
30	(part)	1103.102
31	Sec. 18 (part)	1103.005
32	(part)	1103.006
33	Sec. 18a	RN 1103.253
34	Sec. 19	RN 1103.253
35	Sec. 20	RN 1103.253
36	59th Leg., R.S., Ch. 653	
37	Sec. 1 (part)	1105.002
38	(part)	1105.004
39	Sec. 2 (part)	1105.101
40	(part)	1105.104
41	(part)	RN 1105.253
42	Sec. 2A	1105.112
43	Sec. 3 (part)	RN 1105.006
44	(part)	1105.251
45	(part)	1105.252
46	Sec. 4 (part)	RN 1105.006
47	(part)	1105.051
48	(part)	RN 1105.051
49	(part)	1105.052
50	(part)	1105.053
51	(part)	1105.054
52	(part)	1105.055
53	(part)	RN 1105.055
54	(part)	1105.056
55	(part)	1105.057
56	(part)	1105.058
57	(part)	1105.059
58	(part)	RN 1105.059
59	(part)	1105.066
60	Sec. 5 (part)	1105.060
61	(part)	1105.061
62	(part)	1105.062
63	(part)	1105.065
64	(part)	1105.103
65	(part)	1105.105
66	(part)	1105.110
67	(part)	1105.114
68	Sec. 5A	1105.111
69	Sec. 5B(a)	1105.063

1		(b)	1105.063
2		(c)	1105.064
3	Sec. 6	(part)	1105.151
4		(part)	1105.152
5		(part)	1105.153
6		(part)	1105.154
7	Sec. 7	(part)	1105.201
8		(part)	1105.202
9		(part)	1105.203
10		(part)	RN 1105.203
11		(part)	1105.204
12		(part)	1105.205
13		(part)	RN 1105.205
14		(part)	RN 1105.206
15	Sec. 8	(part)	1105.003
16		(part)	1105.206
17	Sec. 8A	. . . . .	1105.156
18	Sec. 9	(part)	1105.105
19		(part)	1105.106
20	Sec. 10	. . . . .	1105.155
21	Sec. 11	. . . . .	RN 1105.206
22	Sec. 12	. . . . .	1105.108
23	Sec. 13	(part)	1105.251
24		(part)	1105.253
25		(part)	RN 1105.253
26	Sec. 14	(part)	1105.107
27		(part)	1105.113
28	Sec. 15	. . . . .	1105.109
29	Sec. 16	. . . . .	1105.151
30	Sec. 17	(part)	1105.101
31		(part)	1105.102
32	Sec. 18	(part)	1105.005
33		(part)	1105.006
34	Sec. 19	. . . . .	RN 1105.253
35	Sec. 20	. . . . .	RN 1105.253
36	60th Leg., R.S., Ch. 38		
37	Sec. 1	(part)	1011.002
38		(part)	1011.004
39		(part)	1011.108
40	Sec. 2(a)	(part)	RN 1011.005
41		(part)	1011.101
42		(b)	RN 1011.005
43		(c)	RN 1011.005
44	Sec. 3(a)	(part)	1011.051
45		(part)	1011.054
46		(part)	1011.055
47		(part)	RN 1011.055
48		(b) (part)	1011.056
49		(part)	1011.057
50		(part)	1011.059
51		(part)	RN 1011.059
52		(part)	1011.060
53		(c) (part)	1011.051
54		(part)	1011.052
55		(part)	1011.053
56	Sec. 3A	. . . . .	1011.064
57	Sec. 4	(part)	1011.058
58		(part)	1011.103
59	Sec. 5(a)	(part)	1011.251
60		(part)	RN 1011.251
61		(part)	1011.252
62		(b) (part)	1011.155
63		(part)	1011.251
64		(part)	RN 1011.251
65		(part)	1011.253
66		(part)	RN 1011.253
67		(c)	RN 1011.253
68	Sec. 6(a)	(part)	1011.201
69		(part)	1011.202

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2		(part)	RN 1011.203
3		(part)	1011.204
4		(part)	1011.205
5		(part)	RN 1011.205
6		(part)	1011.206
7		(b) (part)	1011.206
8		(part)	RN 1011.206
9	Sec. 7(a)	(part)	1011.061
10		(part)	1011.063
11		(part)	1011.105
12		(b)	1011.062
13		(c)	1011.104
14	Sec. 8(a)	(part)	1011.153
15		(part)	1011.154
16		(b) (part)	1011.151
17		(part)	1011.152
18		(part)	1011.251
19		(part)	RN 1011.251
20		(part)	1011.253
21	Sec. 9		1011.106
22	Sec. 10		1011.155
23	Sec. 11		RN 1011.110
24	Sec. 12	(part)	1011.101
25		(part)	1011.102
26	Sec. 13		1011.109
27	Sec. 14		1011.107
28	Sec. 15		RN 1011.206
29	Sec. 16	(part)	1011.003
30		(part)	1011.110
31	Sec. 17	(part)	1011.005
32		(part)	RN 1011.005
33		(part)	RN 1011.253
34	Sec. 18		RN 1011.253
35	60th Leg., R.S., Ch. 183		
36	Sec. 1	(part)	1058.002
37		(part)	1058.004
38	Sec. 2	(part)	RN 1058.005
39		(part)	1058.252
40	Sec. 3	(part)	RN 1058.005
41		(part)	1058.051
42		(part)	RN 1058.051
43		(part)	1058.052
44		(part)	1058.053
45		(part)	1058.054
46		(part)	1058.055
47		(part)	1058.056
48		(part)	1058.057
49		(part)	RN 1058.057
50		(part)	1058.058
51		(part)	1058.065
52		(part)	RN 1058.065
53		(part)	1058.103
54	Sec. 4	(part)	1058.059
55		(part)	1058.060
56		(part)	1058.063
57		(part)	1058.107
58	Sec. 5		1058.061
59	Sec. 6	(part)	1058.156
60		(part)	1058.202
61		(part)	1058.251
62		(part)	RN 1058.251
63		(part)	1058.252
64		(part)	1058.253
65		(part)	RN 1058.253
66		(part)	RN 1058.255
67	Sec. 7	(part)	1058.201
68		(part)	1058.202
69		(part)	1058.203

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2	(part)		1058.204
3	(part)		1058.205
4	(part)	RN	1058.205
5	Sec. 8	RN	1058.205
6	Sec. 9 (part)		1058.064
7	(part)		1058.151
8	(part)		1058.152
9	(part)		1058.153
10	(part)		1058.154
11	(part)		1058.155
12	(part)		1058.251
13	(part)		1058.253
14	Sec. 10		1058.156
15	Sec. 11 (part)		1058.101
16	(part)		1058.102
17	Sec. 12	RN	1058.255
18	Sec. 13 (part)		1058.106
19	(part)	RN	1058.106
20	Sec. 14	RN	1058.109
21	Sec. 15		1058.108
22	Sec. 16		1058.105
23	Sec. 17		1058.104
24	Sec. 18		1058.005
25	Sec. 19 (part)		1058.254
26	(part)	RN	1058.254
27	(part)		1058.255
28	(part)	RN	1058.255
29	Sec. 20		1058.062
30	Sec. 21 (part)		1058.003
31	(part)		1058.109
32	Sec. 22 (part)	RN	1058.005
33	(part)	RN	1058.255
34	Sec. 23	RN	1058.255
35	60th Leg., R.S., Ch. 422		
36	Sec. 1(a) (part)		1106.002
37	(part)		1106.004
38	(b)	RN	1106.252
39	Sec. 2(a) (part)	RN	1106.004
40	(part)		1106.101
41	(part)		1106.104
42	(b)	RN	1106.004
43	(c)	RN	1106.004
44	(d)	RN	1106.004
45	(e)	RN	1106.004
46	Sec. 3(a) (part)	RN	1106.004
47	(part)		1106.051
48	(part)	RN	1106.051
49	(part)		1106.054
50	(part)		1106.055
51	(part)		1106.058
52	(part)	RN	1106.062
53	(b) (part)		1106.056
54	(part)		1106.057
55	(part)		1106.059
56	(part)	RN	1106.059
57	(c) (part)	RN	1106.051
58	(part)		1106.052
59	(part)		1106.053
60	(part)	RN	1106.062
61	Sec. 4 (part)		1106.058
62	(part)		1106.103
63	Sec. 5(a) (part)		1106.202
64	(part)		1106.251
65	(part)	RN	1106.251
66	(part)		1106.252
67	(b) (part)	RN	1106.251
68	(part)	RN	1106.252
69	(c)	RN	1106.252

1	Sec. 6(a) (part)	1106.201
2	(part)	1106.202
3	(part)	1106.203
4	(part)	RN 1106.203
5	(part)	1106.204
6	(part)	1106.205
7	(part)	RN 1106.205
8	(b)	RN 1106.205
9	(c)	RN 1106.205
10	Sec. 7(a) (part)	1106.060
11	(part)	1106.062
12	(part)	1106.106
13	(b)	1106.061
14	(c)	1106.105
15	Sec. 8(a) (part)	1106.153
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17	(b) (part)	1106.151
18	(part)	1106.152
19	(part)	1106.251
20	(part)	RN 1106.252
21	Sec. 9	1106.107
22	Sec. 10	1106.155
23	Sec. 11	RN 1106.111
24	Sec. 12 (part)	1106.101
25	(part)	1106.102
26	Sec. 13	1106.110
27	Sec. 14	1106.108
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