

AN ACT

relating to the Nocona Hospital District.

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

SECTION 1. Section 4, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, is amended to read as follows:

Sec. 4. (a) The board of directors consists of seven persons elected as provided by this section [~~Upon the effective date of this Act, the following seven persons, C. S. McCall, Richard Bailey, L. D. Thompson, Doyle Powell, Jack Mercer, Robert R. Smith, and Tommy L. Uselton, shall be and are hereby constituted the temporary or provisional directors of said district. Each temporary or provisional director shall subscribe to the constitutional oath of office~~].

(b) A regular election for directors shall be held annually on the May uniform election date under Section 41.001, Election Code. Four directors shall be elected in odd-numbered years and three directors shall be elected in even-numbered years. Directors are elected at large and shall serve staggered two-year terms. A director continues to serve until a successor has been elected or appointed and qualified [~~Temporary directors shall serve for a period of two years or until the creation of the district is confirmed at an election, whichever date shall first occur. Any vacancy in the office of temporary director, whether by reason of a failure to qualify or the occurring of a vacancy prior to the~~

1 ~~confirmation of the district at the election provided, shall be~~  
2 ~~filled by appointment made by the County Judge of Montague County].~~

3 (c) ~~[At such time as the creation of the district is~~  
4 ~~approved and the returns of the election officially canvassed, the~~  
5 ~~persons then serving as temporary directors shall become permanent~~  
6 ~~directors of the district, shall execute the constitutional oath of~~  
7 ~~office as such, and divide themselves into two classes: Class One,~~  
8 ~~three persons to serve until the first Saturday in April next~~  
9 ~~following; Class Two, four persons to serve until the first~~  
10 ~~Saturday in April of the following year. Successors shall be~~  
11 ~~elected by vote of the electors of the entire district for two-year~~  
12 ~~terms.]~~ Notice of each regular ~~[such]~~ election of directors shall  
13 be published in accordance with Section 4.003, Election Code ~~[a~~  
14 ~~newspaper or newspapers which individually or collectively provide~~  
15 ~~general circulation in the district one time at least 30 days prior~~  
16 ~~to the date of the election]~~. Any person desiring to have the  
17 person's ~~[his]~~ name printed on the ballot as a candidate for  
18 director shall file an application in accordance with Chapter 144,  
19 Election Code ~~[a petition signed by at least ten qualified~~  
20 ~~taxpaying electors asking that such name be printed on the ballot~~  
21 ~~with the secretary of the board of directors. Such petition shall~~  
22 ~~be filed with the secretary at least 30 days prior to the date of the~~  
23 ~~election].~~

24 (d) Vacancies in office shall be filled for the unexpired  
25 term by the remainder of the board of directors.

26 (e) ~~[(d)]~~ No person shall be appointed or elected as a  
27 member of the ~~[temporary or permanent]~~ board of directors unless

1 the person [~~he~~] is a resident of the district [~~, a freeholder,~~] and a  
2 qualified voter. Neither the chief executive officer  
3 [~~administrator~~], an employee of the district, nor a member of the  
4 medical staff of the hospital is [~~shall be~~] eligible to serve as a  
5 director.

6 (f) [~~(e)~~] The board of directors [~~, temporary and~~  
7 ~~permanent,~~] shall organize by electing one of their number as  
8 president and one of their number as vice president. A secretary,  
9 who need not be a director, shall also be elected. Officers shall  
10 be elected for a term of one year and vacancies shall be filled for  
11 the unexpired term by the board of directors [~~, temporary or~~  
12 ~~permanent~~]. Any five members of the board of directors shall  
13 constitute a quorum and a concurrence of five shall be sufficient in  
14 all matters pertaining to the business of the district. All members  
15 of the board of directors and officers shall serve without  
16 compensation, but may be reimbursed for actual expenses incurred in  
17 the performance of their official duties upon the approval of such  
18 expenses by the board of directors and so reported in the minute  
19 book of the district or other records of the district.

20 SECTION 2. Section 5, Chapter 868, Acts of the 62nd  
21 Legislature, Regular Session, 1971, is amended to read as follows:

22 Sec. 5. (a) The board of directors shall manage, control,  
23 and administer the hospital system and all funds and resources of  
24 the district, but in no event shall any operating, depreciation, or  
25 building fund reserves be invested in any funds or securities other  
26 than those specified in Subchapter A, Chapter 2256, Government Code  
27 [~~Articles 836 or 837, Revised Civil Statutes of Texas, 1925, as~~

1 ~~amended~~].

2       **(b)** The district, through its board of directors, shall have  
3 the power and authority to sue and be sued, to promulgate rules and  
4 regulations governing the operation of the hospital, hospital  
5 system, its staff, and its employees.

6       **(c)** The board of directors shall appoint a qualified person  
7 to be known as the chief executive officer [~~administrator or~~  
8 ~~manager~~] of the hospital district and may in its discretion appoint  
9 an assistant to the chief executive officer [~~administrator or~~  
10 ~~manager~~]. The chief executive officer [~~Such administrator or~~  
11 ~~manager~~] and assistant to the chief executive officer  
12 [~~administrator or manager~~], if any, shall serve at the will of the  
13 board and shall receive such compensation as may be fixed by the  
14 board. [~~The administrator or manager shall, upon assuming his~~  
15 ~~duties, execute a bond payable to the hospital district in an amount~~  
16 ~~to be set by the board of directors, in no event less than Five~~  
17 ~~Thousand Dollars (\$5,000), conditioned that he shall perform the~~  
18 ~~duties required of him, and containing such other conditions as the~~  
19 ~~board may require.~~] The chief executive officer [~~administrator or~~  
20 ~~manager~~] shall supervise all the work and activities of the  
21 district and shall have general direction of the affairs of the  
22 district, subject to the limitations as may be prescribed by the  
23 board.

24       **(d)** The board of directors has [~~shall have~~] the authority to  
25 appoint to the medical staff [~~such~~] doctors as [~~it may be~~] deemed  
26 necessary for the efficient operation of the district, and may  
27 provide for temporary appointments to the staff if warranted by

1 circumstances.

2       (e) The board may delegate to the chief executive officer  
3 ~~[administrator or manager]~~ the authority to employ technicians,  
4 nurses, and employees of the district.

5       (f) The ~~[Such]~~ board shall be authorized to contract with  
6 any other political subdivision or governmental agency whereby the  
7 district will provide investigatory or other services as to the  
8 hospitalization needs of the inhabitants of the district and shall  
9 be authorized to contract with any county or incorporated  
10 municipality located outside its boundaries for the  
11 hospitalization of the sick, diseased, or injured persons of any  
12 such county or municipality, and shall have the authority to  
13 contract with the State of Texas, or agencies of the federal  
14 government for the hospital treatment of sick, diseased, or injured  
15 persons.

16       SECTION 3. Section 6, Chapter 868, Acts of the 62nd  
17 Legislature, Regular Session, 1971, is amended to read as follows:

18       Sec. 6. (a) The district shall be operated on the basis of a  
19 fiscal year established by the board of directors. The board of  
20 directors may not change the fiscal year if revenue bonds of the  
21 district are outstanding or more than once in a 24-month period.  
22 The board ~~[commencing on July 1 of each year and ending on June 30 of~~  
23 ~~the following year, and it]~~ shall cause an audit to be made of the  
24 financial condition of the ~~[said]~~ district, which together with  
25 other records of the district shall be open to inspection at the  
26 principal office of the district.

27       (b) The chief executive officer ~~[administrator or manager]~~

1 shall prepare an annual budget for approval by the board of  
2 directors. The budget shall also contain a complete financial  
3 statement of the district showing all outstanding obligations of  
4 the district, the cash on hand to the credit of each and every fund  
5 of the district, the funds received from all sources during the  
6 previous year, the funds available from all sources during the  
7 ensuing year, with balances expected at year end of the year in  
8 which the budget is being prepared, and estimated revenues and  
9 balances available to cover the proposed budget and the estimated  
10 tax rate which will be required.

11 (c) A public hearing on the annual budget shall be held by  
12 the board of directors after notice of the ~~[such]~~ hearing has been  
13 published in accordance with Chapter 551, Government Code ~~[one (1)~~  
14 ~~time at least ten (10) days before the date set therefor]~~. Any  
15 resident ~~[property taxpayer]~~ of the district shall have the right  
16 to be present and to be heard at the ~~[participate in said]~~ hearing.  
17 At the conclusion of the hearing, the budget, as proposed by the  
18 chief executive officer ~~[administrator]~~, shall be acted upon by the  
19 board of directors. The board of directors shall have authority to  
20 make such changes in the budget as in their judgment the law  
21 warrants and the interest of the taxpayers demand. No expenditure  
22 may be made for any expense not included in the annual budget or an  
23 amendment thereto. The annual budget may be amended from time to  
24 time as the circumstances may require, but the annual budget, and  
25 all amendments thereto, shall be approved by the board of  
26 directors. As soon as practicable after the close of each fiscal  
27 year, the chief executive officer ~~[administrator or manager]~~ shall

1 prepare for the board a full sworn statement of all moneys belonging  
2 to the district and a full account of the disbursements of same.

3 SECTION 4. Section 7, Chapter 868, Acts of the 62nd  
4 Legislature, Regular Session, 1971, is amended to read as follows:

5 Sec. 7. (a) The board of directors shall have the power and  
6 authority to issue and sell general obligation [~~its~~] bonds in the  
7 name and upon the faith and credit of the [~~such hospital~~] district  
8 for the purchase, construction, acquisition, repair, or renovation  
9 of buildings and improvements and equipping the same for hospital  
10 purposes, and for any or all of such purposes.

11 (b) At the time of the issuance of any general obligation  
12 bonds by the district a tax shall be levied by the board sufficient  
13 to create an interest and sinking fund to pay the interest on and  
14 principal of said bonds as same mature [~~nature~~], providing such tax  
15 together with any other taxes levied for the [~~said~~] district shall  
16 not exceed Seventy-five cents (75¢) on each One Hundred Dollars  
17 (\$100) valuation of taxable property in any one year, upon all  
18 taxable property situated within the hospital district, subject to  
19 hospital district taxation.

20 (c) General obligation [~~No~~] bonds may not [~~shall~~] be issued  
21 by the [~~such hospital~~] district [~~except refunding bonds~~] until  
22 authorized by a majority of the voters [~~qualified electors~~] of the  
23 district [~~who own taxable property therein and who have duly~~  
24 ~~rendered the same for taxation~~] voting at an election called for  
25 such purpose. The order for the bond election and the publication  
26 of notice for the election must be provided in accordance with  
27 Chapter 1251, Government Code. The election [~~shall specify the~~

1 ~~date of the election, the amount of bonds to be authorized, the~~  
2 ~~maximum maturity thereof, the place or places where the election~~  
3 ~~shall be held, the presiding judge and alternate judge for each~~  
4 ~~voting place and provide for clerks as in county elections. Notice~~  
5 ~~of any bond election (except one held under the provisions of~~  
6 ~~Section 8, in which instance notice shall be given as provided in~~  
7 ~~Section 3) shall be published as provided in Article 704, Revised~~  
8 ~~Civil Statutes of Texas, 1925, as amended, and] shall be conducted~~  
9 in accordance with the general laws of this state [Texas]  
10 pertaining to general elections, except as modified by the  
11 provisions of this Act.

12 (d) The district may issue refunding bonds in accordance  
13 with Chapter 1207, Government Code [~~Refunding bonds of the district~~  
14 ~~may be issued for the purpose of refunding and paying off any~~  
15 ~~outstanding indebtedness it has issued or assumed. Such refunding~~  
16 ~~bonds may be sold and the proceeds thereof applied to the payment of~~  
17 ~~outstanding indebtedness, or may be exchanged in whole or in part~~  
18 ~~for not less than a like principal amount of such outstanding~~  
19 ~~indebtedness provided that, if refunding bonds are to be exchanged~~  
20 ~~for a like amount of said outstanding indebtedness, the Comptroller~~  
21 ~~of Public Accounts shall register the refunding bonds upon~~  
22 ~~cancellation of the bonds refunded, and provided further that if~~  
23 ~~such refunding bonds are to be sold and the proceeds thereof applied~~  
24 ~~to the payment of any such outstanding indebtedness, same shall be~~  
25 ~~issued and payments made in the manner specified by Article 717k,~~  
26 ~~Revised Civil Statutes of Texas, 1925, as amended].~~

27 (e) Bonds of the district shall bear interest at a rate not



1 to exceed the rate permitted by Chapter 1204, Government Code  
2 [~~Article 717k 2, except that refunding bonds shall bear interest at~~  
3 ~~a rate not in excess of that permitted by Article 717k 3~~]. All  
4 bonds shall mature within forty (40) years of their date, shall be  
5 executed in the name of the hospital district and in its behalf by  
6 the president of the board and countersigned by the secretary in the  
7 manner provided by Chapter 618, Government Code [~~Article 717j 1,~~  
8 ~~Revised Civil Statutes of Texas, 1925, as amended~~], and shall be  
9 subject to the same requirements in the manner of approval by the  
10 Attorney General of Texas and registration by the Comptroller of  
11 Public Accounts of the State of Texas as are by law provided for  
12 approval and registration of bonds issued by counties. Upon the  
13 approval of such bonds by the Attorney General and registration by  
14 the Comptroller, the bonds [~~same~~] shall be incontestable for any  
15 cause.

16 SECTION 5. Section 9, Chapter 868, Acts of the 62nd  
17 Legislature, Regular Session, 1971, is amended to read as follows:

18 Sec. 9. In addition to the power to issue bonds payable from  
19 taxes levied by the district, as contemplated by the preceding  
20 section, the board of directors is further authorized to issue, and  
21 to refund any previously issued revenue bonds for purchasing,  
22 constructing, acquiring, repairing, equipping, or renovating  
23 buildings and improvements for hospital purposes, and for acquiring  
24 sites therefor, such bonds to be payable from and secured by a  
25 pledge of all or any part of the revenues of the district to be  
26 derived from the operation of its hospital or hospitals, and such  
27 bonds may be additionally secured by a mortgage or deed of trust

1 lien on any part or all of its properties. Such bonds shall be  
2 issued in the manner and in accordance with the procedures and  
3 requirements specified for the issuance of revenue bonds by County  
4 Hospital Authorities in Sections 264.042, 264.043, and  
5 264.046-264.049, Health and Safety Code [~~Sections 8 and 10 through~~  
6 ~~13 of Chapter 122, Acts of the 58th Legislature, Regular Session,~~  
7 ~~1963 (codified as Article 4494r, Vernon's Texas Civil Statutes)] .~~

8 SECTION 6. Section 10, Chapter 868, Acts of the 62nd  
9 Legislature, Regular Session, 1971, is amended to read as follows:

10 Sec. 10. (a) The board of directors is hereby given  
11 complete discretion as to the type of buildings (both as to number  
12 and location) required to establish and maintain an adequate  
13 hospital system. The hospital system may include residential  
14 [~~domiciliary~~] care and treatment of the sick, wounded and injured,  
15 outpatient clinic or clinics, dispensaries, nursing [~~geriatric~~  
16 ~~domiciliary care and treatment, convalescent~~] home facilities,  
17 necessary nurses, [~~domiciliaries and~~] training centers, blood  
18 banks, community mental health centers and research centers or  
19 laboratories, and any other facilities deemed necessary for  
20 hospital care by the directors.

21 (b) The district, through its board of directors, is further  
22 authorized to enter into an operating or management contract with  
23 regard to its facilities or a part thereof, or may lease all or part  
24 of its buildings and facilities upon terms and conditions  
25 considered to be to the best interest of its inhabitants, provided  
26 that in no event shall any lease be for a period in excess of  
27 twenty-five (25) years from the date entered.

1           (c) The district shall be empowered to sell or otherwise  
2 dispose of any property (real or personal) or equipment of any  
3 nature upon terms and conditions found by the board to be in the  
4 best interest of its inhabitants.

5           (d) The board of directors of such district shall have the  
6 power to prescribe the method and manner of making purchases and  
7 expenditures by and for such hospital district, and shall also be  
8 authorized to prescribe all accounting and control procedures. A  
9 contract for construction that requires expenditures in excess of  
10 the amount provided by Section 271.024, Local Government Code, may  
11 be entered into only after competitive bidding as provided by  
12 Subchapter B, Chapter 271, Local Government Code [~~All contracts for~~  
13 ~~construction involving the expenditure of more than Ten Thousand~~  
14 ~~Dollars (\$10,000) may be made only after advertising in the manner~~  
15 ~~provided by Article 2368a, Revised Civil Statutes of Texas, 1925,~~  
16 ~~as amended~~]. The provisions of Chapter 2253, Government Code,  
17 [~~Article 5160~~] relating to performance and payment bonds shall  
18 apply to construction contracts let by the district. The district  
19 may acquire equipment for use in its hospital system and mortgage or  
20 pledge the property so acquired as security for the payment of the  
21 purchase price, but any such contract shall provide for the entire  
22 obligation of the district to be retired within five (5) years from  
23 the date of the contract. Except as permitted in the preceding  
24 sentence and as permitted by Sections 7[~~7-8~~] and 9, the district may  
25 incur no obligation payable from any revenues of the district (tax  
26 or otherwise) except those on hand or to be on hand within the then  
27 current and following fiscal year of the district.

1 SECTION 7. Section 14, Chapter 868, Acts of the 62nd  
2 Legislature, Regular Session, 1971, is amended to read as follows:

3 Sec. 14. The district shall have the right and power of  
4 eminent domain for the purpose of acquiring by condemnation any and  
5 all property of any kind and character in fee simple, or any lesser  
6 interest therein, within the boundaries of the district necessary  
7 or convenient to the powers, rights, and privileges conferred by  
8 this Act. The district must exercise the power of eminent domain in  
9 the manner provided by Chapter 21, Property Code, but the district  
10 is not required to deposit in the trial court money or a bond as  
11 required by Section 21.021(a), Property Code~~[, in the manner~~  
12 ~~provided by the general law with respect to condemnation by~~  
13 ~~counties, provided that the district shall not be required to make~~  
14 ~~deposits in the registry of the trial court of the sum required by~~  
15 ~~Paragraph 2 of Article 3268, Revised Civil Statutes of Texas, 1925,~~  
16 ~~as amended, or to make bond as therein provided]. In condemnation~~  
17 proceedings being prosecuted by the district, the district shall  
18 not be required to pay in advance or give bond or other security for  
19 costs in the trial court, nor to give any bond otherwise required  
20 for the issuance of a temporary restraining order or a temporary  
21 injunction nor to give bond for costs or for supersedeas on any  
22 appeal or writ of error.

23 SECTION 8. Section 15, Chapter 868, Acts of the 62nd  
24 Legislature, Regular Session, 1971, is amended to read as follows:

25 Sec. 15. ~~[The directors shall have the authority to levy~~  
26 ~~taxes for the entire year in which the district is established as~~  
27 ~~the result of the election herein provided. All taxes of the~~

1 ~~district shall be assessed and collected on county tax values as~~  
2 ~~provided in Subsection (a) hereof unless the directors, by majority~~  
3 ~~vote, elect to have taxes assessed and collected by its own tax~~  
4 ~~assessor-collector under Subsection (b) hereof. Any such election~~  
5 ~~may be made prior to December 1 annually and shall govern the manner~~  
6 ~~in which taxes are thereafter assessed and collected, until changed~~  
7 ~~by a similar resolution. Hospital tax shall be levied upon all~~  
8 ~~taxable property within said district subject to hospital district~~  
9 ~~taxation.]~~

10       (a) The board of directors annually may impose property  
11 taxes in an amount not to exceed 75 cents on each \$100 valuation of  
12 all taxable property in the district [~~Under this subsection,~~  
13 ~~district taxes shall be assessed and collected on county tax values~~  
14 ~~with the area of the district in the same manner as provided by law~~  
15 ~~with relation to county taxes. The Tax Assessor-Collector of the~~  
16 ~~county in which said district is situated shall be charged and~~  
17 ~~required to accomplish the assessment and collection of all taxes~~  
18 ~~levied by and on behalf of the district. The Assessor-Collector of~~  
19 ~~Taxes shall charge and deduct from payments to the hospital~~  
20 ~~district an amount as fees for assessing and collecting the taxes at~~  
21 ~~a rate of one percent (1%) of the taxes assessed and one percent~~  
22 ~~(1%) of the taxes collected, but in no event shall the amount paid~~  
23 ~~exceed Five Thousand Dollars (\$5,000) in any one calendar year.~~  
24 ~~Such fees shall be deposited in the officers salary fund of the~~  
25 ~~county and reported as fees of office of the County Tax~~  
26 ~~Assessor-Collector. Interest and penalties on taxes paid to the~~  
27 ~~hospital district shall be the same as in the case of county taxes.~~

1 ~~Discounts shall be the same as allowed by the county. The residue~~  
2 ~~of tax collections after deduction of discounts and fees for~~  
3 ~~assessing and collecting shall be deposited in the district's~~  
4 ~~depository. The bond of the County Tax Assessor-Collector shall~~  
5 ~~stand as security for the proper performance of his duties as~~  
6 ~~assessor-collector of the district, or, if in the judgment of the~~  
7 ~~district board of directors it is necessary, additional bond~~  
8 ~~payable to the district may be required. In all matters pertaining~~  
9 ~~to the assessment, collection and enforcement of taxes for the~~  
10 ~~district, the County Tax Assessor-Collector shall be authorized to~~  
11 ~~act in all respects according to the laws of the State of Texas~~  
12 ~~relating to state and county taxes].~~

13 (b) The district may impose the tax to pay:

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

16 (2) the maintenance and operating expenses of the  
17 district [~~Under this subsection, taxes shall be assessed and~~  
18 ~~collected by a tax assessor-collector appointed by the directors,~~  
19 ~~who shall also fix the term of his employment, compensation and~~  
20 ~~requirement for bond to assure the faithful performance of his~~  
21 ~~duties, but in no event shall such bond be for less than Five~~  
22 ~~Thousand Dollars (\$5,000). The directors shall also annually~~  
23 ~~appoint five persons to serve as a Board of Equalization and shall~~  
24 ~~fix their compensation. Each member of the board of equalization~~  
25 ~~and the tax assessor shall be residents of the district and own real~~  
26 ~~property subject to hospital district taxation, and each shall have~~  
27 ~~the same duties (including the obligation to execute the oath of~~

1 ~~office) as required by county officials exercising such powers and~~  
2 ~~duties. Except as in this law provided to the contrary, all~~  
3 ~~provisions of Title 122, Revised Civil Statutes of Texas, 1925, as~~  
4 ~~amended, shall apply to the district].~~

5 (c) The Tax Code governs the appraisal, assessment, and  
6 collection of district taxes.

7 (d) The board of directors may provide for the appointment  
8 of a tax assessor-collector for the district or may contract for the  
9 assessment and collection of taxes as provided by the Tax Code.

10 SECTION 9. Section 17, Chapter 868, Acts of the 62nd  
11 Legislature, Regular Session, 1971, is amended to read as follows:

12 Sec. 17. The district shall provide health care and  
13 treatment to indigent persons in accordance with policies and  
14 procedures adopted by the board of directors [~~Whenever a patient~~  
15 ~~residing within the district has been admitted to the facilities~~  
16 ~~thereof, the administrator or manager may cause inquiry to be made~~  
17 ~~as to his circumstances and those of the relatives of such patient~~  
18 ~~legally liable for his support. If he finds that such patient or~~  
19 ~~said relatives are able to pay for his care and treatment in whole~~  
20 ~~or in part, an order shall be made directing such patient or said~~  
21 ~~relatives to pay to the hospital district for the care and support~~  
22 ~~of such patient a specified sum per week in proportion to their~~  
23 ~~financial ability. The administrator or manager shall have the~~  
24 ~~power and authority to collect such sums from the estate of the~~  
25 ~~patient or his relatives legally liable for his support in the~~  
26 ~~manner provided by law for collection of expenses in the last~~  
27 ~~illness of a deceased person. If the administrator or manager finds~~

~~1 that such patient or said relatives are not able to pay either in  
2 whole or in part for his care and treatment in such hospital, same  
3 shall become a charge upon the hospital district as to the amount of  
4 the inability to pay. Should there be any dispute as to the ability  
5 to pay or doubt in the mind of the administrator or manager, the  
6 board of directors shall hear and determine same after calling  
7 witnesses, and shall make such order or orders as may be proper.  
8 Appeals from a final order of the board shall lie to the district  
9 court. The substantial evidence rule shall apply].~~

10 SECTION 10. Chapter 868, Acts of the 62nd Legislature,  
11 Regular Session, 1971, is amended by adding Section 19A to read as  
12 follows:

13 Sec. 19A. (a) The district may be dissolved only if the  
14 dissolution is approved by a majority of the registered voters of  
15 the district voting in an election held for that purpose.

16 (b) The board of directors may order an election on the  
17 question of dissolving the district and disposing of the district's  
18 assets and obligations. The board shall order an election if the  
19 board receives a petition requesting an election that is signed by a  
20 number of registered voters of the district equal to at least 15  
21 percent of the registered voters in the district.

22 (c) An election ordered under this section shall be held not  
23 later than the 60th day after the date the election is ordered.  
24 Section 41.001, Election Code, does not apply to an election  
25 ordered under this section.

26 (d) The order calling an election under this section must  
27 state:



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

3           (2) the date of the election;

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

5           (4) the location of the polling places.

6           (e) The board of directors shall give notice of the election  
7 by publishing a substantial copy of the election order in a  
8 newspaper with general circulation in the district once a week for  
9 two consecutive weeks. The first publication must appear not later  
10 than the 35th day before the date set for the election.

11           (f) The ballot for the election must be printed to permit  
12 voting for or against the proposition: "The dissolution of the  
13 Nocona Hospital District."

14           (g) If a majority of the votes in the election favor  
15 dissolution, the board of directors shall find that the district is  
16 dissolved. If a majority of the votes in the election do not favor  
17 dissolution, the board shall continue to administer the district,  
18 and another election on the question of dissolution may not be held  
19 before the first anniversary of the most recent election to  
20 dissolve the district.

21           (h) If a majority of the votes in the election favor  
22 dissolution, the board of directors shall:

23           (1) transfer the land, buildings, improvements,  
24 equipment, and other assets that belong to the district to Montague  
25 County or another governmental entity in Montague County; or

26           (2) administer the property, assets, and debts until  
27 all money has been disposed of and all district debts have been paid

1 or settled.

2 (i) If the district transfers the land, buildings,  
3 improvements, equipment, and other assets to Montague County or  
4 another governmental entity, the county or entity assumes all debts  
5 and obligations of the district at the time of the transfer, and the  
6 district is dissolved.

7 (j) If the district does not transfer the land, buildings,  
8 improvements, equipment, and other assets to Montague County or  
9 another governmental entity, the board of directors shall  
10 administer the property, assets, and debts of the district until  
11 all funds have been disposed of and all district debts have been  
12 paid or settled, at which time the district is dissolved.

13 (k) After the board of directors finds that the district is  
14 dissolved, the board shall:

15 (1) determine any debt owed by the district; and

16 (2) impose on the property included in the district's  
17 tax rolls a tax that is in proportion of the debt to the property  
18 value.

19 (l) When all outstanding debts and obligations of the  
20 district are paid, the board of directors shall order the secretary  
21 to return to each district taxpayer the taxpayer's pro rata share of  
22 all unused tax money.

23 (m) A taxpayer may request that the taxpayer's share of  
24 surplus tax money be credited to the taxpayer's county taxes. If a  
25 taxpayer requests the credit, the board of directors shall direct  
26 the secretary to transmit the money to the county tax  
27 assessor-collector.

1       (n) After the district has paid all its debts and has  
2 disposed of all its assets and money as prescribed by this section,  
3 the board of directors shall file a written report with the  
4 Commissioners Court of Montague County setting forth a summary of  
5 the board's actions in dissolving the district.

6       (o) Not later than the 10th day after the date it receives  
7 the report and determines that the requirements of this section  
8 have been fulfilled, the Commissioners Court of Montague County  
9 shall enter an order dissolving the district and releasing the  
10 board of directors of the district from any further duty or  
11 obligation.

12       SECTION 11. Sections 3, 8, and 22, Chapter 868, Acts of the  
13 62nd Legislature, Regular Session, 1971, are repealed.

14       SECTION 12. This Act takes effect immediately if it  
15 receives a vote of two-thirds of all the members elected to each  
16 house, as provided by Section 39, Article III, Texas Constitution.  
17 If this Act does not receive the vote necessary for immediate  
18 effect, this Act takes effect September 1, 2005.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3486 was passed by the House on May 13, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3486 was passed by the Senate on May 21, 2005, by the following vote: Yeas 30, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor