

1-1 By: Hardcastle (Senate Sponsor - Estes) H.B. No. 3486
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 20, 2005, reported favorably by
1-5 the following vote: Yeas 4, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the Nocona Hospital District.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 4, Chapter 868, Acts of the 62nd
1-11 Legislature, Regular Session, 1971, is amended to read as follows:

1-12 Sec. 4. (a) The board of directors consists of seven
1-13 persons elected as provided by this section [~~Upon the effective~~
1-14 ~~date of this Act, the following seven persons, C. S. McCall, Richard~~
1-15 ~~Bailey, L. D. Thompson, Doyle Powell, Jack Mercer, Robert R. Smith,~~
1-16 ~~and Tommy L. Uselton, shall be and are hereby constituted the~~
1-17 ~~temporary or provisional directors of said district. Each~~
1-18 ~~temporary or provisional director shall subscribe to the~~
1-19 ~~constitutional oath of office].~~

1-20 (b) A regular election for directors shall be held annually
1-21 on the May uniform election date under Section 41.001, Election
1-22 Code. Four directors shall be elected in odd-numbered years and
1-23 three directors shall be elected in even-numbered years. Directors
1-24 are elected at large and shall serve staggered two-year terms. A
1-25 director continues to serve until a successor has been elected or
1-26 appointed and qualified [~~Temporary directors shall serve for a~~
1-27 ~~period of two years or until the creation of the district is~~
1-28 ~~confirmed at an election, whichever date shall first occur. Any~~
1-29 ~~vacancy in the office of temporary director, whether by reason of a~~
1-30 ~~failure to qualify or the occurring of a vacancy prior to the~~
1-31 ~~confirmation of the district at the election provided, shall be~~
1-32 ~~filled by appointment made by the County Judge of Montague County].~~

1-33 (c) [~~At such time as the creation of the district is~~
1-34 ~~approved and the returns of the election officially canvassed, the~~
1-35 ~~persons then serving as temporary directors shall become permanent~~
1-36 ~~directors of the district, shall execute the constitutional oath of~~
1-37 ~~office as such, and divide themselves into two classes: Class One,~~
1-38 ~~three persons to serve until the first Saturday in April next~~
1-39 ~~following; Class Two, four persons to serve until the first~~
1-40 ~~Saturday in April of the following year. Successors shall be~~
1-41 ~~elected by vote of the electors of the entire district for two-year~~
1-42 ~~terms.] Notice of each regular [~~such~~] election of directors shall
1-43 be published in accordance with Section 4.003, Election Code [~~a~~
1-44 ~~newspaper or newspapers which individually or collectively provide~~
1-45 ~~general circulation in the district one time at least 30 days prior~~
1-46 ~~to the date of the election]. Any person desiring to have the
1-47 person's [~~his~~] name printed on the ballot as a candidate for
1-48 director shall file an application in accordance with Chapter 144,
1-49 Election Code [~~a petition signed by at least ten qualified~~
1-50 ~~taxpaying electors asking that such name be printed on the ballot~~
1-51 ~~with the secretary of the board of directors. Such petition shall~~
1-52 ~~be filed with the secretary at least 30 days prior to the date of the~~
1-53 ~~election].~~~~~~

1-54 (d) Vacancies in office shall be filled for the unexpired
1-55 term by the remainder of the board of directors.

1-56 (e) [~~(d)~~] No person shall be appointed or elected as a
1-57 member of the [~~temporary or permanent~~] board of directors unless
1-58 the person [~~he~~] is a resident of the district [~~, a freeholder,~~] and a
1-59 qualified voter. Neither the chief executive officer
1-60 [~~administrator~~], an employee of the district, nor a member of the
1-61 medical staff of the hospital is [~~shall be~~] eligible to serve as a
1-62 director.

1-63 (f) [~~(e)~~] The board of directors [~~, temporary and~~
1-64 ~~permanent,~~] shall organize by electing one of their number as

2-1 president and one of their number as vice president. A secretary,
 2-2 who need not be a director, shall also be elected. Officers shall
 2-3 be elected for a term of one year and vacancies shall be filled for
 2-4 the unexpired term by the board of directors [~~temporary or~~
 2-5 ~~permanent~~]. Any five members of the board of directors shall
 2-6 constitute a quorum and a concurrence of five shall be sufficient in
 2-7 all matters pertaining to the business of the district. All members
 2-8 of the board of directors and officers shall serve without
 2-9 compensation, but may be reimbursed for actual expenses incurred in
 2-10 the performance of their official duties upon the approval of such
 2-11 expenses by the board of directors and so reported in the minute
 2-12 book of the district or other records of the district.

2-13 SECTION 2. Section 5, Chapter 868, Acts of the 62nd
 2-14 Legislature, Regular Session, 1971, is amended to read as follows:

2-15 Sec. 5. (a) The board of directors shall manage, control,
 2-16 and administer the hospital system and all funds and resources of
 2-17 the district, but in no event shall any operating, depreciation, or
 2-18 building fund reserves be invested in any funds or securities other
 2-19 than those specified in Subchapter A, Chapter 2256, Government Code
 2-20 [Articles 836 or 837, Revised Civil Statutes of Texas, 1925, as
 2-21 amended].

2-22 (b) The district, through its board of directors, shall have
 2-23 the power and authority to sue and be sued, to promulgate rules and
 2-24 regulations governing the operation of the hospital, hospital
 2-25 system, its staff, and its employees.

2-26 (c) The board of directors shall appoint a qualified person
 2-27 to be known as the chief executive officer [~~administrator or~~
 2-28 ~~manager~~] of the hospital district and may in its discretion appoint
 2-29 an assistant to the chief executive officer [~~administrator or~~
 2-30 ~~manager~~]. The chief executive officer [~~Such administrator or~~
 2-31 ~~manager~~] and assistant to the chief executive officer
 2-32 [~~administrator or manager~~], if any, shall serve at the will of the
 2-33 board and shall receive such compensation as may be fixed by the
 2-34 board. [~~The administrator or manager shall, upon assuming his~~
 2-35 ~~duties, execute a bond payable to the hospital district in an amount~~
 2-36 ~~to be set by the board of directors, in no event less than Five~~
 2-37 ~~Thousand Dollars (\$5,000), conditioned that he shall perform the~~
 2-38 ~~duties required of him, and containing such other conditions as the~~
 2-39 ~~board may require.]~~ The chief executive officer [~~administrator or~~
 2-40 ~~manager~~] shall supervise all the work and activities of the
 2-41 district and shall have general direction of the affairs of the
 2-42 district, subject to the limitations as may be prescribed by the
 2-43 board.

2-44 (d) The board of directors has [~~shall have~~] the authority to
 2-45 appoint to the medical staff [~~such~~] doctors as [~~it may be~~] deemed
 2-46 necessary for the efficient operation of the district, and may
 2-47 provide for temporary appointments to the staff if warranted by
 2-48 circumstances.

2-49 (e) The board may delegate to the chief executive officer
 2-50 [~~administrator or manager~~] the authority to employ technicians,
 2-51 nurses, and employees of the district.

2-52 (f) The [~~Such~~] board shall be authorized to contract with
 2-53 any other political subdivision or governmental agency whereby the
 2-54 district will provide investigatory or other services as to the
 2-55 hospitalization needs of the inhabitants of the district and shall
 2-56 be authorized to contract with any county or incorporated
 2-57 municipality located outside its boundaries for the
 2-58 hospitalization of the sick, diseased, or injured persons of any
 2-59 such county or municipality, and shall have the authority to
 2-60 contract with the State of Texas, or agencies of the federal
 2-61 government for the hospital treatment of sick, diseased, or injured
 2-62 persons.

2-63 SECTION 3. Section 6, Chapter 868, Acts of the 62nd
 2-64 Legislature, Regular Session, 1971, is amended to read as follows:

2-65 Sec. 6. (a) The district shall be operated on the basis of
 2-66 a fiscal year established by the board of directors. The board of
 2-67 directors may not change the fiscal year if revenue bonds of the
 2-68 district are outstanding or more than once in a 24-month period.
 2-69 The board [~~commencing on July 1 of each year and ending on June 30 of~~

3-1 ~~the following year, and it]~~ shall cause an audit to be made of the
 3-2 financial condition of the ~~[said]~~ district, which together with
 3-3 other records of the district shall be open to inspection at the
 3-4 principal office of the district.

3-5 (b) The chief executive officer ~~[administrator or manager]~~
 3-6 shall prepare an annual budget for approval by the board of
 3-7 directors. The budget shall also contain a complete financial
 3-8 statement of the district showing all outstanding obligations of
 3-9 the district, the cash on hand to the credit of each and every fund
 3-10 of the district, the funds received from all sources during the
 3-11 previous year, the funds available from all sources during the
 3-12 ensuing year, with balances expected at year end of the year in
 3-13 which the budget is being prepared, and estimated revenues and
 3-14 balances available to cover the proposed budget and the estimated
 3-15 tax rate which will be required.

3-16 (c) A public hearing on the annual budget shall be held by
 3-17 the board of directors after notice of the ~~[such]~~ hearing has been
 3-18 published in accordance with Chapter 551, Government Code ~~[one (1)-~~
 3-19 ~~time at least ten (10) days before the date set therefor]~~. Any
 3-20 resident ~~[property taxpayer]~~ of the district shall have the right
 3-21 to be present and to be heard at the ~~[participate in said]~~ hearing.
 3-22 At the conclusion of the hearing, the budget, as proposed by the
 3-23 chief executive officer ~~[administrator]~~, shall be acted upon by the
 3-24 board of directors. The board of directors shall have authority to
 3-25 make such changes in the budget as in their judgment the law
 3-26 warrants and the interest of the taxpayers demand. No expenditure
 3-27 may be made for any expense not included in the annual budget or an
 3-28 amendment thereto. The annual budget may be amended from time to
 3-29 time as the circumstances may require, but the annual budget, and
 3-30 all amendments thereto, shall be approved by the board of
 3-31 directors. As soon as practicable after the close of each fiscal
 3-32 year, the chief executive officer ~~[administrator or manager]~~ shall
 3-33 prepare for the board a full sworn statement of all moneys belonging
 3-34 to the district and a full account of the disbursements of same.

3-35 SECTION 4. Section 7, Chapter 868, Acts of the 62nd
 3-36 Legislature, Regular Session, 1971, is amended to read as follows:

3-37 Sec. 7. (a) The board of directors shall have the power and
 3-38 authority to issue and sell general obligation ~~[its]~~ bonds in the
 3-39 name and upon the faith and credit of the ~~[such hospital]~~ district
 3-40 for the purchase, construction, acquisition, repair, or renovation
 3-41 of buildings and improvements and equipping the same for hospital
 3-42 purposes, and for any or all of such purposes.

3-43 (b) At the time of the issuance of any general obligation
 3-44 bonds by the district a tax shall be levied by the board sufficient
 3-45 to create an interest and sinking fund to pay the interest on and
 3-46 principal of said bonds as same mature ~~[nature]~~, providing such tax
 3-47 together with any other taxes levied for the ~~[said]~~ district shall
 3-48 not exceed Seventy-five cents (75¢) on each One Hundred Dollars
 3-49 (\$100) valuation of taxable property in any one year, upon all
 3-50 taxable property situated within the hospital district, subject to
 3-51 hospital district taxation.

3-52 (c) General obligation ~~[No]~~ bonds may not ~~[shall]~~ be issued
 3-53 by the ~~[such hospital]~~ district ~~[except refunding bonds]~~ until
 3-54 authorized by a majority of the voters ~~[qualified electors]~~ of the
 3-55 district ~~[who own taxable property therein and who have duly~~
 3-56 ~~rendered the same for taxation]~~ voting at an election called for
 3-57 such purpose. The order for the bond election and the publication
 3-58 of notice for the election must be provided in accordance with
 3-59 Chapter 1251, Government Code. The election ~~[shall specify the~~
 3-60 ~~date of the election, the amount of bonds to be authorized, the~~
 3-61 ~~maximum maturity thereof, the place or places where the election~~
 3-62 ~~shall be held, the presiding judge and alternate judge for each~~
 3-63 ~~voting place and provide for clerks as in county elections. Notice~~
 3-64 ~~of any bond election (except one held under the provisions of~~
 3-65 ~~Section 8, in which instance notice shall be given as provided in~~
 3-66 ~~Section 3) shall be published as provided in Article 704, Revised~~
 3-67 ~~Civil Statutes of Texas, 1925, as amended, and]~~ shall be conducted
 3-68 in accordance with the general laws of this state ~~[Texas]~~
 3-69 pertaining to general elections, except as modified by the

4-1 provisions of this Act.

4-2 (d) The district may issue refunding bonds in accordance
 4-3 with Chapter 1207, Government Code [~~Refunding bonds of the district~~
 4-4 ~~may be issued for the purpose of refunding and paying off any~~
 4-5 ~~outstanding indebtedness it has issued or assumed. Such refunding~~
 4-6 ~~bonds may be sold and the proceeds thereof applied to the payment of~~
 4-7 ~~outstanding indebtedness, or may be exchanged in whole or in part~~
 4-8 ~~for not less than a like principal amount of such outstanding~~
 4-9 ~~indebtedness provided that, if refunding bonds are to be exchanged~~
 4-10 ~~for a like amount of said outstanding indebtedness, the Comptroller~~
 4-11 ~~of Public Accounts shall register the refunding bonds upon~~
 4-12 ~~cancellation of the bonds refunded, and provided further that if~~
 4-13 ~~such refunding bonds are to be sold and the proceeds thereof applied~~
 4-14 ~~to the payment of any such outstanding indebtedness, same shall be~~
 4-15 ~~issued and payments made in the manner specified by Article 717k,~~
 4-16 ~~Revised Civil Statutes of Texas, 1925, as amended].~~

4-17 (e) Bonds of the district shall bear interest at a rate not
 4-18 to exceed the rate permitted by Chapter 1204, Government Code
 4-19 [~~Article 717k 2, except that refunding bonds shall bear interest at~~
 4-20 ~~a rate not in excess of that permitted by Article 717k 3].~~ All
 4-21 bonds shall mature within forty (40) years of their date, shall be
 4-22 executed in the name of the hospital district and in its behalf by
 4-23 the president of the board and countersigned by the secretary in the
 4-24 manner provided by Chapter 618, Government Code [~~Article 717j 1,~~
 4-25 ~~Revised Civil Statutes of Texas, 1925, as amended)], and shall be
 4-26 subject to the same requirements in the manner of approval by the
 4-27 Attorney General of Texas and registration by the Comptroller of
 4-28 Public Accounts of the State of Texas as are by law provided for
 4-29 approval and registration of bonds issued by counties. Upon the
 4-30 approval of such bonds by the Attorney General and registration by
 4-31 the Comptroller, the bonds [~~same~~] shall be incontestable for any
 4-32 cause.~~

4-33 SECTION 5. Section 9, Chapter 868, Acts of the 62nd
 4-34 Legislature, Regular Session, 1971, is amended to read as follows:

4-35 Sec. 9. In addition to the power to issue bonds payable from
 4-36 taxes levied by the district, as contemplated by the preceding
 4-37 section, the board of directors is further authorized to issue, and
 4-38 to refund any previously issued revenue bonds for purchasing,
 4-39 constructing, acquiring, repairing, equipping, or renovating
 4-40 buildings and improvements for hospital purposes, and for acquiring
 4-41 sites therefor, such bonds to be payable from and secured by a
 4-42 pledge of all or any part of the revenues of the district to be
 4-43 derived from the operation of its hospital or hospitals, and such
 4-44 bonds may be additionally secured by a mortgage or deed of trust
 4-45 lien on any part or all of its properties. Such bonds shall be
 4-46 issued in the manner and in accordance with the procedures and
 4-47 requirements specified for the issuance of revenue bonds by County
 4-48 Hospital Authorities in Sections 264.042, 264.043, and
 4-49 264.046-264.049, Health and Safety Code [~~Sections 8 and 10 through~~
 4-50 ~~13 of Chapter 122, Acts of the 58th Legislature, Regular Session,~~
 4-51 ~~1963 (codified as Article 4494r, Vernon's Texas Civil Statutes)].~~

4-52 SECTION 6. Section 10, Chapter 868, Acts of the 62nd
 4-53 Legislature, Regular Session, 1971, is amended to read as follows:

4-54 Sec. 10. (a) The board of directors is hereby given
 4-55 complete discretion as to the type of buildings (both as to number
 4-56 and location) required to establish and maintain an adequate
 4-57 hospital system. The hospital system may include residential
 4-58 [~~domiciliary~~] care and treatment of the sick, wounded and injured,
 4-59 outpatient clinic or clinics, dispensaries, nursing [~~geriatric~~
 4-60 ~~domiciliary care and treatment, convalescent~~] home facilities,
 4-61 necessary nurses, [~~domiciliaries and~~] training centers, blood
 4-62 banks, community mental health centers and research centers or
 4-63 laboratories, and any other facilities deemed necessary for
 4-64 hospital care by the directors.

4-65 (b) The district, through its board of directors, is further
 4-66 authorized to enter into an operating or management contract with
 4-67 regard to its facilities or a part thereof, or may lease all or part
 4-68 of its buildings and facilities upon terms and conditions
 4-69 considered to be to the best interest of its inhabitants, provided

5-1 that in no event shall any lease be for a period in excess of
5-2 twenty-five (25) years from the date entered.

5-3 (c) The district shall be empowered to sell or otherwise
5-4 dispose of any property (real or personal) or equipment of any
5-5 nature upon terms and conditions found by the board to be in the
5-6 best interest of its inhabitants.

5-7 (d) The board of directors of such district shall have the
5-8 power to prescribe the method and manner of making purchases and
5-9 expenditures by and for such hospital district, and shall also be
5-10 authorized to prescribe all accounting and control procedures. A
5-11 contract for construction that requires expenditures in excess of
5-12 the amount provided by Section 271.024, Local Government Code, may
5-13 be entered into only after competitive bidding as provided by
5-14 Subchapter B, Chapter 271, Local Government Code [All contracts for
5-15 construction involving the expenditure of more than Ten Thousand
5-16 Dollars (\$10,000) may be made only after advertising in the manner
5-17 provided by Article 2368a, Revised Civil Statutes of Texas, 1925,
5-18 as amended]. The provisions of Chapter 2253, Government Code,
5-19 [Article 5160] relating to performance and payment bonds shall
5-20 apply to construction contracts let by the district. The district
5-21 may acquire equipment for use in its hospital system and mortgage or
5-22 pledge the property so acquired as security for the payment of the
5-23 purchase price, but any such contract shall provide for the entire
5-24 obligation of the district to be retired within five (5) years from
5-25 the date of the contract. Except as permitted in the preceding
5-26 sentence and as permitted by Sections 7[~~7~~8] and 9, the district may
5-27 incur no obligation payable from any revenues of the district (tax
5-28 or otherwise) except those on hand or to be on hand within the then
5-29 current and following fiscal year of the district.

5-30 SECTION 7. Section 14, Chapter 868, Acts of the 62nd
5-31 Legislature, Regular Session, 1971, is amended to read as follows:

5-32 Sec. 14. The district shall have the right and power of
5-33 eminent domain for the purpose of acquiring by condemnation any and
5-34 all property of any kind and character in fee simple, or any lesser
5-35 interest therein, within the boundaries of the district necessary
5-36 or convenient to the powers, rights, and privileges conferred by
5-37 this Act. The district must exercise the power of eminent domain in
5-38 the manner provided by Chapter 21, Property Code, but the district
5-39 is not required to deposit in the trial court money or a bond as
5-40 required by Section 21.021(a), Property Code[~~, in the manner~~
5-41 provided by the general law with respect to condemnation by
5-42 counties, provided that the district shall not be required to make
5-43 deposits in the registry of the trial court of the sum required by
5-44 Paragraph 2 of Article 3268, Revised Civil Statutes of Texas, 1925,
5-45 as amended, or to make bond as therein provided]. In condemnation
5-46 proceedings being prosecuted by the district, the district shall
5-47 not be required to pay in advance or give bond or other security for
5-48 costs in the trial court, nor to give any bond otherwise required
5-49 for the issuance of a temporary restraining order or a temporary
5-50 injunction nor to give bond for costs or for supersedeas on any
5-51 appeal or writ of error.

5-52 SECTION 8. Section 15, Chapter 868, Acts of the 62nd
5-53 Legislature, Regular Session, 1971, is amended to read as follows:

5-54 Sec. 15. ~~[The directors shall have the authority to levy~~
5-55 ~~taxes for the entire year in which the district is established as~~
5-56 ~~the result of the election herein provided. All taxes of the~~
5-57 ~~district shall be assessed and collected on county tax values as~~
5-58 ~~provided in Subsection (a) hereof unless the directors, by majority~~
5-59 ~~vote, elect to have taxes assessed and collected by its own tax~~
5-60 ~~assessor-collector under Subsection (b) hereof. Any such election~~
5-61 ~~may be made prior to December 1 annually and shall govern the manner~~
5-62 ~~in which taxes are thereafter assessed and collected, until changed~~
5-63 ~~by a similar resolution. Hospital tax shall be levied upon all~~
5-64 ~~taxable property within said district subject to hospital district~~
5-65 ~~taxation.]~~

5-66 (a) The board of directors annually may impose property
5-67 taxes in an amount not to exceed 75 cents on each \$100 valuation of
5-68 all taxable property in the district [Under this subsection,
5-69 district taxes shall be assessed and collected on county tax values

6-1 ~~with the area of the district in the same manner as provided by law~~
 6-2 ~~with relation to county taxes. The Tax Assessor-Collector of the~~
 6-3 ~~county in which said district is situated shall be charged and~~
 6-4 ~~required to accomplish the assessment and collection of all taxes~~
 6-5 ~~levied by and on behalf of the district. The Assessor-Collector of~~
 6-6 ~~Taxes shall charge and deduct from payments to the hospital~~
 6-7 ~~district an amount as fees for assessing and collecting the taxes at~~
 6-8 ~~a rate of one percent (1%) of the taxes assessed and one percent~~
 6-9 ~~(1%) of the taxes collected, but in no event shall the amount paid~~
 6-10 ~~exceed Five Thousand Dollars (\$5,000) in any one calendar year.~~
 6-11 ~~Such fees shall be deposited in the officers salary fund of the~~
 6-12 ~~county and reported as fees of office of the County Tax~~
 6-13 ~~Assessor-Collector. Interest and penalties on taxes paid to the~~
 6-14 ~~hospital district shall be the same as in the case of county taxes.~~
 6-15 ~~Discounts shall be the same as allowed by the county. The residue~~
 6-16 ~~of tax collections after deduction of discounts and fees for~~
 6-17 ~~assessing and collecting shall be deposited in the district's~~
 6-18 ~~depository. The bond of the County Tax Assessor-Collector shall~~
 6-19 ~~stand as security for the proper performance of his duties as~~
 6-20 ~~assessor-collector of the district, or, if in the judgment of the~~
 6-21 ~~district board of directors it is necessary, additional bond~~
 6-22 ~~payable to the district may be required. In all matters pertaining~~
 6-23 ~~to the assessment, collection and enforcement of taxes for the~~
 6-24 ~~district, the County Tax Assessor-Collector shall be authorized to~~
 6-25 ~~act in all respects according to the laws of the State of Texas~~
 6-26 ~~relating to state and county taxes].~~

6-27 (b) The district may impose the tax to pay:

6-28 (1) the indebtedness issued or assumed by the
 6-29 district; and

6-30 (2) the maintenance and operating expenses of the
 6-31 district [Under this subsection, taxes shall be assessed and
 6-32 collected by a tax assessor-collector appointed by the directors,
 6-33 who shall also fix the term of his employment, compensation and
 6-34 requirement for bond to assure the faithful performance of his
 6-35 duties, but in no event shall such bond be for less than Five
 6-36 Thousand Dollars (\$5,000). The directors shall also annually
 6-37 appoint five persons to serve as a Board of Equalization and shall
 6-38 fix their compensation. Each member of the board of equalization
 6-39 and the tax assessor shall be residents of the district and own real
 6-40 property subject to hospital district taxation, and each shall have
 6-41 the same duties (including the obligation to execute the oath of
 6-42 office) as required by county officials exercising such powers and
 6-43 duties. Except as in this law provided to the contrary, all
 6-44 provisions of Title 122, Revised Civil Statutes of Texas, 1925, as
 6-45 amended, shall apply to the district].

6-46 (c) The Tax Code governs the appraisal, assessment, and
 6-47 collection of district taxes.

6-48 (d) The board of directors may provide for the appointment
 6-49 of a tax assessor-collector for the district or may contract for the
 6-50 assessment and collection of taxes as provided by the Tax Code.

6-51 SECTION 9. Section 17, Chapter 868, Acts of the 62nd
 6-52 Legislature, Regular Session, 1971, is amended to read as follows:

6-53 Sec. 17. The district shall provide health care and
 6-54 treatment to indigent persons in accordance with policies and
 6-55 procedures adopted by the board of directors [Whenever a patient
 6-56 residing within the district has been admitted to the facilities
 6-57 thereof, the administrator or manager may cause inquiry to be made
 6-58 as to his circumstances and those of the relatives of such patient
 6-59 legally liable for his support. If he finds that such patient or
 6-60 said relatives are able to pay for his care and treatment in whole
 6-61 or in part, an order shall be made directing such patient or said
 6-62 relatives to pay to the hospital district for the care and support
 6-63 of such patient a specified sum per week in proportion to their
 6-64 financial ability. The administrator or manager shall have the
 6-65 power and authority to collect such sums from the estate of the
 6-66 patient or his relatives legally liable for his support in the
 6-67 manner provided by law for collection of expenses in the last
 6-68 illness of a deceased person. If the administrator or manager finds
 6-69 that such patient or said relatives are not able to pay either in

~~whole or in part for his care and treatment in such hospital, same shall become a charge upon the hospital district as to the amount of the inability to pay. Should there be any dispute as to the ability to pay or doubt in the mind of the administrator or manager, the board of directors shall hear and determine same after calling witnesses, and shall make such order or orders as may be proper. Appeals from a final order of the board shall lie to the district court. The substantial evidence rule shall apply].~~

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

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

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

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

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

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

(2) the date of the election;

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

(4) the location of the polling places.

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

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

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

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

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

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

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

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

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

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

(2) impose on the property included in the district's

8-1 tax rolls a tax that is in proportion of the debt to the property
8-2 value.

8-3 (l) When all outstanding debts and obligations of the
8-4 district are paid, the board of directors shall order the secretary
8-5 to return to each district taxpayer the taxpayer's pro rata share of
8-6 all unused tax money.

8-7 (m) A taxpayer may request that the taxpayer's share of
8-8 surplus tax money be credited to the taxpayer's county taxes. If a
8-9 taxpayer requests the credit, the board of directors shall direct
8-10 the secretary to transmit the money to the county tax
8-11 assessor-collector.

8-12 (n) After the district has paid all its debts and has
8-13 disposed of all its assets and money as prescribed by this section,
8-14 the board of directors shall file a written report with the
8-15 Commissioners Court of Montague County setting forth a summary of
8-16 the board's actions in dissolving the district.

8-17 (o) Not later than the 10th day after the date it receives
8-18 the report and determines that the requirements of this section
8-19 have been fulfilled, the Commissioners Court of Montague County
8-20 shall enter an order dissolving the district and releasing the
8-21 board of directors of the district from any further duty or
8-22 obligation.

8-23 SECTION 11. Sections 3, 8, and 22, Chapter 868, Acts of the
8-24 62nd Legislature, Regular Session, 1971, are repealed.

8-25 SECTION 12. This Act takes effect immediately if it
8-26 receives a vote of two-thirds of all the members elected to each
8-27 house, as provided by Section 39, Article III, Texas Constitution.
8-28 If this Act does not receive the vote necessary for immediate
8-29 effect, this Act takes effect September 1, 2005.

8-30 * * * * *