

By: Duncan

S.B. No. 1754

A BILL TO BE ENTITLED

AN ACT

relating to the Childress County Hospital District.

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

SECTION 1. Section 4, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 4. (a) The ~~[Within ten (10) days after such election is held, the Commissioners Court of said County shall convene and canvass the returns thereof, and in the event such election results favorably to the proposition specified in Section 3 hereof, such]~~ District is ~~[shall be]~~ governed by a Board of Directors composed ~~[to consist]~~ of seven (7) members elected as provided by this Act. The Directors serve staggered terms of ~~[Upon creation of the District as above provided, the Commissioners Court shall appoint seven (7) persons as Directors to serve until the first Saturday in April of the calendar year following the creation of the District, at which time seven Directors shall be elected from the County at large. The four (4) Directors receiving the highest number of votes shall serve for two years, the remaining three (3) shall serve for one year. Thereafter, the term of all Directors shall be]~~ two years. Three Directors shall be elected in even-numbered years and four Directors shall be elected in odd-numbered years. Directors are elected at large.

(b) A regular election for Directors shall be held on the May uniform election date under Section 41.001, Election Code,

~~[first Saturday in April of]~~ each year ~~[and shall be ordered by the Board]. [Such order shall state the time, place and purpose of the election, and the Board shall appoint the presiding judge, who shall appoint an assistant judge and such clerks as may be required, and such election shall be ordered at least fifteen (15) days prior to the date on which it is to be held. Any person desiring his name to be printed on the ballot as a candidate for Director shall file a petition signed by not less than fifteen (15) qualified voters asking that such name be printed on the ballot, with the secretary of the Board of Directors of the District. Such petition shall be filed with the secretary at least twenty-five (25) days prior to the date of election. Notice of such election shall be published one (1) time in a newspaper of general circulation in the area of the District at least five (5) days before the election.]~~ All vacancies in office ~~[(other than for the failure of an original Director herein appointed to qualify)]~~ shall be filled by a majority vote of the remaining Directors, and such appointees shall hold office for the unexpired terms for which they were appointed.

(c) A ~~[No]~~ Director is not ~~[shall be]~~ entitled to compensation, but is ~~[shall be]~~ entitled to reimbursement for ~~[receive his]~~ actual expenses incurred in attending to the District's business, provided that the ~~[such]~~ expenses are reported in the District's minute book or other District records and approved by the remainder of the Board.

(d) Any person who is a resident of the District and a qualified ~~[property owning taxpaying]~~ voter ~~[of the District]~~ shall be eligible to hold office as Director of the District, except that

1 an employee of the District may not serve as a Director.

2 (e) The Board of Directors shall elect from its number a
3 president and [7] vice president and shall appoint a [7] secretary
4 who is not required to be a Director [~~7 and such other officers as in~~
5 ~~the judgment of the Board are necessary~~]. The president has [~~shall~~
6 ~~be the chief executive officer of the District, and shall have~~] the
7 same right to vote as any other Director. The vice president shall
8 perform all duties and exercise all powers conferred by this Act
9 upon the president when the president is absent or fails and
10 declines to act.

11 (f) Any four members of the Board shall constitute a quorum
12 and the concurrence of four Directors shall be sufficient in all
13 matters pertaining to the business of the District. The Board shall
14 require the keeping of a true account of all its meetings and
15 proceedings and shall preserve all contracts, records, notices,
16 duplicate vouchers, duplicate receipts, and all accounts and
17 records of the District at its principal office, where same shall be
18 open to public inspection at all reasonable times.

19 SECTION 2. Section 5, Chapter 647, Acts of the 59th
20 Legislature, Regular Session, 1965, is amended to read as follows:

21 Sec. 5. (a) The Board of Directors shall manage, control
22 and administer the hospitals and hospital system of the District.
23 The District through its Board of Directors shall have the power and
24 authority to sue and be sued and to promulgate rules and regulations
25 for the operation of the District. The members of the Board of
26 Directors shall be individually liable only for their individual
27 misapplication of public funds.

1 (b) The Board of Directors shall appoint a qualified person
 2 to be known as the chief executive officer ~~[Administrator or~~
 3 ~~Manager]~~ of the hospital district, who ~~[and]~~ may in the person's own
 4 ~~[its]~~ discretion appoint an assistant to the chief executive
 5 officer. ~~The chief executive officer [Administrator or Manager.~~
 6 ~~Such Administrator or Manager and assistant administrator or~~
 7 ~~assistant manager, if any,~~ shall receive ~~[such]~~ compensation as
 8 may be fixed by the Board, and the Board may execute an employment
 9 contract with the chief executive officer. ~~In [such Administrator~~
 10 ~~or Manager and assistant administrator or assistant manager, but~~
 11 ~~in]~~ no event may the ~~[any such]~~ contract be for more than three (3)
 12 years, but the contract ~~[same]~~ may be renewed or extended annually.

13 (c) The Board of Directors may delegate to the chief
 14 executive officer the authority to manage, control, and administer
 15 the hospital, the hospital system, and the business, funds, and
 16 resources of the District under the oversight of the Board. ~~[The~~
 17 ~~Administrator or Manager shall, upon assuming his duties, execute a~~
 18 ~~bond payable to the hospital district in an amount to be set by the~~
 19 ~~Board of Directors, but in no event less than Twenty-five Thousand~~
 20 ~~Dollars (\$25,000), conditioned that he shall perform the duties~~
 21 ~~required of him, and containing such other conditions as the Board~~
 22 ~~may require.]~~ The chief executive officer ~~[Administrator or~~
 23 ~~Manager]~~ shall keep abreast of and be informed on the latest methods
 24 of hospital administration and the care of hospital patients, and
 25 shall supervise all the work and activities of the District and
 26 shall have general direction of the affairs of the District,
 27 subject to such limitations as may be prescribed by the Board.

1 (d) The Board of Directors shall authorize the chief
2 executive officer ~~[have the authority to employ, or may provide~~
3 ~~that the Administrator or Manager shall have the authority]~~ to
4 employ, for the efficient operation of the District, nurses,
5 technicians, and other employees of the District.

6 (e) The Board of Directors shall be authorized to contract
7 with any county or incorporated municipality located outside its
8 boundaries for the care and treatment of the sick, diseased or
9 injured persons of any such county or municipality, and shall have
10 the authority to contract with the State of Texas and agencies of
11 the Federal Government for the treatment of sick, diseased or
12 injured persons for whom the State of Texas or the Federal
13 Government is ~~[are]~~ responsible.

14 (f) The Board of Directors may purchase or lease property,
15 facilities, and equipment for the District to use in the hospital
16 system and may mortgage or pledge the property, facilities, or
17 equipment as security for the payment of the purchase price.

18 (g) The Board of Directors may enter into a contract or
19 contracts to provide administrative and other personnel for the
20 operation of the hospital facilities. The term of the contract may
21 not exceed 25 years. The Board may also lease District hospital
22 facilities to individuals, corporations, or other legal entities
23 and may sell or otherwise dispose of the District's property,
24 facilities, or equipment.

25 (h) The Board of Directors may spend District money to
26 recruit physicians, nurses, and other trained medical personnel.
27 The Board may contract with one or more full-time medical students

1 or other students in a health occupation, each of whom is enrolled
2 in and in good standing at an accredited medical school, college, or
3 university, to pay, under the terms of the contract, the student's
4 tuition or other expenses in consideration of the student's
5 agreement to serve as an employee or independent contractor for the
6 District.

7 (i) The Board of Directors may institute a suit to enforce
8 the payment of taxes and to foreclose liens to secure the payment of
9 taxes due to the District.

10 (j) The Board of Directors may provide or contract for the
11 provision of educational programs or courses for employees and
12 medical staff of the District.

13 (k) The Board of Directors may institute a suit to collect
14 amounts owed to the District by patients who have not been
15 determined to be unable to pay under Section 18.

16 (l) The Board of Directors may provide retirement benefits
17 for employees of the District by:

18 (1) establishing or administering a retirement
19 program; or

20 (2) electing to participate in the Texas County and
21 District Retirement System or in any other statewide retirement
22 system in which the District is eligible to participate ~~[is also~~
23 ~~authorized to enter into such contracts or agreements with the~~
24 ~~State of Texas or the Federal Government as may be required to~~
25 ~~establish or continue a retirement program for the benefit of the~~
26 ~~District's employees]~~.

27 SECTION 3. Section 6, Chapter 647, Acts of the 59th

Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 6. The District shall be operated on a fiscal year to be established by the Board of Directors. The fiscal year may not be changed when revenue bonds are outstanding or more than one time in a 24-month period. The Board ~~[commencing on October 1 of each year and ending on September 30 of the following year, and it]~~ shall cause an annual audit to be made of the financial condition of said District, which shall at all times be open to inspection at the principal office of the District. In addition, the chief executive officer ~~[Administrator or Manager]~~ shall prepare an annual budget for approval by the Board of Directors of said District. A public hearing on the annual budget shall be held by the Board of Directors after notice of the ~~[such]~~ hearing has been published in accordance with Chapter 551, Government Code ~~[one (1) time at least ten (10) days before the date set therefor]~~. No expenditure may be made for any expense not included in the original annual budget or an amendment to the budget ~~[thereto]~~. The annual budget may be amended from time to time, as the circumstances may require, but the annual budget~~[7]~~ and all amendments to the budget ~~[thereto7]~~ shall be approved by the Board of Directors. As soon as practicable after the close of each fiscal year, the chief executive officer ~~[Administrator or Manager]~~ shall prepare for the Board a full sworn statement of all moneys belonging to the District and a full account of the disbursements of same.

SECTION 4. Section 7, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 7. (a) The Board of Directors of the hospital district

1 may ~~[shall have the power and authority to]~~ issue and sell general
2 obligation bonds authorized by an election ~~[its bonds]~~ in the name
3 and upon the faith and credit of such hospital district, for
4 hospital or hospital system purposes, to:

5 (1) purchase, construct, acquire, repair, or renovate
6 buildings or improvements;

7 (2) equip buildings or improvements; or

8 (3) acquire and operate a mobile emergency medical or
9 air ambulance service ~~[for the purchase, construction,~~
10 ~~acquisition, repair or renovation of improvements and equipping the~~
11 ~~same for hospitals and the hospital system, as determined by the~~
12 ~~Board, and for any and all of such purposes]~~.

13 (b) At the time of the issuance of any general obligation
14 ~~[such]~~ bonds a tax shall be levied by the Board sufficient to create
15 an interest and sinking fund and to pay the interest on and
16 principal of said bonds as same mature, providing such tax together
17 with any other taxes levied for said District shall not exceed the
18 limit approved by the voters at the election authorizing the levy of
19 taxes. The District may issue general obligation bonds only if the
20 bonds are authorized by a majority of the voters of the District
21 voting in an election held for that purpose. Section 41.001(a),
22 Election Code, does not apply to a bond election ordered by the
23 Board. A bond election shall be conducted in accordance with
24 Chapter 1251, Government Code, except as otherwise provided in this
25 Act ~~[seventy-five cents (75¢) on each one hundred dollar valuation~~
26 ~~of taxable property in any one year]~~.

27 (c) Such bonds shall be executed in the name of the hospital

1 district and in its behalf by the president of the Board and
 2 attested by the secretary, as provided by Chapter 618, Government
 3 Code [~~Article 717j-1, Vernon's Texas Civil Statutes~~], and shall be
 4 subject to the same requirements in the matter of approval by the
 5 Attorney General of Texas and registration by the Comptroller of
 6 Public Accounts of the State of Texas as are by law provided for
 7 approval and registration of bonds issued by counties.

8 (d) Bonds of the District must mature not later than the
 9 40th anniversary of the date of issuance and must bear a rate of
 10 interest that does not exceed the amount provided by Chapter 1204,
 11 Government Code.

12 (e) [No bonds shall be issued by such hospital district
 13 except refunding bonds until authorized by a majority of the
 14 qualified electors of the District who own taxable property therein
 15 and who have duly rendered the same for taxation voting at an
 16 election called for such purpose. Except as provided in Section 8,
 17 such election shall be called by the Board of Directors and held in
 18 accordance with the provisions of Chapter 1, Title 22 of the Revised
 19 Civil Statutes of Texas, as amended, and except as therein
 20 otherwise provided, shall be conducted in accordance with the
 21 General Laws of Texas pertaining to elections. The District shall
 22 make provisions for defraying the costs of all elections called and
 23 held under the provisions of this Act. The bond election order
 24 shall specify the date of the election, the amount of bonds to be
 25 authorized, the maximum maturity thereof, the maximum rate of
 26 interest they are to bear, the place or places where the election
 27 shall be held, and the presiding officers thereof.] The bonds of

the District may be issued for the purpose of refunding and paying off any bonds issued or assumed by such District. Refunding bonds shall be issued in accordance with Chapter 1207, Government Code.

(f) The Board of Directors may issue and sell revenue bonds in the name and on the faith and credit of the District to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospitals and the hospital system and to acquire sites to be used for hospital purposes. The bonds shall be payable from and secured by a pledge of all or part of the revenues derived from the operation of the District's hospital system. The bonds may be additionally secured by a mortgage or deed of trust on all or part of the District's property. The revenue bonds shall be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for the issuance of revenue bonds by county hospital authorities. [Such refunding bonds may be sold and the proceeds thereof applied to the payment of outstanding bonds, or may be exchanged in whole or in part for not less than a like principal amount of such outstanding bonds, provided that, if refunding bonds are to be exchanged for a like amount of said outstanding bonds, such refunding bonds shall bear interest at the same or lower rate than borne by the bonds refunded, unless it is shown mathematically that a saving will result in the total amount of interest to be paid on said refunding bonds, and provided further that if such refunding bonds are to be sold and the proceeds thereof applied to the payment of any such outstanding bonds or other refundable indebtedness, same shall be issued and payments made in the manner specified by Article 717k,

~~Vernon's Texas Civil Statutes.]~~

SECTION 5. Section 11, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 11. The Board of Directors of such District shall have the power to prescribe the method and manner of making purchases and expenditures by and for such hospital district, and also shall be authorized to prescribe all accounting and control procedures and to make such rules and regulations as may be required to carry out the provisions of this Act. A contract for construction that requires expenditures in excess of the amount prescribed by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code ~~[All purchases involving the expenditure of more than Two Thousand Dollars (\$2,000) may be made only after advertising in the manner provided by Article 2368a, Vernon's Texas Civil Statutes, as amended].~~

SECTION 6. Section 12, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 12. The Board of Directors of the District shall name one or more banks ~~[within its boundaries]~~ to serve as depository for the funds of the District. All such funds shall, as derived and collected, be immediately deposited with such depository bank or banks, except that sufficient funds shall be remitted to the bank or banks for the payment of principal of and interest on the outstanding bonds of the District or other obligations assumed by it and in time that such money may be received by said bank or banks for payment on or prior to the date of maturity of such principal

1 and interest so to be paid. To the extent that funds in the
 2 depository bank or banks are not insured by the Federal Deposit
 3 Insurance Corporation, they shall be secured in the manner provided
 4 by law for security of county funds. Membership on the Board of
 5 Directors of an officer or director of a bank disqualifies the
 6 ~~[shall not disqualify such]~~ bank from being designated as
 7 depository for the District's funds.

8 SECTION 7. Section 16, Chapter 647, Acts of the 59th
 9 Legislature, Regular Session, 1965, is amended to read as follows:

10 Sec. 16. (a) The Board of Directors may annually impose
 11 property taxes in an amount not to exceed the limit approved by the
 12 voters at the election authorizing the imposition of taxes. The tax
 13 rate for all purposes may not exceed 75 cents on each \$100 valuation
 14 of all taxable property in the District. The taxes may be used to
 15 pay for indebtedness issued or assumed by the District and for the
 16 maintenance and operating expenses of the District. The District
 17 may not impose taxes to pay the principal of or interest on revenue
 18 bonds.

19 (b) The Tax Code governs the appraisal, assessment, and
 20 collection of District taxes. The Board may provide for the
 21 appointment of a tax assessor-collector for the District or may
 22 contract for the assessment and collection of taxes as provided by
 23 the Tax Code. ~~[The District taxes shall be assessed and collected~~
 24 ~~on county tax values in the same manner as provided by law with~~
 25 ~~relation to county taxes upon all taxable property within said~~
 26 ~~District, subject to hospital district taxation. The Tax~~
 27 ~~Assessor-Collector of Childress County shall be charged and~~

~~required to accomplish the assessment and collection of all taxes levied by and on behalf of the District. The Assessor-Collector of taxes shall charge and deduct from payments to the hospital district the dues for assessing and collecting the taxes at a rate of not to exceed one per cent (1%) for assessing, and one per cent (1%) for collecting, each based upon the amount collected, but in no event shall such fee to the Tax Assessor-Collector exceed Five Thousand Dollars (\$5,000) in any one calendar year. Such fees shall be deposited in the officers' salary fund of the County and reported as fees of office of the County Assessor-Collector. Interest and penalties on taxes paid to the hospital district shall be the same as in the case of County taxes. Discounts shall be the same as allowed by the County. The residue of tax collections, after deduction of discounts and fees for assessing and collecting, shall be deposited in the District's depository.~~

~~[The Board of Directors shall have the authority to levy the aforesaid tax for the entire year in which said District is established as the result of the election herein provided. The bond of the County Tax Assessor-Collector shall stand as security for the proper performance of his duties as Assessor-Collector of the District, or if in the judgment of the Board of Directors of the District it is necessary, additional bond payable to the District may be required. In all matters pertaining to the assessment, collection and enforcement of taxes for the District, the County Tax Assessor-Collector shall be authorized to act in all respects according to the laws of the State of Texas relating to State and County taxes.]~~

SECTION 8. Section 18, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 18. (a) Whenever a patient residing within the District has been admitted to a district facility [~~the facilities thereof~~], the chief executive officer [~~Administrator or Manager~~] shall have an [~~cause~~] inquiry [~~to be~~] made as to the patient's [~~his~~] circumstances and the circumstances [~~those~~] of the relatives of the [~~such~~] patient legally liable for the patient's [~~his~~] support.

(b) If the chief executive officer [~~he~~] finds that the [~~such~~] patient or the patient's [~~said~~] relatives are able to pay for the patient's [~~his~~] care and treatment wholly or partly, the chief executive officer [~~in whole or in part, an order~~] shall issue an order [~~be made~~] directing the [~~such~~] patient or the patient's [~~said~~] relatives to pay to the hospital district for the support of the [~~such~~] patient a specified sum per week in proportion to the [~~their~~] financial ability of the patient or the patient's relatives. A patient or the patient's relative may not be required to pay an amount greater than[, ~~but such sum shall not exceed~~] the actual per capita cost of maintenance.

(c) The chief executive officer may collect money owed to the District [~~Administrator or Manager shall have power and authority to collect such sums~~] from the estate of the patient or from the patient's [~~his~~] relatives legally liable for the patient's [~~his~~] support in the manner provided by law for collection of expenses in the last illness of a deceased person.

(d) If the chief executive officer [~~Administrator or Manager~~] finds that the [~~such~~] patient or the patient's [~~said~~]

relatives are not able to pay either wholly or partly [~~in whole or in part~~] for the patient's [~~his~~] care and treatment in the [~~such~~] hospital, the cost of the patient's care [~~same~~] shall become a charge on [~~upon~~] the hospital district as to the amount of the inability to pay.

(e) If [~~Should~~] there is [~~be~~] any dispute as to the ability to pay or doubt in the mind of the chief executive officer [~~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 must be made [~~shall lie~~] to the District Court. The substantial evidence rule shall apply.

SECTION 9. Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, is amended by adding Sections 20A, 20B, and 21A to read as follows:

Sec. 20A. (a) The Board of Directors may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for District obligations at the time the loan is made if the Board declares that:

(1) money is not available to meet authorized obligations of the District; and

(2) an emergency exists.

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

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

(2) District taxes to be imposed in the next 12-month period that are not pledged to pay the principal of or interest on

1 District bonds; or

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

4 (c) A loan for which District taxes or bonds are pledged
5 must mature not later than the first anniversary of the date the
6 loan is made. A loan for which District revenues are pledged must
7 mature not later than the fifth anniversary of the date the loan is
8 made.

9 (d) The Board of Directors may not spend money obtained from
10 a loan under this section for any purpose other than:

11 (1) the purpose for which the Board declared an
12 emergency; and

13 (2) if District taxes or bonds are pledged to pay the
14 loan, the purpose for which the pledged taxes were imposed or the
15 pledged bonds were authorized.

16 Sec. 20B. (a) The Board may borrow money at a rate not to
17 exceed the maximum annual percentage rate allowed by law for
18 District obligations at the time the loan is made.

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

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

22 (2) District taxes to be imposed in the next 12-month
23 period that are not pledged to pay the principal of or interest on
24 District bonds; or

25 (3) District bonds that have been authorized but not
26 sold.

27 (c) A loan for which District taxes or bonds are pledged

1 must mature not later than the first anniversary of the date the
2 loan is made. A loan for which district revenues are pledged must
3 mature not later than the fifth anniversary of the date the loan is
4 made.

5 Sec. 21A. (a) The District may be dissolved only if the
6 dissolution is approved by a majority of the qualified voters of the
7 District voting in an election called and held for that purpose.

8 (b) The Board of Directors may order an election on the
9 question of dissolving the District and disposing of the District's
10 assets and obligations. The Board shall order an election if the
11 Board receives a petition requesting an election that is signed by a
12 number of residents of the District equal to at least 15 percent of
13 the registered voters in the District.

14 (c) The election shall be held not later than the 60th day
15 after the date the election is ordered. Section 41.001(a),
16 Election Code, does not apply to an election ordered under this
17 section. The order calling the election shall state:

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

20 (2) the date of the election;

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

22 (4) the location of the polling places.

23 (d) The Board of Directors shall give notice of the election
24 by publishing a substantial copy of the election order in a
25 newspaper with general circulation in the District once a week for
26 two consecutive weeks. The first publication must appear not less
27 than 35 days before the date set for the election. The ballot for

1 the election shall be printed to permit voting for or against the
2 proposition: "The dissolution of the Childress County Hospital
3 District."

4 (e) If a majority of the votes in the election favor
5 dissolution, the Board of Directors shall find that the District is
6 dissolved. If a majority of the votes in the election do not favor
7 dissolution, the Board shall continue to administer the District,
8 and another election on the question of dissolution may not be held
9 before the first anniversary of the most recent election to
10 dissolve the District.

11 (f) If a majority of the votes in the election favor
12 dissolution, the Board of Directors shall:

13 (1) transfer the land, buildings, improvements,
14 equipment, and other assets that belong to the District to a county
15 or another governmental entity in the county in which the District
16 is located;

17 (2) sell the assets and liabilities to another person
18 or entity; or

19 (3) administer the property, assets, and debts until
20 all funds have been disposed of and all District debts have been
21 paid or settled.

22 (g) If the District transfers the land, buildings,
23 improvements, equipment, and other assets to a county or other
24 governmental entity, the county or entity assumes all debts and
25 obligations of the District at the time of the transfer, at which
26 time the District is dissolved. If the District does not transfer
27 the land, buildings, improvements, equipment, and other assets to a

1 county or other governmental entity, or sell those assets and the
2 liabilities to another person, the Board of Directors shall
3 administer the property, assets, and debts of the District until
4 all funds have been disposed of and all District debts have been
5 paid or settled, at which time the District is dissolved.

6 (h) After the Board of Directors finds that the District is
7 dissolved, the Board shall:

8 (1) determine the debt owed by the District; and

9 (2) impose on the property included in the District's
10 tax rolls a tax that is in proportion of the debt to the property
11 value.

12 (i) When all outstanding debts and obligations of the
13 District are paid, the Board of Directors shall order the secretary
14 to return the pro rata share of all unused tax money to each
15 District taxpayer.

16 (j) A taxpayer may request that the taxpayer's share of
17 surplus tax money be credited to the taxpayer's county taxes. If a
18 taxpayer requests the credit, the Board of Directors shall direct
19 the secretary to transmit the funds to the county tax
20 assessor-collector.

21 (k) After the District has paid all its debts and has
22 disposed of all its assets and funds as prescribed by this section,
23 the Board of Directors shall file a written report with the
24 Commissioners Court of Childress County setting forth a summary of
25 the Board's actions in dissolving the District.

26 (l) Not later than the 10th day after the date it receives
27 the report and determines that the requirements of this section

1 have been fulfilled, the Commissioners Court of Childress County
2 shall enter an order dissolving the District and releasing the
3 Board of Directors of the District from any further duty or
4 obligation.

5 (m) The District may provide for the sale or transfer of the
6 District's assets and liabilities to another person or entity and
7 the District's subsequent dissolution. The dissolution of the
8 District and the sale or transfer of the District's assets and
9 liabilities to another person or entity may not contravene a trust
10 indenture or bond resolution relating to the outstanding bonds of
11 the District. The dissolution and sale or transfer does not
12 diminish or impair the rights of a holder of an outstanding bond,
13 warrant, or other obligation of the District.

14 (n) The sale or transfer of the District's assets and
15 liabilities must satisfy the debt and bond obligations of the
16 District in a manner that protects the interests of the residents of
17 the District, including the residents' collective property rights
18 in the District's assets. A grant from federal funds is an
19 obligation to be repaid in satisfaction. The District may not
20 transfer or dispose of the District's assets except for due
21 compensation unless the transfer is made to another governmental
22 entity that serves the District and the transferred assets are to be
23 used for the benefit of the residents of the District.

24 SECTION 10. This Act takes effect immediately if it
25 receives a vote of two-thirds of all the members elected to each
26 house, as provided by Section 39, Article III, Texas Constitution.
27 If this Act does not receive the vote necessary for immediate

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1 effect, this Act takes effect September 1, 2005.