

1 AN ACT

2 relating to the nonsubstantive revision of certain local laws
3 concerning special districts, including conforming amendments.

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

5 ARTICLE 1. NONSUBSTANTIVE REVISION OF LOCAL LAWS

6 SECTION 1.01. Subtitle A, Title 2, Special District Local
7 Laws Code, is amended by adding Chapter 21 to read as follows:

8 CHAPTER 21. UPPER SABINE VALLEY SOLID WASTE MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 21.001. DEFINITIONS

11 Sec. 21.002. NATURE OF DISTRICT

12 Sec. 21.003. PURPOSE

13 Sec. 21.004. FINDINGS AND DECLARATION OF POLICY

14 Sec. 21.005. STATE POLICY REGARDING WASTE DISPOSAL

15 [Sections 21.006-21.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT TERRITORY AND CHANGES TO

17 DISTRICT TERRITORY

18 Sec. 21.051. DISTRICT TERRITORY

19 Sec. 21.052. ANNEXATION OF COUNTY; PETITION

20 Sec. 21.053. ANNEXATION PETITION HEARING; NOTICE

21 Sec. 21.054. EXCLUSION OF COUNTY

22 Sec. 21.055. ELECTION ON ANNEXATION OR EXCLUSION OF

23 COUNTY

- 1 Sec. 21.056. CONTINUED BOND OBLIGATION FOR EXCLUDED
2 COUNTY
3 [Sections 21.057-21.100 reserved for expansion]
4 SUBCHAPTER C. BOARD OF DIRECTORS
5 Sec. 21.101. GOVERNING BODY; COMPOSITION
6 Sec. 21.102. APPOINTMENT OF DIRECTORS FROM ANNEXED
7 COUNTY
8 Sec. 21.103. TERM
9 Sec. 21.104. ELIGIBILITY TO SERVE
10 Sec. 21.105. VACANCY
11 Sec. 21.106. DIRECTOR'S BOND
12 Sec. 21.107. TERM OF OFFICERS
13 Sec. 21.108. BYLAWS
14 Sec. 21.109. BOARD MEETINGS
15 Sec. 21.110. COMPENSATION
16 Sec. 21.111. CONFLICT OF INTEREST IN CONTRACT
17 [Sections 21.112-21.150 reserved for expansion]
18 SUBCHAPTER D. ADMINISTRATIVE POWERS AND DUTIES
19 Sec. 21.151. PRINCIPAL OFFICE
20 Sec. 21.152. GENERAL MANAGER
21 Sec. 21.153. EMPLOYEE AND GENERAL MANAGER FIDELITY
22 BONDS
23 Sec. 21.154. ATTORNEY
24 Sec. 21.155. RECORDS; LIMIT ON DISCLOSURE
25 [Sections 21.156-21.200 reserved for expansion]

1 SUBCHAPTER E. GENERAL POWERS AND DUTIES

2 Sec. 21.201. ADMINISTRATION, ENFORCEMENT, AND
3 ACCOMPLISHMENT OF CHAPTER

4 Sec. 21.202. CONSERVATION AND RECLAMATION DISTRICT
5 POWERS

6 Sec. 21.203. RULES; HEARINGS

7 Sec. 21.204. SCOPE OF DISTRICT'S REGULATORY POWER

8 Sec. 21.205. PLANS

9 Sec. 21.206. STUDIES AND RESEARCH

10 Sec. 21.207. COOPERATIVE AGREEMENTS WITH OTHER
11 POLITICAL SUBDIVISIONS

12 Sec. 21.208. GIFTS, GRANTS, AND LOANS

13 Sec. 21.209. ACQUISITION OF PROPERTY

14 Sec. 21.210. EMINENT DOMAIN; COST OF RELOCATING
15 PROPERTY

16 Sec. 21.211. ENTRY ON LAND

17 Sec. 21.212. ROAD RIGHT-OF-WAY

18 Sec. 21.213. CONSENT FOR CHANGE OR DAMAGE TO STATE
19 PROPERTY

20 Sec. 21.214. BIDS ON CONTRACTS FOR PURCHASE OF
21 VEHICLES, EQUIPMENT, AND SUPPLIES OVER
22 \$15,000; EXCEPTION

23 [Sections 21.215-21.250 reserved for expansion]

24 SUBCHAPTER F. CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS

25 Sec. 21.251. AUTHORITY TO ENTER INTO CONSTRUCTION,
26 RENOVATION, AND REPAIR CONTRACTS

27 Sec. 21.252. BIDS ON CONTRACTS OVER \$15,000

- 1 Sec. 21.253. CONTRACT SPECIFICATIONS, PLANS, AND
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- 3 Sec. 21.254. EXECUTION AND AVAILABILITY OF CONTRACTS
- 4 Sec. 21.255. CONTRACTOR'S BOND
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- 8 [Sections 21.259-21.300 reserved for expansion]
- 9 SUBCHAPTER G. WASTE DISPOSAL
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16 OF DISPOSAL SYSTEMS
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- 18 [Sections 21.308-21.350 reserved for expansion]
- 19 SUBCHAPTER H. GENERAL FINANCIAL PROVISIONS
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2 [Sections 21.359-21.400 reserved for expansion]

3 SUBCHAPTER I. BONDS

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13 [Sections 21.410-21.450 reserved for expansion]

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19 CHAPTER 21. UPPER SABINE VALLEY SOLID WASTE MANAGEMENT DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 21.001. DEFINITIONS. In this Act:

22 (1) "Board" means the district's board of directors.

23 (2) "Commission" means the Texas Commission on
24 Environmental Quality.

25 (3) "Director" means a board member.

26 (4) "District" means the Upper Sabine Valley Solid
27 Waste Management District.

1 (5) "Local government" means:

2 (A) a municipality;

3 (B) a county; or

4 (C) a water or other special district or
5 authority acting under Sections 52(b)(1) and (2), Article III, or
6 Section 59, Article XVI, Texas Constitution.

7 (6) "Solid waste" has the meaning assigned by Section
8 361.003, Health and Safety Code.

9 (7) "Water" means groundwater, percolating or
10 otherwise, lakes, bays, ponds, springs, rivers, streams, creeks,
11 and all other bodies of surface water, natural or artificial, that
12 are wholly or partly in the district.

13 (8) "Water pollution" means alteration of the
14 physical, chemical, or biological quality of water or contamination
15 of water that:

16 (A) renders the water harmful, detrimental, or
17 injurious to:

18 (i) humans, animal life, vegetation, or
19 property; or

20 (ii) public health, safety, or welfare; or

21 (B) impairs the usefulness or the public
22 enjoyment of the water for any lawful or reasonable purpose.

23 (V.A.C.S. Art. 4477-7k, Secs. 1.03(1), (2), (4), (5), (7), (14),
24 (16), (17).)

25 Sec. 21.002. NATURE OF DISTRICT. The district is a
26 conservation and reclamation district created under Section 59,
27 Article XVI, Texas Constitution. (V.A.C.S. Art. 4477-7k, Sec.

1 2.01.)

2 Sec. 21.003. PURPOSE. The purpose of this chapter is to
3 establish an instrumentality to develop and carry out a regional
4 water quality protection program through solid waste management and
5 regulation of waste disposal for Rains, Upshur, and Wood Counties
6 and for the portion of Smith County that is north of Interstate
7 Highway 20. (V.A.C.S. Art. 4477-7k, Sec. 1.01.)

8 Sec. 21.004. FINDINGS AND DECLARATION OF POLICY. (a) The
9 legislature finds that:

10 (1) the quality of water in East Texas is materially
11 affected by the disposal of waste throughout the region;

12 (2) a regional effort to study water pollution, plan
13 corrective and preventive measures, provide coordinated facilities
14 for waste disposal, and regulate waste disposal is far more
15 effective than efforts on a smaller scale;

16 (3) solid waste, as well as other waste, may impair
17 water quality by seepage or drainage; and

18 (4) creation of the district would advance the
19 established policy of this state to maintain the quality of the
20 water in the state consistent with:

21 (A) public health and enjoyment;

22 (B) the propagation and protection of
23 terrestrial and aquatic life;

24 (C) the operation of existing industries; and

25 (D) the economic development of the state.

26 (b) All area included in the district will benefit from the
27 exercise of the power conferred by this chapter.

1 (c) The district is a public entity performing an essential
2 public function. (V.A.C.S. Art. 4477-7k, Secs. 1.02(a), (c), 7.01
3 (part).)

4 Sec. 21.005. STATE POLICY REGARDING WASTE DISPOSAL. The
5 district's powers and duties are subject to the state policy of
6 encouraging the development and use of integrated area-wide waste
7 collection, treatment, and disposal systems to serve the waste
8 disposal needs of this state's residents, if integrated systems can
9 reasonably be provided for an area, so as to avoid the economic
10 burden on residents and the impact on state water quality caused by
11 the construction and operation of numerous small waste collection,
12 treatment, and disposal facilities. (V.A.C.S. Art. 4477-7k, Sec.
13 4.23.)

14 [Sections 21.006-21.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT TERRITORY AND CHANGES TO
16 DISTRICT TERRITORY

17 Sec. 21.051. DISTRICT TERRITORY. Unless the district
18 territory has been modified under this subchapter, Subchapter J,
19 Chapter 49, Water Code, or other law, the district's territory
20 consists of Rains, Upshur, and Wood Counties and the portion of
21 Smith County north of Interstate Highway 20. (V.A.C.S. Art.
22 4477-7k, Sec. 2.02.)

23 Sec. 21.052. ANNEXATION OF COUNTY; PETITION. (a) The board
24 may annex an adjacent county in the manner provided by this section
25 and Sections 21.053 and 21.055.

26 (b) To initiate annexation proceedings, the commissioners
27 court of the adjacent county must petition the board requesting the

1 board to call an election for the annexation of the petitioner's
2 county. The petition must be in writing and be endorsed by a
3 majority of the members of the commissioners court. (V.A.C.S. Art.
4 4477-7k, Secs. 8.01, 8.02.)

5 Sec. 21.053. ANNEXATION PETITION HEARING; NOTICE. (a) On
6 receipt of a petition under Section 21.052, the board shall set a
7 date, time, and place to hold a hearing on the petition. The date
8 may not be later than the 20th day after the date on which the board
9 receives the petition.

10 (b) In addition to the notice required under the open
11 meetings law, Chapter 551, Government Code, the board shall publish
12 notice of the date, time, place, and purpose of the hearing in one
13 or more newspapers with general circulation in the district and in
14 the county to be annexed.

15 (c) Any person may testify at the hearing for or against
16 annexation of the county to the district.

17 (d) At the conclusion of the hearing, the board shall
18 determine if an annexation election should be held in the county to
19 be annexed. (V.A.C.S. Art. 4477-7k, Secs. 8.03(a), (b), (c), (d).)

20 Sec. 21.054. EXCLUSION OF COUNTY. (a) The commissioners
21 court of a county in the district may petition the board to hold an
22 election in the county to determine if a majority of voters of that
23 county want to exclude the county from the district.

24 (b) If the district has not issued bonds or incurred other
25 long-term debt before the commissioners court filed the petition,
26 the board shall, on receipt of the petition, enter an order
27 authorizing the commissioners court to call an election in that

1 county.

2 (c) If the district issued bonds or other long-term debt
3 before the commissioners court filed the petition, the board must
4 obtain adequate legal and financial assurances that, if the county
5 withdraws from the district, the county will assume and pay to the
6 district the county's proportionate share of the district's
7 outstanding debt based on assessed valuation of taxable property in
8 the county and district. After obtaining assurances the board
9 considers adequate, the board shall enter an order authorizing the
10 commissioners court of that county to call an election in that
11 county to determine if the county should be excluded from the
12 district. (V.A.C.S. Art. 4477-7k, Sec. 9.01.)

13 Sec. 21.055. ELECTION ON ANNEXATION OR EXCLUSION OF COUNTY.

14 (a) Annexation or exclusion of a county is final when approved by a
15 majority of the voters at an election held in the county to be
16 annexed or excluded. An election in the existing district
17 accepting the addition of a county is not required.

18 (b) Section 41.001(a), Election Code, does not apply to an
19 election held under this section.

20 (c) The election ballots shall be printed to provide for
21 voting for or against the following, as applicable:

22 (1) "Adding (description of county to be added) to the
23 Upper Sabine Valley Solid Waste Management District."

24 (2) "(Description of county to be added) assuming its
25 proportionate share of the outstanding debts and taxes of the Upper
26 Sabine Valley Solid Waste Management District, if it is added to the
27 district."

1 (3) "The exclusion of _____ County
2 from the Upper Sabine Valley Solid Waste Management District and
3 assumption by the county of a duty to pay its proportionate share of
4 the outstanding indebtedness of the district."

5 (d) If a district has outstanding debts or taxes, the voters
6 in an election to approve the annexation must also determine if the
7 annexed county will assume its proportion of the debts or taxes if
8 added to the district.

9 (e) If the district has outstanding bonds or other long term
10 obligations, the voters in the election to approve the exclusion
11 must also determine if the excluded county will assume a duty to pay
12 its proportion of the district's outstanding indebtedness.

13 (f) The board shall file a copy of the election results with
14 the commission. (V.A.C.S. Art. 4477-7k, Secs. 8.03(e), (f), (g)
15 (part), (h), 9.02(a), (b), (c) (part), (d).)

16 Sec. 21.056. CONTINUED BOND OBLIGATION FOR EXCLUDED COUNTY.
17 The exclusion of a county under Section 21.054(c) does not relieve
18 the district of its obligation to perform and observe the covenants
19 and obligations or the conditions prescribed by the order or
20 resolution authorizing the issuance of the district's bonds.
21 (V.A.C.S. Art. 4477-7k, Sec. 9.03.)

22 [Sections 21.057-21.100 reserved for expansion]

23 SUBCHAPTER C. BOARD OF DIRECTORS

24 Sec. 21.101. GOVERNING BODY; COMPOSITION. (a) The
25 district is governed by a board of directors composed of at least
26 six directors.

27 (b) If the district is composed of only one county, the

1 commissioners court of that county shall appoint six persons to
2 serve as directors.

3 (c) If the district is composed of two counties, the
4 commissioners court of each county included in the district shall
5 each appoint three persons to serve as directors.

6 (d) If the district is composed of three or more counties,
7 the commissioners court of each county included in the district
8 shall each appoint two persons to serve as directors.

9 (e) At least one of the directors appointed by each
10 commissioners court shall represent the interests of
11 municipalities and of unincorporated communities with a population
12 of 1,000 or more that are located in that county. (V.A.C.S. Art.
13 4477-7k, Sec. 3.01.)

14 Sec. 21.102. APPOINTMENT OF DIRECTORS FROM ANNEXED COUNTY.

15 (a) The commissioners court of an annexed county shall appoint two
16 directors to serve on the board.

17 (b) The newly appointed directors shall draw lots to
18 determine their initial terms of office. One new director shall
19 serve an initial term that coincides with the terms of directors
20 that expire before the expiration of two years and the other new
21 director shall serve a term that expires after the expiration of
22 two years but before the expiration of four years. (V.A.C.S. Art.
23 4477-7k, Sec. 8.04.)

24 Sec. 21.103. TERM. Except as provided by Section
25 21.102(b), a director serves a term of four years. (V.A.C.S. Art.
26 4477-7k, Sec. 3.03.)

27 Sec. 21.104. ELIGIBILITY TO SERVE. To be eligible to be

1 appointed as or to serve as a director, a person must be:

2 (1) at least 18 years of age;

3 (2) a qualified voter; and

4 (3) a resident of the county governed by the
5 appointing commissioners court. (V.A.C.S. Art. 4477-7k, Sec.
6 3.02(a).)

7 Sec. 21.105. VACANCY. A vacancy on the board shall be
8 filled in the same manner as the original appointment for the
9 unexpired term. (V.A.C.S. Art. 4477-7k, Sec. 3.04.)

10 Sec. 21.106. DIRECTOR'S BOND. Each director must execute a
11 \$5,000 bond with a corporate surety authorized to do business in
12 this state and conditioned on the faithful performance of the
13 director's duties. (V.A.C.S. Art. 4477-7k, Sec. 3.02(c) (part).)

14 Sec. 21.107. TERM OF OFFICERS. A person selected as an
15 officer serves for a term of one year. (V.A.C.S. Art. 4477-7k, Sec.
16 3.06(b).)

17 Sec. 21.108. BYLAWS. The board shall adopt bylaws. The
18 bylaws must prescribe the powers and duties of, and procedures for
19 removal from, a board office. (V.A.C.S. Art. 4477-7k, Sec. 3.06(d)
20 (part).)

21 Sec. 21.109. BOARD MEETINGS. Except as otherwise provided
22 by law, the board shall meet at least one time each quarter and may
23 meet at any other time provided by its bylaws. (V.A.C.S. Art.
24 4477-7k, Sec. 3.07(a).)

25 Sec. 21.110. COMPENSATION. (a) Unless the board by
26 resolution increases the rate of reimbursement to an amount
27 authorized by Section 49.060, Water Code, a director other than a

1 director described by Subsection (c) is entitled to receive \$50 a
2 day and reimbursement for actual and necessary expenses incurred
3 for each day the director:

4 (1) attends a board meeting; and

5 (2) attends to the business of the district that is
6 authorized by board resolution or motion.

7 (b) A director is not entitled to receive a per diem
8 allowance for more than 60 days in a calendar year.

9 (c) If a member of a commissioners court or a municipal
10 government officer is appointed as a director, the member's or
11 officer's service as a director is considered an additional duty of
12 the member's or officer's existing office. The member or officer is
13 not entitled to a per diem allowance under this section, but is
14 entitled to reimbursement for actual and necessary expenses
15 incurred in performing official duties as a director. (V.A.C.S.
16 Art. 4477-7k, Secs. 3.02(b), 3.10.)

17 Sec. 21.111. CONFLICT OF INTEREST IN CONTRACT. A director
18 who is financially interested in a contract to be executed by the
19 district for the purchase of property or the construction of
20 facilities shall disclose that fact to the other directors and may
21 not vote on the acceptance of the contract. (V.A.C.S. Art. 4477-7k,
22 Sec. 3.09.)

23 [Sections 21.112-21.150 reserved for expansion]

24 SUBCHAPTER D. ADMINISTRATIVE POWERS AND DUTIES

25 Sec. 21.151. PRINCIPAL OFFICE. The district shall maintain
26 its principal office in the district. (V.A.C.S. Art. 4477-7k, Sec.
27 3.13.)

1 Sec. 21.152. GENERAL MANAGER. (a) The board shall employ a
2 general manager for a term and salary set by the board.

3 (b) The general manager is the chief executive officer of
4 the district. Under policies established by the board, the general
5 manager is responsible to the board for:

6 (1) administering board directives;

7 (2) keeping district records, including minutes of the
8 board's meetings;

9 (3) coordinating with state, federal, and local
10 agencies;

11 (4) developing plans and programs for the board's
12 approval;

13 (5) hiring, supervising, training, and discharging
14 district employees;

15 (6) contracting for or retaining technical,
16 scientific, legal, fiscal, and other professional services; and

17 (7) performing any other duty assigned to the general
18 manager by the board.

19 (c) The board may discharge the general manager by a
20 majority vote. (V.A.C.S. Art. 4477-7k, Sec. 3.11.)

21 Sec. 21.153. EMPLOYEE AND GENERAL MANAGER FIDELITY BONDS.

22 (a) The general manager and each district employee charged with the
23 collection, custody, or payment of any district money shall execute
24 a fidelity bond. The board shall approve the form, amount, and
25 surety of the bond.

26 (b) The district shall pay the premiums on employee bonds
27 under this section. (V.A.C.S. Art. 4477-7k, Sec. 3.12.)

1 Sec. 21.154. ATTORNEY. (a) The board may appoint an
2 attorney for the district.

3 (b) The person appointed under this section is entitled to
4 the compensation provided by the district's budget. (V.A.C.S. Art.
5 4477-7k, Secs. 3.08(a), (b).)

6 Sec. 21.155. RECORDS; LIMIT ON DISCLOSURE. (a) The
7 district shall keep its accounts, contracts, documents, minutes,
8 and other records at its principal office.

9 (b) The board and its employees may not disclose a district
10 record that relates to trade secrets or the economics of an
11 industry's operations. (V.A.C.S. Art. 4477-7k, Secs. 3.14(c),
12 (d).)

13 [Sections 21.156-21.200 reserved for expansion]

14 SUBCHAPTER E. GENERAL POWERS AND DUTIES

15 Sec. 21.201. ADMINISTRATION, ENFORCEMENT, AND
16 ACCOMPLISHMENT OF CHAPTER. (a) The district shall:

- 17 (1) administer and enforce this chapter; and
18 (2) use district facilities and powers to accomplish
19 the purposes of this chapter.

20 (b) The district may advise, consult, contract, and
21 cooperate with the federal government, the state, a local
22 government, or a private entity to carry out any purpose or power
23 under this chapter. (V.A.C.S. Art. 4477-7k, Secs. 4.01(a), 4.03.)

24 Sec. 21.202. CONSERVATION AND RECLAMATION DISTRICT POWERS.
25 Except as expressly limited by this chapter, the district has all
26 powers, rights, and privileges necessary and convenient for
27 accomplishing the purposes of this chapter that are conferred by

1 general law on a conservation and reclamation district created
2 under Section 59, Article XVI, Texas Constitution, including the
3 powers, rights, and privileges conferred by Subtitle B, Title 5,
4 Health and Safety Code, on a local or regional government.
5 (V.A.C.S. Art. 4477-7k, Sec. 4.01(g).)

6 Sec. 21.203. RULES; HEARINGS. (a) The board, after notice
7 and hearing, may adopt rules necessary to carry out this chapter.

8 (b) The board shall adopt rules establishing procedures for
9 giving notice and holding a hearing. (V.A.C.S. Art. 4477-7k, Sec.
10 4.01(b).)

11 Sec. 21.204. SCOPE OF DISTRICT'S REGULATORY POWER. The
12 regulatory powers of the district under this chapter apply to each
13 person in the district. (V.A.C.S. Art. 4477-7k, Sec. 4.01(f).)

14 Sec. 21.205. PLANS. The district may prepare and adopt
15 plans for and may purchase, construct, acquire, own, operate,
16 maintain, repair, improve, and extend inside and outside district
17 boundaries any works, improvements, waste disposal, treatment, and
18 other facilities, plants, pipelines, equipment, and appliances
19 necessary to collect, transport, process, dispose of, and control
20 domestic, industrial, and communal waterborne and solid waste in
21 the district. (V.A.C.S. Art. 4477-7k, Sec. 4.01(c).)

22 Sec. 21.206. STUDIES AND RESEARCH. The district shall:

23 (1) study and research the control of water pollution
24 and waste disposal in the district;

25 (2) cooperate with the commission in any study; and

26 (3) use the results of the studies. (V.A.C.S. Art.
27 4477-7k, Sec. 4.01(e).)

1 Sec. 21.207. COOPERATIVE AGREEMENTS WITH OTHER POLITICAL
2 SUBDIVISIONS. The district may enter into a cooperative agreement
3 with a local government or other political subdivision to:

4 (1) jointly conduct solid waste management
5 activities; and

6 (2) charge reasonable fees for solid waste management
7 activities. (V.A.C.S. Art. 4477-7k, Sec. 4.01(i).)

8 Sec. 21.208. GIFTS, GRANTS, AND LOANS. The district may
9 apply for, accept, receive, and administer gifts, grants, loans,
10 and other money available from any source to carry out any purpose
11 or power under this chapter. (V.A.C.S. Art. 4477-7k, Sec. 4.02.)

12 Sec. 21.209. ACQUISITION OF PROPERTY. The district may
13 acquire by gift, grant, devise, purchase, lease, or the exercise of
14 the power of eminent domain any land, easement, right-of-way, or
15 other property interest necessary to carry out the powers and
16 duties under this chapter. (V.A.C.S. Art. 4477-7k, Sec. 4.04.)

17 Sec. 21.210. EMINENT DOMAIN; COST OF RELOCATING PROPERTY.

18 (a) The district may exercise the power of eminent domain to
19 acquire land for a purpose authorized by Section 21.205 if the board
20 determines, after notice and hearing, that it is necessary.

21 (b) The district must exercise the power of eminent domain
22 in the manner provided by Chapter 21, Property Code, but the
23 district is not required to:

24 (1) deposit in the trial court money or a bond as
25 provided by Section 21.021(a), Property Code;

26 (2) pay in advance or give bond or other security for
27 costs in the trial court;

1 (3) give bond for the issuance of a temporary
2 restraining order or a temporary injunction; or

3 (4) give bond for costs or supersedeas on an appeal or
4 writ of error.

5 (c) If the district, in the exercise of the power of eminent
6 domain, requires relocating, raising, lowering, rerouting,
7 changing the grade of, or altering the construction of any
8 railroad, highway, pipeline, or electric transmission and electric
9 distribution, telegraph, or telephone lines, conduits, poles, or
10 facilities, the district must bear the actual cost of relocating,
11 raising, lowering, rerouting, changing the grade of, or altering
12 the construction to provide comparable replacement without
13 enhancement of facilities, after deducting the net salvage value
14 derived from the old facility. (V.A.C.S. Art. 4477-7k, Sec. 4.05.)

15 Sec. 21.211. ENTRY ON LAND. (a) A district director,
16 engineer, or employee may go on any land inside or outside the
17 district to survey and examine the land with reference to the
18 location of works, improvements, and waste disposal, treatment, and
19 other facilities, plants, pipelines, equipment, and appliances,
20 and to attend to district business.

21 (b) The director, engineer, or employee must give the
22 landowner five days' written notice before entering on the land.

23 (c) If any district activity on the land causes damage to
24 the land or property, the district shall restore the land or
25 property as nearly as possible to its original state. The district
26 shall pay the restoration's cost. (V.A.C.S. Art. 4477-7k, Sec.
27 4.14.)

1 Sec. 21.212. ROAD RIGHT-OF-WAY. A governmental entity
2 having jurisdiction over a right-of-way along and across a public
3 state or county road or highway may:

4 (1) designate the placement of district facilities
5 located on the right-of-way; and

6 (2) require the relocation of district facilities to
7 accommodate widening or changing traffic lanes. (V.A.C.S. Art.
8 4477-7k, Sec. 4.15(a) (part).)

9 Sec. 21.213. CONSENT FOR CHANGE OR DAMAGE TO STATE
10 PROPERTY. The district must obtain the written consent of the
11 governmental entity having control and jurisdiction over state
12 property, including a facility, before the district may proceed
13 with an action to change or damage the property. (V.A.C.S. Art.
14 4477-7k, Sec. 4.15(b).)

15 Sec. 21.214. BIDS ON CONTRACTS FOR PURCHASE OF VEHICLES,
16 EQUIPMENT, AND SUPPLIES OVER \$15,000; EXCEPTION. (a) If the
17 estimated amount of a proposed contract to purchase vehicles,
18 equipment, or supplies is more than \$15,000, the board shall ask for
19 competitive bids as provided by Subchapter B, Chapter 271, Local
20 Government Code.

21 (b) This section does not apply to:

22 (1) the purchase of property from a public agency; or

23 (2) a contract for personal or professional services.

24 (V.A.C.S. Art. 4477-7k, Sec. 4.13.)

25 [Sections 21.215-21.250 reserved for expansion]

26 SUBCHAPTER F. CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS

27 Sec. 21.251. AUTHORITY TO ENTER INTO CONSTRUCTION,

1 RENOVATION, AND REPAIR CONTRACTS. The district may contract with
2 any person to construct, renovate, repair, or make improvements to
3 any district works, improvements, waste disposal, treatment, or
4 other facilities, plants, pipelines, equipment, and appliances.
5 (V.A.C.S. Art. 4477-7k, Sec. 4.06.)

6 Sec. 21.252. BIDS ON CONTRACTS OVER \$15,000. The district
7 may enter into a contract under Section 21.251 that requires an
8 expenditure of more than \$15,000 only after competitive bidding as
9 provided by Subchapter B, Chapter 271, Local Government Code.
10 (V.A.C.S. Art. 4477-7k, Sec. 4.07.)

11 Sec. 21.253. CONTRACT SPECIFICATIONS, PLANS, AND DETAILS.
12 A contract under Section 21.251 must contain, or have attached to
13 it, the specifications, plans, and details for work included in the
14 contract. The work shall be done according to the plans and
15 specifications under the supervision of the district. (V.A.C.S.
16 Art. 4477-7k, Sec. 4.08.)

17 Sec. 21.254. EXECUTION AND AVAILABILITY OF CONTRACTS. (a)
18 A contract under Section 21.251 must be in writing and signed by:

- 19 (1) the contractor; and
20 (2) a district representative designated by the board.

21 (b) The contract shall be kept in the district's office and
22 must be available for public inspection. (V.A.C.S. Art. 4477-7k,
23 Sec. 4.09.)

24 Sec. 21.255. CONTRACTOR'S BOND. (a) A contractor shall
25 execute a bond:

- 26 (1) in an amount determined by the board, not to exceed
27 the contract price;

1 (2) payable to the district and approved by the board;
2 and

3 (3) conditioned on the faithful performance of the
4 contract.

5 (b) The bond must provide that a contractor pay to the
6 district all damages sustained as a result of the contractor's
7 default on the contract.

8 (c) The bond shall be deposited in the district's
9 depository. A copy of the bond shall be kept in the district's
10 office. (V.A.C.S. Art. 4477-7k, Sec. 4.10.)

11 Sec. 21.256. BOARD CONTROL AND DETERMINATION. (a) The
12 board has control of construction, renovation, or repairs being
13 done for the district under a contract under Section 21.251.

14 (b) The board shall determine whether the contract is being
15 fulfilled. (V.A.C.S. Art. 4477-7k, Sec. 4.11(a).)

16 Sec. 21.257. INSPECTION OF WORK. (a) The board shall have
17 the work contracted for under Section 21.251 inspected by
18 engineers, inspectors, and personnel of the district.

19 (b) During the progress of the contracted work, the
20 engineers, inspectors, and personnel shall submit to the board
21 written reports that show whether the contractor is complying with
22 the contract.

23 (c) On completion of the contracted work, the engineers,
24 inspectors, and personnel shall submit to the board a final
25 detailed written report that includes information necessary to show
26 whether the contractor has fully complied with the contract.
27 (V.A.C.S. Art. 4477-7k, Secs. 4.11(b), (c), (d).)

1 Sec. 21.258. PAYMENTS FOR WORK. (a) The district shall pay
2 the contract price of a construction, renovation, or repair
3 contract in accordance with this section.

4 (b) The district shall make monthly progress payments under
5 a contract as the work proceeds or at more frequent intervals as
6 determined by the board.

7 (c) To provide a basis for determining progress payments,
8 the contractor, on the request of the board, shall furnish, in the
9 detail requested, an analysis of the total contract price showing
10 the amount included for each principal category of the work.

11 (d) In making progress payments, the board shall retain 10
12 percent of the estimated amounts until final completion and
13 acceptance of the contract work. The board may authorize any of the
14 remaining progress payments to be made in full if:

15 (1) the board finds that satisfactory progress is
16 being made; and

17 (2) at least 50 percent of the work has been completed.

18 (e) If the work under a contract is substantially complete
19 and the board finds the amount retained to be in excess of the
20 amount adequate for the protection of the district, the board may
21 release to the contractor all or part of the excess amount.

22 (f) On completion and acceptance of each separate project,
23 work, or other division of the contract on which the price is stated
24 separately in the contract, payment may be made without retention
25 of a percentage.

26 (g) When work is completed according to the contract, the
27 board shall draw a warrant on the depository to pay any balance due

1 on the contract. (V.A.C.S. Art. 4477-7k, Sec. 4.12.)

2 [Sections 21.259-21.300 reserved for expansion]

3 SUBCHAPTER G. WASTE DISPOSAL

4 Sec. 21.301. ACQUISITION OF EXISTING FACILITIES. If the
5 district acquires existing works, improvements, and waste
6 disposal, treatment, and other facilities, plants, pipelines,
7 equipment, and appliances that are completed, partially completed,
8 or under construction, the district may:

9 (1) assume the contracts and obligations of the
10 previous owner; and

11 (2) perform the obligations of the previous owner in
12 the same manner and to the same extent that any other purchaser or
13 assignee would be bound. (V.A.C.S. Art. 4477-7k, Sec. 4.17.)

14 Sec. 21.302. SOLID WASTE RECOVERY FACILITY. The district
15 may construct or acquire and operate a facility used to store,
16 handle, sort, bail, recycle, process, and recover solid waste.
17 (V.A.C.S. Art. 4477-7k, Secs. 1.03(11), 4.18.)

18 Sec. 21.303. STANDARDS FOR SOLID WASTE HANDLING. (a) The
19 district shall establish minimum standards of operation for all
20 aspects of solid waste handling, including:

- 21 (1) storage;
- 22 (2) collection;
- 23 (3) incineration;
- 24 (4) recycling;
- 25 (5) sanitary landfill; and
- 26 (6) composting.

27 (b) Before establishing the standards, the district must:

1 (1) hold public hearings after giving public notice in
2 the time and manner prescribed by board rule;

3 (2) consult with the commission to ensure that the
4 standards are not inconsistent with established criteria; and

5 (3) find that the standards are reasonably necessary
6 to protect the public health or welfare from water pollution or
7 other harm to the environment.

8 (c) To amend the standards, the district must follow the
9 same procedures required for establishing standards.

10 (d) The board may adopt rules reasonably necessary to
11 implement solid waste disposal standards. (V.A.C.S. Art. 4477-7k,
12 Secs. 4.19(a), (b), (c), (d).)

13 Sec. 21.304. MANAGEMENT OF MUNICIPAL SOLID WASTE. (a) The
14 district may assume the exclusive authority to exercise the powers
15 granted to a county under Section 361.165, Health and Safety Code,
16 including the power to issue licenses and exercise municipal solid
17 waste management authority.

18 (b) If the district exercises the licensing authority
19 granted under this section, the district must adopt and enforce
20 rules for the management of municipal solid waste.

21 (c) A rule adopted under this section must be:

22 (1) compatible with and at least as stringent as those
23 of the commission; and

24 (2) approved by the commission. (V.A.C.S. Art.
25 4477-7k, Sec. 4.19(e).)

26 Sec. 21.305. ON-SITE SEWAGE DISPOSAL SYSTEMS. (a) The
27 district may apply to the commission for designation as an

1 authorized agent to implement and enforce on-site sewage disposal
2 rules under Chapter 366, Health and Safety Code.

3 (b) If the district finds that due to the nature of the soil
4 or drainage in the area it is necessary to prevent water pollution
5 that may injure the public health, the board by rule may:

6 (1) provide limits on the number and kind of septic
7 tanks in an area defined by the rule;

8 (2) prohibit the use of septic tanks in the area; or

9 (3) prohibit the installation of new septic tanks in
10 the area.

11 (c) The board shall consult with the commission before the
12 adoption of a rule under Subsection (b).

13 (d) The board may not adopt a rule under Subsection (b)
14 without first holding a public hearing in the area to be affected by
15 the rule.

16 (e) The board by order may provide for a gradual and
17 systematic reduction of the number or kind of septic tanks in the
18 area and, by rule, may provide for a system to license and issue
19 permits for the installation of new septic tanks in the area
20 affected. If the board adopts a license and permit system, a person
21 may not install a septic tank in the area without a license or
22 permit from the board. (V.A.C.S. Art. 4477-7k, Sec. 4.20.)

23 Sec. 21.306. ACQUISITION, CONSTRUCTION, AND OPERATION OF
24 DISPOSAL SYSTEMS. The district may:

25 (1) acquire and provide by purchase, gift, or lease a
26 disposal system in the district or in a county adjacent to the
27 district;

1 (2) construct and provide a disposal system in the
2 district or in a county adjacent to the district;

3 (3) operate or sell a disposal system that it
4 constructs or acquires;

5 (4) contract with a person to operate and maintain a
6 disposal system belonging to the person; and

7 (5) contract with a person to train or supervise
8 employees of a disposal system. (V.A.C.S. Art. 4477-7k, Secs.
9 1.03(9), 4.21.)

10 Sec. 21.307. WASTE DISPOSAL CONTRACTS. (a) The district
11 may contract to receive and to treat or dispose of waste from a
12 person in the district.

13 (b) The district shall set fees in the contract after
14 considering:

15 (1) the quality of the waste;

16 (2) the quantity of the waste;

17 (3) the difficulty encountered in treating or
18 disposing of the waste;

19 (4) operation and maintenance expenses and debt
20 retirement services; and

21 (5) any other reasonable consideration. (V.A.C.S.
22 Art. 4477-7k, Sec. 4.22.)

23 [Sections 21.308-21.350 reserved for expansion]

24 SUBCHAPTER H. GENERAL FINANCIAL PROVISIONS

25 Sec. 21.351. ACCOUNTING. The district shall keep complete
26 and accurate accounts of its business transactions in accordance
27 with generally accepted methods of accounting. (V.A.C.S. Art.

1 4477-7k, Sec. 3.14(a).)

2 Sec. 21.352. ANNUAL BUDGET. (a) The district's annual
3 budget must contain a complete financial statement, including a
4 statement of:

5 (1) the outstanding district obligations;

6 (2) the amount of cash on hand to the credit of each
7 district fund;

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

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

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

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

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

17 (b) The board may amend the budget after adoption.

18 (c) The district may not spend money for an expense not
19 included in the annual budget or an amendment to it unless the board
20 by order declares the expense to be necessary. (V.A.C.S. Art.
21 4477-7k, Secs. 5.03(b), 5.04, 5.05.)

22 Sec. 21.353. SWORN STATEMENT REGARDING MONEY AND
23 DISBURSEMENTS. As soon as practicable after the close of the fiscal
24 year, the district treasurer shall prepare for the board a sworn
25 statement of:

26 (1) the amount of money that belongs to the district;

27 and

1 (2) an account of the disbursement of that money.
2 (V.A.C.S. Art. 4477-7k, Sec. 5.06.)

3 Sec. 21.354. DEPOSITORY. (a) The board shall name one or
4 more banks to serve as depository for the district's money.

5 (b) District money, other than money transmitted to a bank
6 for payment of bonds issued by the district, shall be deposited as
7 received with the depository bank and shall remain on deposit.

8 (c) Before the district deposits money in a bank in an
9 amount that exceeds the maximum amount secured by the Federal
10 Deposit Insurance Corporation, the bank must execute a bond or
11 provide other security in an amount sufficient to secure from loss
12 the amount of the district's deposits that exceed the amount
13 secured by the Federal Deposit Insurance Corporation.

14 (d) This section does not limit the board's power to invest
15 the district's money as provided by Subchapter A, Chapter 2256,
16 Government Code. (V.A.C.S. Art. 4477-7k, Sec. 5.07.)

17 Sec. 21.355. INVESTMENTS. (a) The board may place district
18 money in a certificate of deposit of a state or national bank or a
19 state or federal savings and loan association in this state if the
20 money is secured in the manner required for the security of county
21 funds.

22 (b) The board by resolution may provide that an authorized
23 representative may invest and reinvest district money and provide
24 for money to be withdrawn from the appropriate district accounts
25 for investments on terms the board considers advisable. (V.A.C.S.
26 Art. 4477-7k, Secs. 5.08(b), (c).)

27 Sec. 21.356. PAYMENT OF EXPENSES. (a) The board may pay:

1 taxable property in the district;

2 (2) by pledging all or part of the designated revenue
3 from the ownership or operation of the district's works,
4 improvements, and facilities; or

5 (3) from a combination of the sources listed by
6 Subdivisions (1) and (2). (V.A.C.S. Art. 4477-7k, Sec. 6.02.)

7 Sec. 21.403. BOND ELECTION. (a) The district may not issue
8 bonds until the issuance is approved by a majority of voters voting
9 in the district at an election held for that purpose.

10 (b) The board may order a bond election. The order calling
11 the election must state:

12 (1) the hours during which the polls will be open;

13 (2) the location of the polling places;

14 (3) the amount of bonds to be authorized; and

15 (4) the maximum maturity of the bonds.

16 (c) At an election to authorize bonds, the ballot must be
17 printed to provide for voting for or against the issuance of bonds
18 and the imposition of property taxes for payment of the bonds.

19 (d) If a majority of the votes cast at the election favor the
20 issuance of the bonds, the bonds may be issued by the board. If a
21 majority of the votes cast at the election do not favor issuance of
22 the bonds, the bonds may not be issued. (V.A.C.S. Art. 4477-7k,
23 Secs. 6.03(a), (b), (d), (e) (part).)

24 Sec. 21.404. MATURITY OF BONDS. District bonds may mature
25 not more than 50 years after the date of issuance. (V.A.C.S. Art.
26 4477-7k, Sec. 6.04(b) (part).)

27 Sec. 21.405. SIGNATURE. District bonds must be signed and

1 executed as provided by the board in the resolution or order
2 authorizing the bonds. (V.A.C.S. Art. 4477-7k, Sec. 6.04(d)
3 (part).)

4 Sec. 21.406. BOND PROVISIONS. (a) In an order or
5 resolution authorizing the issuance of bonds, including refunding
6 bonds, the board may:

7 (1) provide for the flow of money;

8 (2) provide for the establishment and maintenance of
9 an interest and sinking fund, a reserve fund, and other funds; and

10 (3) prohibit the further issuance of bonds or other
11 obligations payable from the pledged fees or reserve the right to
12 issue additional bonds to be secured by a pledge of and payable from
13 the pledged fees on a parity with or subordinate to the pledge in
14 support of the bonds being issued; and

15 (4) provide for other provisions as the board
16 determines.

17 (b) The board may adopt and have executed any other
18 proceeding or instrument necessary and convenient in the issuance
19 of bonds. (V.A.C.S. Art. 4477-7k, Sec. 6.05.)

20 Sec. 21.407. MANDAMUS BY BONDHOLDERS. A holder of a
21 district bond is entitled, in addition to any other right or remedy
22 provided by law, to a writ of mandamus requiring the district and
23 its officials to observe and perform any covenant, condition, or
24 obligation provided by the order or resolution authorizing issuance
25 of the bond that the district fails to observe or perform,
26 including:

27 (1) a default in the payment of principal, interest,

1 or redemption price on the bond when due; and

2 (2) a failure to make payment into any fund created in
3 the order or resolution. (V.A.C.S. Art. 4477-7k, Sec. 6.09.)

4 Sec. 21.408. REFUNDING BONDS. (a) The board may issue
5 refunding bonds to refund outstanding indebtedness issued or
6 assumed by the district.

7 (b) A refunding bond may be:

8 (1) sold, with the proceeds of the refunding bond
9 applied to the payment of the bonds to be refunded; or

10 (2) exchanged wholly or partly for not less than a
11 similar principal amount of outstanding indebtedness. (V.A.C.S.
12 Art. 4477-7k, Secs. 6.07(a), (c) (part).)

13 Sec. 21.409. TAX EXEMPTION. District bonds, transactions
14 relating to the bonds, and profits made in the sale of the bonds are
15 exempt from state taxation or taxation by a municipality, county,
16 special district, or other political subdivision of the state.
17 (V.A.C.S. Art. 4477-7k, Sec. 7.01 (part).)

18 [Sections 21.410-21.450 reserved for expansion]

19 SUBCHAPTER J. TAXES

20 Sec. 21.451. AUTHORITY TO IMPOSE PROPERTY TAXES. The board
21 annually may impose a tax on all property in the district subject to
22 district taxation. (V.A.C.S. Art. 4477-7k, Secs. 7.02(a) (part),
23 7.03(b).)

24 Sec. 21.452. AMOUNT OF TAX. (a) The amount of tax imposed
25 by the board must be in an amount necessary to pay:

26 (1) the principal of and interest on district bonds;

27 and

1 (2) the expense of assessing and collecting taxes.

2 (b) The district may impose a maintenance and operating tax
3 in an amount not to exceed three cents on each \$100 of assessed
4 valuation of property in the district to pay the district's
5 maintenance and operating expenses. (V.A.C.S. Art. 4477-7k, Sec.
6 7.02 (part).)

7 Sec. 21.453. TAX RATE. In setting the tax rate, the board
8 shall take into consideration the income of the district from
9 sources other than taxation. (V.A.C.S. Art. 4477-7k, Sec. 7.04
10 (part).)

11 Sec. 21.454. TAX COLLECTOR. The board may:

12 (1) provide for the appointment of a tax collector for
13 the district; or

14 (2) contract for the collection of taxes as provided
15 by the Tax Code. (V.A.C.S. Art. 4477-7k, Sec. 7.05(b).)

16 SECTION 1.02. Subtitle A, Title 3, Special District Local
17 Laws Code, is amended by adding Chapters 1007, 1010, 1012, 1013,
18 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024,
19 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1036, 1037,
20 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048,
21 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1057, 1059, 1060, 1062,
22 1065, 1066, 1068, 1070, and 1071 to read as follows:

23 CHAPTER 1007. BIG BEND REGIONAL HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1007.001. DEFINITIONS

26 Sec. 1007.002. AUTHORITY FOR CREATION

27 Sec. 1007.003. DISTRICT TERRITORY

1 Sec. 1007.004. DISTRICT SUPPORT AND MAINTENANCE NOT
2 STATE OBLIGATION

3 Sec. 1007.005. RESTRICTION ON STATE FINANCIAL
4 ASSISTANCE

5 [Sections 1007.006-1007.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1007.051. BOARD ELECTION; TERM

8 Sec. 1007.052. NOTICE OF ELECTION

9 Sec. 1007.053. QUALIFICATIONS FOR OFFICE

10 Sec. 1007.054. BOND; RECORD OF BOND AND OATH OR
11 AFFIRMATION OF OFFICE

12 Sec. 1007.055. OFFICERS

13 Sec. 1007.056. COMPENSATION; EXPENSES

14 Sec. 1007.057. DISTRICT ADMINISTRATOR

15 Sec. 1007.058. EMPLOYEES

16 Sec. 1007.059. RETIREMENT BENEFITS

17 Sec. 1007.060. MAINTENANCE OF RECORDS; PUBLIC
18 INSPECTION

19 [Sections 1007.061-1007.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1007.101. DISTRICT RESPONSIBILITY

22 Sec. 1007.102. RESTRICTION ON POLITICAL SUBDIVISION
23 TAXATION AND DEBT

24 Sec. 1007.103. MEDICAL SERVICES FOR PRESIDIO COUNTY

25 Sec. 1007.104. MANAGEMENT AND CONTROL OF DISTRICT

26 Sec. 1007.105. HOSPITAL SYSTEM

27 Sec. 1007.106. RULES

- 1 Sec. 1007.107. PURCHASING AND ACCOUNTING PROCEDURES
2 Sec. 1007.108. DISTRICT PROPERTY, FACILITIES, AND
3 EQUIPMENT
4 Sec. 1007.109. SURPLUS PROPERTY
5 Sec. 1007.110. EMINENT DOMAIN
6 Sec. 1007.111. GIFTS AND ENDOWMENTS
7 Sec. 1007.112. CONTRACTS WITH POLITICAL SUBDIVISIONS
8 FOR HOSPITAL AND MEDICAL CARE
9 Sec. 1007.113. PAYMENT FOR TREATMENT; PROCEDURE
10 [Sections 1007.114-1007.150 reserved for expansion]
11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
12 Sec. 1007.151. BUDGET
13 Sec. 1007.152. PROPOSED BUDGET: NOTICE AND HEARING
14 Sec. 1007.153. FISCAL YEAR
15 Sec. 1007.154. ANNUAL AUDIT
16 Sec. 1007.155. DEPOSITORY
17 [Sections 1007.156-1007.200 reserved for expansion]
18 SUBCHAPTER E. BONDS
19 Sec. 1007.201. BONDS
20 Sec. 1007.202. TAX TO PAY BONDS
21 Sec. 1007.203. BOND ELECTION
22 Sec. 1007.204. MATURITY OF BONDS
23 Sec. 1007.205. EXECUTION OF BONDS
24 [Sections 1007.206-1007.250 reserved for expansion]
25 SUBCHAPTER F. TAXES
26 Sec. 1007.251. IMPOSITION OF AD VALOREM TAX
27 Sec. 1007.252. TAX RATE

1 Sec. 1007.253. TAX ASSESSOR-COLLECTOR

2 CHAPTER 1007. BIG BEND REGIONAL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1007.001. DEFINITIONS. In this chapter:

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

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

8 (3) "District" means the Big Bend Regional Hospital
9 District. (New.)

10 Sec. 1007.002. AUTHORITY FOR CREATION. The district is
11 created under Section 9, Article IX, Texas Constitution. (Acts
12 59th Leg., R.S., Ch. 643, Sec. 1.)

13 Sec. 1007.003. DISTRICT TERRITORY. The boundaries of the
14 district are coextensive with the boundaries of:

15 (1) Presidio County, including all "cut over" or
16 "banco" land on the north side of the Rio Grande; and

17 (2) Brewster County. (Acts 59th Leg., R.S., Ch. 643,
18 Secs. 2(a), 2A(h) (part).)

19 Sec. 1007.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
20 OBLIGATION. The support and maintenance of the district's hospital
21 system and any indebtedness incurred by the district under this
22 chapter may not become a charge against or obligation of this state.
23 (Acts 59th Leg., R.S., Ch. 643, Sec. 18 (part).)

24 Sec. 1007.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
25 The legislature may not make a direct appropriation for the
26 construction, maintenance, or improvement of a district facility.
27 (Acts 59th Leg., R.S., Ch. 643, Sec. 18 (part).)

1 [Sections 1007.006-1007.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1007.051. BOARD ELECTION; TERM. (a) The board
4 consists of five directors elected from single-member voting
5 subdistricts established by the board.

6 (b) The board shall revise each single-member subdistrict
7 after each federal decennial census to reflect population changes.
8 At the first election after the subdistricts are revised, a new
9 director shall be elected from each subdistrict. The directors
10 shall draw lots to determine which two directors shall serve
11 two-year terms and which three directors shall serve four-year
12 terms.

13 (c) Directors serve staggered four-year terms.

14 (d) An election shall be held on the uniform election date
15 in May of each even-numbered year to elect the appropriate number of
16 directors. (Acts 59th Leg., R.S., Ch. 643, Secs. 2B(c) (part),
17 2C(c), (g), 7(b) (part).)

18 Sec. 1007.052. NOTICE OF ELECTION. At least 35 days before
19 the date of an election of directors, notice of the election must be
20 published one time in a newspaper with general circulation in the
21 district. (Acts 59th Leg., R.S., Ch. 643, Sec. 7(c), as added by
22 Acts 72nd Leg., R.S., Ch. 89.)

23 Sec. 1007.053. QUALIFICATIONS FOR OFFICE. (a) A person may
24 not be a candidate for or serve as a director unless the person is:

25 (1) a district resident; and

26 (2) a qualified voter.

27 (b) A person is not eligible to serve as a director if the

1 person is:

2 (1) a district employee;

3 (2) a party to a contract with the district to perform
4 services for compensation; or

5 (3) a physician who has staff privileges at a district
6 facility.

7 (c) A person who is elected from a single-member subdistrict
8 or who is appointed to fill a vacancy for a single-member
9 subdistrict must reside in that subdistrict. (Acts 59th Leg.,
10 R.S., Ch. 643, Secs. 2C(h) (part), 7B(a), (c).)

11 Sec. 1007.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
12 OF OFFICE. (a) Each director shall qualify for office by executing
13 a good and sufficient commercial bond for \$1,000 that is:

14 (1) payable to the district; and

15 (2) conditioned on the faithful performance of the
16 director's duties.

17 (b) The district shall pay for the directors' bonds.

18 (c) Each director's bond and constitutional oath or
19 affirmation of office shall be deposited in the district depository
20 for safekeeping. (Acts 59th Leg., R.S., Ch. 643, Sec. 8(a).)

21 Sec. 1007.055. OFFICERS. The board shall elect from among
22 its members a president, secretary, and treasurer at the first
23 meeting of the board after each directors' election. (Acts 59th
24 Leg., R.S., Ch. 643, Sec. 8(b).)

25 Sec. 1007.056. COMPENSATION; EXPENSES. A director serves
26 without compensation but is entitled to reimbursement for necessary
27 expenses incurred in the performance of official duties. (Acts 59th

1 Leg., R.S., Ch. 643, Sec. 8(c).)

2 Sec. 1007.057. DISTRICT ADMINISTRATOR. (a) The board may
3 employ a district administrator to manage the operations of the
4 hospital system.

5 (b) The district administrator may employ necessary
6 personnel to perform the services provided by the system. (Acts
7 59th Leg., R.S., Ch. 643, Sec. 12(e) (part).)

8 Sec. 1007.058. EMPLOYEES. The board may employ an attorney,
9 general manager, bookkeeper, architect, and other employees
10 necessary for the efficient operation of the district. (Acts 59th
11 Leg., R.S., Ch. 643, Sec. 12(e) (part).)

12 Sec. 1007.059. RETIREMENT BENEFITS. The board may enter
13 into any contract or agreement with this state or the federal
14 government that is required to establish or continue a retirement
15 program for the benefit of the district's employees. (Acts 59th
16 Leg., R.S., Ch. 643, Sec. 12(h).)

17 Sec. 1007.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
18 The board shall:

19 (1) maintain all district records, including books,
20 accounts, notices, minutes, and other matters of the district and
21 its operation, at the district office; and

22 (2) make those records available for public inspection
23 at reasonable times. (Acts 59th Leg., R.S., Ch. 643, Sec. 12(b).)

24 [Sections 1007.061-1007.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1007.101. DISTRICT RESPONSIBILITY. The district shall
27 provide all necessary hospital and medical care for the district's

1 needy inhabitants. (Acts 59th Leg., R.S., Ch. 643, Sec. 3 (part).)

2 Sec. 1007.102. RESTRICTION ON POLITICAL SUBDIVISION
3 TAXATION AND DEBT. A political subdivision of this state, other
4 than the district, may not impose a tax or issue bonds or other
5 obligations to provide hospital service or medical care in the
6 district. (Acts 59th Leg., R.S., Ch. 643, Sec. 3 (part).)

7 Sec. 1007.103. MEDICAL SERVICES FOR PRESIDIO COUNTY. (a)
8 The board shall periodically review the feasibility and
9 desirability of operating a hospital in Presidio County.

10 (b) The district shall operate a facility that provides
11 medical services in Presidio County. At a minimum, the facility
12 must provide outpatient medical services to the district's
13 residents.

14 (c) The board may contract or otherwise cooperate with
15 another entity to provide the services required by Subsection (b).
16 (Acts 59th Leg., R.S., Ch. 643, Secs. 2E(b) (part), 2F(a) (part),
17 (b).)

18 Sec. 1007.104. MANAGEMENT AND CONTROL OF DISTRICT. The
19 management and control of the district is vested in the board, and
20 the board has full power to manage and control the district. (Acts
21 59th Leg., R.S., Ch. 643, Secs. 2E(a) (part), 12(a) (part).)

22 Sec. 1007.105. HOSPITAL SYSTEM. The district has the
23 responsibility to establish a hospital or hospital system within
24 its boundaries to provide hospital and medical care to the
25 district's residents. (Acts 59th Leg., R.S., Ch. 643, Sec. 3
26 (part).)

27 Sec. 1007.106. RULES. (a) The board shall adopt rules for

1 the efficient operation of the district, including district
2 facilities.

3 (b) The board shall:

4 (1) publish the rules in book form; and

5 (2) provide copies to interested persons on request at
6 district expense. (Acts 59th Leg., R.S., Ch. 643, Sec. 12(c).)

7 Sec. 1007.107. PURCHASING AND ACCOUNTING PROCEDURES. The
8 board may prescribe the method of making purchases and expenditures
9 and the manner of accounting and control used by the district.
10 (Acts 59th Leg., R.S., Ch. 643, Sec. 12(e) (part).)

11 Sec. 1007.108. DISTRICT PROPERTY, FACILITIES, AND
12 EQUIPMENT. The board may sell, lease, or otherwise dispose of
13 property, including facilities or equipment, for the district. The
14 sale or other disposal must be at a public sale and at a price and on
15 terms the board determines are most advantageous to the district.
16 (Acts 59th Leg., R.S., Ch. 643, Sec. 12(i).)

17 Sec. 1007.109. SURPLUS PROPERTY. The board may donate to
18 another governmental entity or to a charitable organization any
19 surplus personal property or equipment if the donation serves a
20 public purpose and is accompanied by adequate consideration. (Acts
21 59th Leg., R.S., Ch. 643, Sec. 12(j).)

22 Sec. 1007.110. EMINENT DOMAIN. (a) The district may
23 exercise the power of eminent domain to acquire a fee simple or
24 other interest in any real, personal, or mixed property located in
25 district territory if the interest is necessary or convenient for
26 the district to exercise a power or duty conferred on the district
27 by this chapter.

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

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

7 (1) pay in advance or provide a bond or other security
8 for costs in the trial court; or

9 (2) provide a bond for costs or a supersedeas bond on
10 an appeal or writ of error. (Acts 59th Leg., R.S., Ch. 643, Sec.
11 15.)

12 Sec. 1007.111. GIFTS AND ENDOWMENTS. The board may accept
13 for the district a gift or endowment to be held in trust and
14 administered by the board under the directions, limitations, or
15 other provisions prescribed in writing by the donor that are not
16 inconsistent with the proper management of the district. (Acts
17 59th Leg., R.S., Ch. 643, Sec. 12(f).)

18 Sec. 1007.112. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR
19 HOSPITAL AND MEDICAL CARE. The board may contract with another
20 political subdivision to provide hospital and medical care for
21 needy persons who reside outside the district. (Acts 59th Leg.,
22 R.S., Ch. 643, Sec. 12(g).)

23 Sec. 1007.113. PAYMENT FOR TREATMENT; PROCEDURE. (a) A
24 person who resides in the district is entitled to receive necessary
25 medical and hospital care regardless of whether the person has the
26 ability to pay for the care.

27 (b) The board by rule shall adopt a procedure for

1 determining:

2 (1) the ability of a patient to pay for the patient's
3 medical and hospital care; and

4 (2) the amount each patient is required to pay. (Acts
5 59th Leg., R.S., Ch. 643, Sec. 14.)

6 [Sections 1007.114-1007.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 1007.151. BUDGET. The board shall prepare a budget
9 that includes:

10 (1) proposed expenditures and disbursements;

11 (2) estimated receipts and collections for the next
12 fiscal year; and

13 (3) the amount of taxes required to be imposed to meet
14 the proposed budget. (Acts 59th Leg., R.S., Ch. 643, Sec. 13(b).)

15 Sec. 1007.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
16 The board shall hold a public hearing on the proposed budget.

17 (b) Notice of the hearing must be published at least once in
18 a newspaper of general circulation in the district not later than
19 the 10th day before the date of the hearing.

20 (c) Any person who owns taxable property in the district and
21 has rendered that property for taxation is entitled to:

22 (1) appear at the hearing; and

23 (2) be heard regarding any item in the proposed
24 budget. (Acts 59th Leg., R.S., Ch. 643, Secs. 13(c), (d).)

25 Sec. 1007.153. FISCAL YEAR. The district's fiscal year is
26 from October 1 to September 30. (Acts 59th Leg., R.S., Ch. 643,
27 Sec. 13(a).)

1 Sec. 1007.154. ANNUAL AUDIT. (a) The board annually shall
2 require an independent audit of the district's books and records.

3 (b) Not later than December 1 each year, the board shall
4 file a copy of the audit with:

5 (1) the comptroller; and

6 (2) the district. (Acts 59th Leg., R.S., Ch. 643, Sec.
7 12(d).)

8 Sec. 1007.155. DEPOSITORY. (a) The board by resolution
9 shall designate a bank in Brewster or Presidio County as the
10 district's depository. The designated bank serves for two years
11 and until a successor is designated.

12 (b) All district money shall be deposited in the depository
13 and secured in the manner provided for securing county funds. (Acts
14 59th Leg., R.S., Ch. 643, Sec. 16.)

15 [Sections 1007.156-1007.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Sec. 1007.201. BONDS. The district may issue bonds to:

18 (1) purchase, construct, acquire, repair, or renovate
19 buildings or improvements; and

20 (2) equip buildings for hospital purposes. (Acts 59th
21 Leg., R.S., Ch. 643, Secs. 10(a) (part), 11(a) (part).)

22 Sec. 1007.202. TAX TO PAY BONDS. The board may issue bonds
23 under Section 1007.201 only if the board imposes an ad valorem tax
24 at a rate sufficient to create an interest and sinking fund to pay
25 the principal of and interest on the bonds as the bonds mature.
26 (Acts 59th Leg., R.S., Ch. 643, Sec. 11(c).)

27 Sec. 1007.203. BOND ELECTION. (a) The board may issue

1 bonds under Section 1007.201 only if the bonds are authorized by a
2 majority of the district voters voting in an election held for that
3 purpose. The total face value of the bonds may not exceed the
4 amount specified in the election order.

5 (b) The board may order a bond election at any time.

6 (c) The order calling an election must include:

7 (1) the time of the election;

8 (2) the location of the polling places;

9 (3) the form of the ballots;

10 (4) the presiding judge for each polling place;

11 (5) the purpose of the bond issuance;

12 (6) the amount of the proposed bond issuance;

13 (7) the maximum interest rate of the bonds; and

14 (8) the maximum maturity of the bonds.

15 (d) A substantial copy of the election order shall be
16 published in a newspaper of general circulation in the district
17 once a week for two consecutive weeks before the date of the
18 election. The first notice must be published not later than the
19 14th day immediately preceding the day of the election.

20 (e) A copy of the election results must be filed with the
21 county clerk and become a public record. (Acts 59th Leg., R.S., Ch.
22 643, Secs. 4(c), (d), (e) (part), 10(a) (part), (b), (d), 11(a)
23 (part).)

24 Sec. 1007.204. MATURITY OF BONDS. District bonds must
25 mature not later than 40 years after the date of issuance. (Acts
26 59th Leg., R.S., Ch. 643, Sec. 10(c) (part).)

27 Sec. 1007.205. EXECUTION OF BONDS. (a) The board president

1 shall execute the bonds in the district's name.

2 (b) The board secretary shall countersign the bonds. (Acts
3 59th Leg., R.S., Ch. 643, Sec. 11(b) (part).)

4 [Sections 1007.206-1007.250 reserved for expansion]

5 SUBCHAPTER F. TAXES

6 Sec. 1007.251. IMPOSITION OF AD VALOREM TAX. (a) The board
7 shall impose a tax on all property in the district subject to
8 district taxation.

9 (b) The tax may be used only to:

10 (1) pay the interest on and create a sinking fund for
11 bonds issued under this chapter;

12 (2) provide for the operation and maintenance of the
13 district and hospital system;

14 (3) make improvements and additions to the hospital
15 system; and

16 (4) acquire sites for additions to the hospital
17 system. (Acts 59th Leg., R.S., Ch. 643, Secs. 9(a) (part), (c).)

18 Sec. 1007.252. TAX RATE. The board may impose the tax at a
19 rate not to exceed 75 cents on each \$100 valuation of all taxable
20 property in the district. (Acts 59th Leg., R.S., Ch. 643, Sec. 9(a)
21 (part).)

22 Sec. 1007.253. TAX ASSESSOR-COLLECTOR. The tax
23 assessor-collector for Brewster or Presidio County shall collect
24 taxes for the district. (Acts 59th Leg., R.S., Ch. 643, Sec. 9(d)
25 (part).)

1 CHAPTER 1010. BURLESON COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1010.001. DEFINITIONS

4 Sec. 1010.002. AUTHORITY FOR OPERATION

5 Sec. 1010.003. ESSENTIAL PUBLIC FUNCTION

6 Sec. 1010.004. DISTRICT TERRITORY

7 Sec. 1010.005. CORRECTION OF INVALID PROCEDURES

8 [Sections 1010.006-1010.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT ADMINISTRATION

10 Sec. 1010.051. BOARD ELECTION; TERM

11 Sec. 1010.052. QUALIFICATIONS FOR OFFICE

12 Sec. 1010.053. BOND; RECORD OF BOND AND OATH OR

13 AFFIRMATION OF OFFICE

14 Sec. 1010.054. BOARD VACANCY

15 Sec. 1010.055. OFFICERS

16 Sec. 1010.056. COMPENSATION; EXPENSES

17 Sec. 1010.057. VOTING REQUIREMENT

18 Sec. 1010.058. MEETINGS

19 Sec. 1010.059. PERSONNEL

20 Sec. 1010.060. DUTIES OF MANAGER

21 Sec. 1010.061. RETIREMENT, DISABILITY, AND DEATH

22 COMPENSATION FUND

23 Sec. 1010.062. MAINTENANCE OF RECORDS; PUBLIC

24 INSPECTION

25 Sec. 1010.063. SEAL

26 [Sections 1010.064-1010.100 reserved for expansion]

1		SUBCHAPTER C. POWERS AND DUTIES
2	Sec. 1010.101.	DISTRICT RESPONSIBILITY
3	Sec. 1010.102.	RESTRICTION ON POLITICAL SUBDIVISION
4		TAXATION AND DEBT
5	Sec. 1010.103.	MANAGEMENT AND CONTROL
6	Sec. 1010.104.	HOSPITAL SYSTEM
7	Sec. 1010.105.	DISTRICT ELECTIONS
8	Sec. 1010.106.	BYLAWS
9	Sec. 1010.107.	EMINENT DOMAIN
10	Sec. 1010.108.	COST OF RELOCATING OR ALTERING PROPERTY
11	Sec. 1010.109.	GIFTS AND ENDOWMENTS
12	Sec. 1010.110.	OPERATING AND MANAGEMENT CONTRACTS
13	Sec. 1010.111.	CONTRACT IN NAME OF DISTRICT
14	Sec. 1010.112.	CONTRACTS FOR CARE AND TRAINING
15	Sec. 1010.113.	CONTRACTS WITH GOVERNMENTAL ENTITIES
16		FOR INVESTIGATORY OR OTHER SERVICES
17	Sec. 1010.114.	MISCELLANEOUS CONTRACT REQUIREMENTS
18	Sec. 1010.115.	LEASES
19	Sec. 1010.116.	PURCHASING
20	Sec. 1010.117.	DISPOSITION OF PROPERTY
21	Sec. 1010.118.	PAYMENT FOR TREATMENT; PROCEDURES
22	Sec. 1010.119.	REIMBURSEMENT FOR SERVICES TO
23		NONRESIDENTS
24	Sec. 1010.120.	AUTHORITY TO SUE AND BE SUED; SERVICE
25		OF PROCESS
26		[Sections 1010.121-1010.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 1010.151. BUDGET

3 Sec. 1010.152. AMENDMENTS TO BUDGET

4 Sec. 1010.153. FISCAL YEAR

5 Sec. 1010.154. ANNUAL AUDIT

6 Sec. 1010.155. DEPOSITORY

7 Sec. 1010.156. INVESTMENT OF DISTRICT MONEY

8 [Sections 1010.157-1010.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1010.201. GENERAL OBLIGATION BONDS

11 Sec. 1010.202. TAX TO PAY GENERAL OBLIGATION BONDS

12 Sec. 1010.203. REVENUE AND SPECIAL OBLIGATION BONDS

13 Sec. 1010.204. BOND ELECTION

14 Sec. 1010.205. MATURITY OF BONDS

15 Sec. 1010.206. EXECUTION OF BONDS

16 Sec. 1010.207. BONDS EXEMPT FROM TAXATION

17 Sec. 1010.208. REFUNDING OR FUNDING AND RETIRING

18 CERTAIN OLDER BONDS

19 [Sections 1010.209-1010.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1010.251. TAX ELECTION

22 Sec. 1010.252. IMPOSITION OF AD VALOREM TAX

23 Sec. 1010.253. TAX RATE

24 Sec. 1010.254. ASSESSMENT AND COLLECTION BY COUNTY TAX

25 ASSESSOR-COLLECTOR

26 Sec. 1010.255. ASSESSMENT AND COLLECTION BY DISTRICT

27 TAX ASSESSOR-COLLECTOR

1 Sec. 1010.256. ASSESSMENT AND COLLECTION BY TAX
2 ASSESSOR-COLLECTOR OF ANOTHER
3 POLITICAL SUBDIVISION

4 CHAPTER 1010. BURLESON COUNTY HOSPITAL DISTRICT
5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1010.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the
8 district.

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

10 (3) "District" means the Burleson County Hospital
11 District. (Acts 65th Leg., R.S., Ch. 726, Secs. 1 (part), 5(a)
12 (part); New.)

13 Sec. 1010.002. AUTHORITY FOR OPERATION. The district
14 operates under and has the rights, powers, and duties provided by
15 Section 9, Article IX, Texas Constitution, and this chapter. (Acts
16 65th Leg., R.S., Ch. 726, Secs. 1 (part), 3.)

17 Sec. 1010.003. ESSENTIAL PUBLIC FUNCTION. The district is
18 a governmental agency performing an essential public function in
19 carrying out the purposes of this chapter. (Acts 65th Leg., R.S.,
20 Ch. 726, Secs. 13 (part), 30 (part).)

21 Sec. 1010.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of Burleson County.
23 (Acts 65th Leg., R.S., Ch. 726, Sec. 2.)

24 Sec. 1010.005. CORRECTION OF INVALID PROCEDURES. If a
25 court holds that any procedure under this chapter violates the
26 constitution of this state or of the United States, the board by
27 resolution or order may provide an alternative procedure that

1 conforms with the constitution. (Acts 65th Leg., R.S., Ch. 726,
2 Sec. 31 (part).)

3 [Sections 1010.006-1010.050 reserved for expansion]

4 SUBCHAPTER B. DISTRICT ADMINISTRATION

5 Sec. 1010.051. BOARD ELECTION; TERM. (a) The district is
6 governed by a board of 11 elected directors.

7 (b) Unless four-year terms are established under Section
8 285.081, Health and Safety Code:

9 (1) directors serve two-year terms; and

10 (2) the terms of the five directors elected to
11 even-numbered places expire in even-numbered years and the terms of
12 the six directors elected to odd-numbered places expire in
13 odd-numbered years. (Acts 65th Leg., R.S., Ch. 726, Sec. 8 (part).)

14 Sec. 1010.052. QUALIFICATIONS FOR OFFICE. To serve as a
15 director, a person must be:

16 (1) at least 21 years of age; and

17 (2) a qualified voter of the district. (Acts 65th
18 Leg., R.S., Ch. 726, Sec. 8 (part).)

19 Sec. 1010.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
20 OF OFFICE. (a) As soon as practicable after a director is elected
21 or appointed, the director shall execute a bond for \$5,000 that is:

22 (1) approved by the board;

23 (2) payable to the district; and

24 (3) conditioned on the faithful performance of the
25 director's duties.

26 (b) Each director's bond and constitutional oath or
27 affirmation of office shall be filed with the district and retained

1 in the district's records. (Acts 65th Leg., R.S., Ch. 726, Secs.
2 12(h), (i), (k).)

3 Sec. 1010.054. BOARD VACANCY. If a vacancy occurs in the
4 office of director, the board shall promptly appoint a director for
5 the unexpired term. (Acts 65th Leg., R.S., Ch. 726, Sec. 8 (part).)

6 Sec. 1010.055. OFFICERS. (a) The board shall elect from
7 its membership a president, a vice president, a secretary, a
8 treasurer, and any other officers the board considers necessary.
9 The district's depository bank may be designated as district
10 treasurer.

11 (b) The president is the district's chief executive officer
12 and shall preside at all board meetings. The vice president shall
13 act as president if the president is absent or disabled.

14 (c) The secretary shall:

15 (1) act as president if both the president and vice
16 president are absent or disabled;

17 (2) act as secretary of the board; and

18 (3) see that all district records and books are
19 properly kept.

20 (d) The board may appoint an assistant or deputy secretary
21 to assist the secretary. The assistant or deputy secretary may
22 certify the authenticity of any district record, including any
23 proceeding related to district contracts or bonds or other
24 indebtedness.

25 (e) The board may require an officer to execute a bond that
26 is:

27 (1) payable to the district; and

1 (2) conditioned on the faithful performance of the
2 officer's duties.

3 (f) If a vacancy occurs in an office, the board shall
4 appoint a replacement for the unexpired term. (Acts 65th Leg.,
5 R.S., Ch. 726, Secs. 5(b), 8 (part), 9(b), (c), (d), 12(d) (part).)

6 Sec. 1010.056. COMPENSATION; EXPENSES. A director serves
7 without compensation but may be reimbursed for travel or other
8 expenses incurred on the district's behalf if:

9 (1) the director presents a verified statement; and

10 (2) the board approves the expenses. (Acts 65th Leg.,
11 R.S., Ch. 726, Sec. 12(g).)

12 Sec. 1010.057. VOTING REQUIREMENT. A concurrence of six
13 directors is sufficient in any matter relating to district
14 business. (Acts 65th Leg., R.S., Ch. 726, Sec. 9(a) (part).)

15 Sec. 1010.058. MEETINGS. (a) The board:

16 (1) shall hold the board's meetings at the board's
17 designated meeting place;

18 (2) may establish a schedule of regular meetings to
19 conduct district business; and

20 (3) may hold special meetings at other times as
21 district business requires.

22 (b) Except as provided by this section, Chapter 551,
23 Government Code, applies to board meetings.

24 (c) If there is an emergency or urgent public necessity,
25 posting of notice of a board meeting is not required.

26 (d) Failure to post notice does not affect the validity of
27 an action taken at a regular board meeting. Failure to post notice

1 may affect the validity of an action taken at a special meeting
2 unless the board declares, by an action taken at the special
3 meeting, that an emergency exists.

4 (e) Any interested person may attend a board meeting. (Acts
5 65th Leg., R.S., Ch. 726, Sec. 11 (part).)

6 Sec. 1010.059. PERSONNEL. (a) The board shall employ or
7 contract with all persons the board considers necessary or
8 advisable to conduct district affairs, including doctors, nurses,
9 medical technicians, engineers, architects, attorneys, financial
10 advisors, a hospital administrator, bookkeepers, auditors, and
11 secretaries.

12 (b) The board shall determine the powers, duties, terms of
13 office, and compensation of all employees and consultants by
14 contract or by resolution or order of the board. The board may
15 delegate to any district employee any power that the board
16 considers advisable.

17 (c) The board may remove any employee.

18 (d) The board may require an employee to execute a bond
19 payable to the district and conditioned on the faithful performance
20 of the employee's duties. (Acts 65th Leg., R.S., Ch. 726, Secs.
21 12(a) (part), (b), (c), (d) (part).)

22 Sec. 1010.060. DUTIES OF MANAGER. The district may
23 delegate to the manager the power to:

24 (1) manage and operate the district hospital or
25 hospital system or a portion of the district hospital or hospital
26 system; and

27 (2) employ and discharge employees or appoint and

1 remove doctors from the staff. (Acts 65th Leg., R.S., Ch. 726, Sec.
2 15(b) (part).)

3 Sec. 1010.061. RETIREMENT, DISABILITY, AND DEATH
4 COMPENSATION FUND. (a) The board may:

5 (1) provide for and administer a retirement,
6 disability, and death compensation fund for district officers and
7 employees; and

8 (2) adopt a plan to effectuate the purpose of this
9 section, including the forms of insurance and annuities that the
10 board considers advisable.

11 (b) The board may change a plan or rule after notice to the
12 employees and a hearing.

13 (c) As the board considers advisable, the board may invest
14 money provided:

15 (1) from the compensation of officers and employees
16 participating in the fund and plan authorized by this section; and

17 (2) by the district for the retirement, disability,
18 and death compensation fund after the money has been received by the
19 district.

20 (d) The board may invest the money in:

21 (1) bonds of the United States, this state, or any
22 political subdivision of this state;

23 (2) bonds issued by any agency of the United States if
24 the payment of the principal and interest is guaranteed by the
25 United States; and

26 (3) life insurance policies, endowment or annuity
27 contracts, or interest-bearing certificates of legal reserve life

1 insurance companies authorized to write the contracts in this
2 state.

3 (e) A sufficient amount of money shall be kept on hand to
4 meet the immediate payment of amounts likely to become due each year
5 out of the fund as determined by the board.

6 (f) The recipients or beneficiaries of the fund are not
7 eligible for any other pension, retirement fund, or direct aid from
8 this state unless the fund created under this chapter is released to
9 the state as a condition precedent to receiving the other pension or
10 aid or the joining of any other system.

11 (g) The board may:

12 (1) include hospitalization and medical benefits to
13 district officers and employees as part of the compensation
14 currently paid to the officers and employees;

15 (2) adopt a plan or rule in connection with the
16 benefits provided under Subdivision (1); or

17 (3) amend or change a plan or rule adopted under
18 Subdivision (2) as the board determines.

19 (h) The board may contract with the state and federal
20 governments as necessary to establish and continue a retirement
21 program for the benefit of the district's employees. (Acts 65th
22 Leg., R.S., Ch. 726, Secs. 16(a), (b), (c), (d), (e), (g).)

23 Sec. 1010.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

24 (a) The district shall maintain records and accounts in which full
25 and proper entries are made of:

26 (1) all dealings, transactions, and business matters
27 that in any way affect or relate to the district; and

1 (2) the allocation and application of all revenue
2 relating to the dealings, transactions, and business matters.

3 (b) The district records, including the audit report, shall
4 be available for public inspection at reasonable hours and under
5 reasonable circumstances. (Acts 65th Leg., R.S., Ch. 726, Sec. 17
6 (part).)

7 Sec. 1010.063. SEAL. The board shall adopt a seal for the
8 district. (Acts 65th Leg., R.S., Ch. 726, Sec. 12(f).)

9 [Sections 1010.064-1010.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 1010.101. DISTRICT RESPONSIBILITY. The district has
12 full responsibility for providing medical and hospital care for the
13 district's needy inhabitants. (Acts 65th Leg., R.S., Ch. 726, Sec.
14 4 (part).)

15 Sec. 1010.102. RESTRICTION ON POLITICAL SUBDIVISION
16 TAXATION AND DEBT. A political subdivision other than the district
17 may not impose a tax or issue bonds or other obligations for
18 hospital purposes or to provide medical care in the district. (Acts
19 65th Leg., R.S., Ch. 726, Sec. 4 (part).)

20 Sec. 1010.103. MANAGEMENT AND CONTROL. The board shall
21 manage and control all district affairs. (Acts 65th Leg., R.S., Ch.
22 726, Sec. 12(a) (part).)

23 Sec. 1010.104. HOSPITAL SYSTEM. (a) The district shall
24 provide for the establishment of a hospital or hospital system in
25 the district by:

26 (1) purchasing, constructing, acquiring, repairing,
27 or renovating buildings and improvements for hospital and medical

1 care purposes; and

2 (2) equipping the buildings and improvements for those
3 purposes.

4 (b) The district shall provide for the administration,
5 maintenance, and operation of the hospital or hospital system to
6 furnish hospital and medical care in the district.

7 (c) The board shall determine the type, number, and location
8 of buildings required to maintain an adequate hospital system.

9 (d) The hospital system may include:

- 10 (1) domiciliary hospital care of the sick or injured;
- 11 (2) outpatient clinics;
- 12 (3) dispensaries;
- 13 (4) geriatric domiciliary care;
- 14 (5) convalescent home facilities;
- 15 (6) necessary nurses;
- 16 (7) domiciliaries and training centers;
- 17 (8) blood banks;
- 18 (9) community health centers;
- 19 (10) research centers or laboratories; and
- 20 (11) any other facilities that the board considers

21 necessary for hospital care. (Acts 65th Leg., R.S., Ch. 726, Secs.
22 4 (part), 15 (part).)

23 Sec. 1010.105. DISTRICT ELECTIONS. (a) Each district
24 election shall be called by resolution or order of the board. The
25 order or resolution must specify:

- 26 (1) the date of the election;
- 27 (2) the proposition to be submitted and voted on;

1 (3) the polling place; and

2 (4) any other matter considered necessary or advisable
3 by the board.

4 (b) Notice of each district election shall be given by
5 publishing one time a substantial copy of the election resolution
6 or order in a newspaper of general circulation in the district at
7 least 20 days before the date set for the election.

8 (c) The board shall declare the results of a district
9 election. (Acts 65th Leg., R.S., Ch. 726, Sec. 6 (part).)

10 Sec. 1010.106. BYLAWS. The board may adopt bylaws to
11 govern:

12 (1) the time, place, and manner of conducting board
13 meetings;

14 (2) the powers, duties, and responsibilities of the
15 board's officers and employees;

16 (3) the disbursement of money by check, draft, or
17 warrant;

18 (4) the appointment and authority of board committees;

19 (5) the keeping of records and accounts; and

20 (6) other matters the board considers appropriate.

21 (Acts 65th Leg., R.S., Ch. 726, Sec. 10.)

22 Sec. 1010.107. EMINENT DOMAIN. (a) The district may
23 exercise the power of eminent domain to acquire a fee simple or
24 other interest in any type of property located in district
25 territory if the interest is necessary or convenient for the
26 district to exercise a right, power, or privilege conferred by this
27 chapter.

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

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

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

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

11 (3) provide a bond for costs or a supersedeas bond on
12 an appeal or writ of error. (Acts 65th Leg., R.S., Ch. 726, Sec.
13 26(a).)

14 Sec. 1010.108. COST OF RELOCATING OR ALTERING PROPERTY. In
15 exercising the power of eminent domain, if the board requires
16 relocating, raising, lowering, rerouting, changing the grade of, or
17 altering the construction of any railroad, electric transmission,
18 telegraph or telephone lines, conduits, poles, or facilities, or
19 pipeline, the district must bear the actual cost of relocating,
20 raising, lowering, rerouting, changing the grade, or altering the
21 construction to provide comparable replacement without enhancement
22 of facilities, after deducting the net salvage value derived from
23 the old facility. (Acts 65th Leg., R.S., Ch. 726, Sec. 26(b).)

24 Sec. 1010.109. GIFTS AND ENDOWMENTS. The board may accept
25 for the district a gift or endowment to be held in trust and
26 administered by the board for the purposes and under the
27 directions, limitations, or other provisions prescribed in writing

1 by the donor that are not inconsistent, in the board's opinion, with
2 the proper management and objectives of the district. (Acts 65th
3 Leg., R.S., Ch. 726, Sec. 29.)

4 Sec. 1010.110. OPERATING AND MANAGEMENT CONTRACTS. The
5 district may enter into an operating or management contract with
6 any person regarding any district hospital or any part of the
7 district hospital system. (Acts 65th Leg., R.S., Ch. 726, Sec.
8 15(b) (part).)

9 Sec. 1010.111. CONTRACT IN NAME OF DISTRICT. The district
10 shall contract in the name of the district. (Acts 65th Leg., R.S.,
11 Ch. 726, Sec. 13 (part).)

12 Sec. 1010.112. CONTRACTS FOR CARE AND TRAINING. (a) The
13 district may contract with this state, including agencies of this
14 state, or the United States for:

- 15 (1) the rendition of hospital or medical care; and
16 (2) the training of doctors, nurses, and other health
17 care disciplines.

18 (b) The board may contract with any lessee of the district's
19 hospitals or any other person to provide hospital care to needy
20 district inhabitants for payments and terms and under conditions
21 that the board considers to be in the district's best interests.
22 (Acts 65th Leg., R.S., Ch. 726, Sec. 14 (part).)

23 Sec. 1010.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
24 INVESTIGATORY OR OTHER SERVICES. The board may contract with any
25 political subdivision or governmental agency for investigatory or
26 other services as to:

- 27 (1) the hospital or medical needs of district

1 inhabitants; or

2 (2) the hospital or medical care of the inhabitants of
3 the other political subdivision or governmental agency. (Acts 65th
4 Leg., R.S., Ch. 726, Sec. 14 (part).)

5 Sec. 1010.114. MISCELLANEOUS CONTRACT REQUIREMENTS. (a)
6 The board may not enter into a contract calling for or requiring the
7 expenditure, payment, or creation or imposition of an obligation or
8 liability of any nature on the district in excess of \$5,000, unless
9 the proposed contract is first submitted to competitive bids.

10 (b) Notice of the time and place the contract will be
11 awarded must be published once a week for two consecutive weeks in a
12 newspaper of general circulation in the district. The first notice
13 must be published not later than the 14th day before the date set
14 for the receipt of bids. The notice must specify that the plans and
15 specifications for the proposed project, or the specifications for
16 the machinery, supplies, equipment, or materials to be purchased,
17 are on file with a designated district representative for
18 examination without charge.

19 (c) A contract for construction or the purchase of
20 materials, equipment, supplies, or machinery awarded under this
21 chapter shall be awarded to the lowest responsible bidder and may be
22 awarded on a lump-sum basis or on a unit price basis, as the board
23 shall determine.

24 (d) After performance of a construction contract has
25 started, the board may approve change orders necessary to:

26 (1) change the plans or specifications; or

27 (2) decrease or increase:

- 1 (A) the quantity of work to be performed; or
2 (B) the materials, equipment, or supplies to be
3 furnished.

4 (e) The board may not increase the total contract price by a
5 change order under Subsection (d) unless the board provides for the
6 payment of the added cost by appropriating current or bond funds for
7 that purpose, but the original contract price may not be increased
8 by more than 25 percent.

9 (f) The original contract price may not be decreased by more
10 than 25 percent without the consent of the contractor.

11 (g) The board may reject any bid. If a contract is for the
12 construction of public works and requires the expenditure of \$5,000
13 or more, a successful bidder is required to give a good and
14 sufficient payment bond and performance bond. Each bond must:

- 15 (1) be in the full amount of the contract price; and
16 (2) be executed by a surety company authorized to do
17 business in this state under Chapter 2253, Government Code.

18 (h) This section does not apply to:

- 19 (1) Section 1010.104(b), 1010.110, 1010.115, or
20 1010.117;
21 (2) a contract for personal or professional services;
22 or
23 (3) the purchase of land, buildings, or rights-of-way.

24 (Acts 65th Leg., R.S., Ch. 726, Sec. 22.)

25 Sec. 1010.115. LEASES. (a) The district through the board
26 may lease all or part of the buildings and facilities comprising the
27 hospital system to any person on terms the board considers to be in

1 the district's best interest. The term of a lease may not exceed 40
2 years.

3 (b) When leasing a building or other facility, the board may
4 delegate as it considers appropriate the board's power to manage,
5 control, and administer the leased buildings and facilities to
6 furnish hospital care.

7 (c) For each leased building or other facility, the board
8 shall provide that the lessee charges sufficient rates for services
9 rendered or goods provided at the leased premise that together with
10 other sources of the lessee's revenue produce an amount sufficient
11 to enable the lessee to pay the expenses of operating and
12 maintaining the leased premise as the lessee is required to pay
13 under the lease. The rates also must enable the lessee to pay lease
14 rentals to the district that will be sufficient, when taken with any
15 other source of the district's estimated revenue that are pledged
16 for the same purpose, to:

17 (1) pay the interest on any revenue or special
18 obligation bonds that are payable wholly or partly from the lease
19 rentals;

20 (2) create and maintain a sinking fund to pay the
21 principal of and premium, if any, on the bonds as they become due;

22 (3) create and maintain a bond reserve fund and other
23 fund as required by the bond resolution or trust indenture
24 authorizing the issuance of the bonds; and

25 (4) pay all other charges, fees, costs, and expenses
26 that the lessee is required to pay under the resolution or
27 indenture.

1 (d) The lease, management agreement, bond resolution, or
2 trust indenture may prescribe systems, methods, routines,
3 procedures, and policies for the operation of the buildings and
4 other facilities owned by the district. If all or part of the
5 district's buildings or other facilities are leased, the district
6 may delegate to the lessee the duty to establish the systems,
7 methods, routines, procedures, and policies needed for the
8 operation of the leased premise. (Acts 65th Leg., R.S., Ch. 726,
9 Sec. 15(c) (part).)

10 Sec. 1010.116. PURCHASING. The board may purchase any
11 material, supply, equipment, or vehicle needed by the district.
12 (Acts 65th Leg., R.S., Ch. 726, Sec. 12(e).)

13 Sec. 1010.117. DISPOSITION OF PROPERTY. The district may
14 sell or otherwise dispose of any type of property, including
15 equipment, on terms the board finds are in the best interest of the
16 district. (Acts 65th Leg., R.S., Ch. 726, Sec. 15(d).)

17 Sec. 1010.118. PAYMENT FOR TREATMENT; PROCEDURES. (a)
18 When a patient who resides in the district is admitted to a district
19 facility, the board or a board representative may have an inquiry
20 made into the financial circumstances of:

21 (1) the patient; and

22 (2) the patient's relatives who are legally liable for
23 the patient's support.

24 (b) If the board or the board's authorized representative
25 determines that the patient or those relatives cannot pay all or
26 part of the costs of the patient's care and treatment, the amount of
27 the costs that cannot be paid becomes a charge against the district.

1 (c) If the inquiry under Subsection (a) discloses that the
2 patient or those relatives can pay for all or part of the costs of
3 the patient's care and treatment, the board shall order the patient
4 or those relatives to pay the district a specified amount each week
5 for the patient's care and support. The amount ordered must be
6 proportionate to the person's financial ability.

7 (d) The district may collect the amount from the patient's
8 estate, or from any relative who is legally liable for the patient's
9 support, in the manner provided by law for the collection of
10 expenses of the last illness of a deceased person.

11 (e) If there is a dispute as to the ability to pay, the board
12 shall hear and determine the issue, after calling witnesses.

13 (f) The final order of the board may be appealed to the
14 district court. The substantial evidence rule applies to the
15 appeal. (Acts 65th Leg., R.S., Ch. 726, Sec. 28 (part).)

16 Sec. 1010.119. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS.
17 If a welfare patient, who is not a district resident, is admitted to
18 a district facility, the district may:

19 (1) seek reimbursement from the patient's county of
20 residence; and

21 (2) sue for reimbursement. (Acts 65th Leg., R.S., Ch.
22 726, Sec. 28 (part).)

23 Sec. 1010.120. AUTHORITY TO SUE AND BE SUED; SERVICE OF
24 PROCESS. (a) The district, through its directors, may sue and be
25 sued in the district's own name in any court of this state.

26 (b) Service of process in any suit may be made by serving any
27 two directors. (Acts of the 65th Leg., R.S., Ch. 726, Sec. 13

1 (part).)

2 [Sections 1010.121-1010.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1010.151. BUDGET. An annual budget for each fiscal
5 year shall be prepared as directed by, and for approval of, the
6 board. (Acts 65th Leg., R.S., Ch. 726, Sec. 17 (part).)

7 Sec. 1010.152. AMENDMENTS TO BUDGET. The board may amend
8 the budget as the board considers necessary. (Acts 65th Leg., R.S.,
9 Ch. 726, Sec. 17 (part).)

10 Sec. 1010.153. FISCAL YEAR. The district's fiscal year
11 ends on the last day of April. The board may change the fiscal year.
12 (Acts 65th Leg., R.S., Ch. 726, Sec. 17 (part).)

13 Sec. 1010.154. ANNUAL AUDIT. (a) The board shall have an
14 independent certified public accountant audit all transactions
15 relating to the district for each fiscal year.

16 (b) The accountant's audit report shall be submitted to the
17 board not later than the 90th day after the date the fiscal year
18 ends. (Acts 65th Leg., R.S., Ch. 726, Sec. 17 (part).)

19 Sec. 1010.155. DEPOSITORY. (a) The board shall select one
20 or more banks to serve as the district's depository.

21 (b) District money shall be deposited as received with the
22 district's depository bank.

23 (c) All deposits shall be secured in the manner provided for
24 securing county funds. Deposits may be placed on time deposit or
25 used to purchase certificates of deposit. (Acts 65th Leg., R.S.,
26 Ch. 726, Sec. 23 (part).)

27 Sec. 1010.156. INVESTMENT OF DISTRICT MONEY. The board may

1 invest district money in:

2 (1) bonds of the United States, this state, or any
3 political subdivision of this state; or

4 (2) bonds issued by any agency of the United States if
5 the payment of the principal and interest is guaranteed by the
6 United States. (Acts 65th Leg., R.S., Ch. 726, Sec. 23 (part).)

7 [Sections 1010.157-1010.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Sec. 1010.201. GENERAL OBLIGATION BONDS. The board may
10 issue and sell general obligation bonds in the name and on the faith
11 and credit of the district for any purpose relating to:

12 (1) the purchase, construction, acquisition, repair,
13 or renovation of buildings and improvements for hospital purposes;
14 and

15 (2) equipping buildings or improvements for those
16 purposes. (Acts 65th Leg., R.S., Ch. 726, Sec. 18 (part).)

17 Sec. 1010.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
18 the time general obligation bonds are issued under Section
19 1010.201, the board shall impose an ad valorem tax on all property
20 in the district subject to district taxation at a rate sufficient
21 to:

22 (1) pay the interest on the bonds as the interest comes
23 due; and

24 (2) provide and maintain a sinking fund adequate to
25 pay the principal on the bonds as the principal matures.

26 (b) The tax required by this section together with any other
27 ad valorem tax the district imposes may not in any year exceed 75

1 cents on each \$100 valuation of taxable property in the district.
2 (Acts 65th Leg., R.S., Ch. 726, Sec. 18 (part).)

3 Sec. 1010.203. REVENUE AND SPECIAL OBLIGATION BONDS. (a)
4 The district may issue revenue or special obligation bonds as
5 authorized by the laws of this state relating to the issuance of
6 revenue or special obligation bonds, including Sections
7 264.042-264.049 and 284.031, Health and Safety Code.

8 (b) Bonds issued under this section may be payable from and
9 secured by revenue, encumbrances, and mortgages as authorized by
10 law. Any maintenance and operating expense of the system that is
11 charged against the revenue of the system may include only items set
12 forth and defined in the proceedings authorizing the bond issuance.
13 (Acts 65th Leg., R.S., Ch. 726, Sec. 19.)

14 Sec. 1010.204. BOND ELECTION. (a) The district may not
15 issue bonds unless the bonds are authorized by a majority of the
16 district voters voting at an election held for that purpose.

17 (b) A proposition to authorize the issuance of district
18 bonds may be submitted at any district election. (Acts 65th Leg.,
19 R.S., Ch. 726, Secs. 6 (part), 7 (part), 18 (part).)

20 Sec. 1010.205. MATURITY OF BONDS. District bonds,
21 including revenue bonds, must mature not later than 40 years after
22 the date of issuance. (Acts 65th Leg., R.S., Ch. 726, Sec. 20
23 (part).)

24 Sec. 1010.206. EXECUTION OF BONDS. Bonds shall be signed
25 and executed as provided by the board in the resolution or order
26 authorizing the issuance of bonds. (Acts 65th Leg., R.S., Ch. 726,
27 Sec. 20 (part).)

1 Sec. 1010.207. BONDS EXEMPT FROM TAXATION. The following
2 are exempt from taxation by this state or a political subdivision of
3 this state:

- 4 (1) bonds issued or assumed by the district;
5 (2) the transfer and issuance of the bonds; and
6 (3) profits made in the sale of the bonds. (Acts 65th
7 Leg., R.S., Ch. 726, Sec. 30 (part).)

8 Sec. 1010.208. REFUNDING OR FUNDING AND RETIRING CERTAIN
9 OLDER BONDS. (a) This section applies only to bonds approved in an
10 election held before May 31, 1991.

11 (b) Except as provided by Subsection (c) and
12 notwithstanding any legal defect in the incurrence, issuance, or
13 assumption of the obligation or indebtedness, the board may issue
14 and sell bonds in the name and on the faith and credit of the
15 district to refund or fund and retire any outstanding obligation or
16 other indebtedness the district has incurred, issued, or assumed.

17 (c) The board may not use the power granted by this section
18 to convert Farmers Home Administration bonds to tax bonds. (Acts
19 65th Leg., R.S., Ch. 726, Sec. 18A.)

20 [Sections 1010.209-1010.250 reserved for expansion]

21 SUBCHAPTER F. TAXES

22 Sec. 1010.251. TAX ELECTION. The district may impose a tax
23 only if authorized by a majority of the district voters voting in an
24 election held for that purpose. (Acts 65th Leg., R.S., Ch. 726,
25 Sec. 6 (part).)

26 Sec. 1010.252. IMPOSITION OF AD VALOREM TAX. (a) The board
27 shall impose a tax on all property in the district subject to

1 district taxation.

2 (b) The tax shall be imposed for and may be pledged to:

3 (1) meet the requirements of district bonds;

4 (2) provide for the district's maintenance and
5 operating expenses, including the cost of contract payments for
6 hospital care for needy district inhabitants;

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

9 (4) acquire necessary sites for hospitals or the
10 hospital system by gift, purchase, lease, or condemnation. (Acts
11 65th Leg., R.S., Ch. 726, Secs. 7 (part), 24(a) (part).)

12 Sec. 1010.253. TAX RATE. (a) The board may impose the tax
13 at a rate not to exceed 75 cents on each \$100 valuation of taxable
14 property in the district.

15 (b) In setting the tax rate, the board shall consider all
16 district income, including income from sources other than taxation
17 that are available for the purposes described by Section
18 1010.252(b). (Acts 65th Leg., R.S., Ch. 726, Secs. 7 (part), 24(a)
19 (part), (b) (part).)

20 Sec. 1010.254. ASSESSMENT AND COLLECTION BY COUNTY TAX
21 ASSESSOR-COLLECTOR. (a) This section applies unless the board
22 elects to have taxes assessed and collected under Section 1010.255
23 or 1010.256.

24 (b) The tax assessor-collector of Burleson County shall
25 assess and collect taxes imposed by the district. (Acts 65th Leg.,
26 R.S., Ch. 726, Secs. 27(a) (part), (b) (part).)

27 Sec. 1010.255. ASSESSMENT AND COLLECTION BY DISTRICT TAX

1 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
2 assessed and collected by a tax assessor-collector appointed by the
3 board. An election under this subsection must be made by December 1
4 and governs the manner in which taxes are assessed and collected,
5 until changed by the board.

6 (b) The district tax assessor-collector must:

7 (1) reside in the district; and

8 (2) own real property subject to district taxation.

9 (c) The board shall set for the district tax
10 assessor-collector:

11 (1) the terms of employment; and

12 (2) compensation. (Acts 65th Leg., R.S., Ch. 726,
13 Secs. 27(a) (part), (c) (part).)

14 Sec. 1010.256. ASSESSMENT AND COLLECTION BY TAX
15 ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The
16 board may elect to have all or part of the district's taxes assessed
17 and collected by a political subdivision in which any part of the
18 district is located. An election under this subsection must be made
19 by December 1 and governs the manner in which taxes are assessed and
20 collected, until changed by the board.

21 (b) The tax assessor or collector of the political
22 subdivision shall assess or collect the appropriate district taxes
23 in accordance with the board's election under Subsection (a) and
24 for the compensation agreed on by the board and the governing body
25 of the political subdivision. (Acts 65th Leg., R.S., Ch. 726, Secs.
26 27(a) (part), (d) (part).)

1 CHAPTER 1012. CHILDRESS COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1012.001. DEFINITIONS

4 Sec. 1012.002. AUTHORITY FOR CREATION

5 Sec. 1012.003. ESSENTIAL PUBLIC FUNCTION

6 Sec. 1012.004. DISTRICT TERRITORY

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8 STATE OBLIGATION

9 Sec. 1012.006. RESTRICTION ON STATE FINANCIAL

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11 [Sections 1012.007-1012.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1012.051. BOARD ELECTION; TERM

14 Sec. 1012.052. QUALIFICATIONS FOR OFFICE

15 Sec. 1012.053. BOARD VACANCY

16 Sec. 1012.054. OFFICERS

17 Sec. 1012.055. COMPENSATION; EXPENSES

18 Sec. 1012.056. VOTING REQUIREMENT

19 Sec. 1012.057. MAINTENANCE OF RECORDS; PUBLIC

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21 Sec. 1012.058. INDIVIDUAL LIABILITY OF DIRECTORS

22 Sec. 1012.059. CHIEF EXECUTIVE OFFICER; ASSISTANT

23 CHIEF EXECUTIVE OFFICER

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25 OFFICER

26 Sec. 1012.061. EMPLOYEES

- 1 Sec. 1012.062. LEGAL COUNSEL; OTHER PROFESSIONAL
2 SERVICES
- 3 Sec. 1012.063. RECRUITMENT OF MEDICAL PERSONNEL
- 4 Sec. 1012.064. PERSONNEL CONTRACTS
- 5 Sec. 1012.065. EDUCATIONAL PROGRAMS; COURSES
- 6 Sec. 1012.066. RETIREMENT BENEFITS
- 7 [Sections 1012.067-1012.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
- 9 Sec. 1012.101. DISTRICT RESPONSIBILITY
- 10 Sec. 1012.102. RESTRICTION ON COUNTY OR MUNICIPALITY
- 11 TAXATION AND DEBT
- 12 Sec. 1012.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 13 Sec. 1012.104. HOSPITAL SYSTEM
- 14 Sec. 1012.105. RULES
- 15 Sec. 1012.106. PURCHASING AND ACCOUNTING PROCEDURES
- 16 Sec. 1012.107. DISTRICT PROPERTY, FACILITIES, AND
- 17 EQUIPMENT
- 18 Sec. 1012.108. EMINENT DOMAIN
- 19 Sec. 1012.109. GIFTS AND ENDOWMENTS
- 20 Sec. 1012.110. CONSTRUCTION CONTRACTS
- 21 Sec. 1012.111. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 22 FOR CARE AND TREATMENT
- 23 Sec. 1012.112. PAYMENT FOR TREATMENT; PROCEDURES
- 24 Sec. 1012.113. AUTHORITY TO SUE AND BE SUED
- 25 [Sections 1012.114-1012.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1012.151. BUDGET

- 1 Sec. 1012.152. NOTICE; HEARING; ADOPTION OF BUDGET
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- 3 Sec. 1012.154. RESTRICTION ON EXPENDITURES
- 4 Sec. 1012.155. FISCAL YEAR
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- 6 Sec. 1012.157. FINANCIAL REPORT
- 7 Sec. 1012.158. DEPOSITORY
- 8 Sec. 1012.159. GENERAL AUTHORITY TO BORROW MONEY;
- 9 SECURITY
- 10 Sec. 1012.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;
- 11 SECURITY
- 12 [Sections 1012.161-1012.200 reserved for expansion]
- 13 SUBCHAPTER E. BONDS
- 14 Sec. 1012.201. GENERAL OBLIGATION BONDS
- 15 Sec. 1012.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 16 Sec. 1012.203. GENERAL OBLIGATION BOND ELECTION
- 17 Sec. 1012.204. EXECUTION OF GENERAL OBLIGATION BONDS
- 18 Sec. 1012.205. REVENUE BONDS
- 19 Sec. 1012.206. MATURITY OF BONDS
- 20 Sec. 1012.207. BONDS EXEMPT FROM TAXATION
- 21 [Sections 1012.208-1012.250 reserved for expansion]
- 22 SUBCHAPTER F. TAXES
- 23 Sec. 1012.251. IMPOSITION OF AD VALOREM TAXES
- 24 Sec. 1012.252. TAX RATE
- 25 Sec. 1012.253. TAX ASSESSOR-COLLECTOR
- 26 [Sections 1012.254-1012.300 reserved for expansion]

SUBCHAPTER G. DISSOLUTION

- 1
- 2 Sec. 1012.301. DISSOLUTION; ELECTION
- 3 Sec. 1012.302. NOTICE OF ELECTION
- 4 Sec. 1012.303. BALLOT
- 5 Sec. 1012.304. ELECTION RESULTS
- 6 Sec. 1012.305. TRANSFER, SALE, OR ADMINISTRATION OF
- 7 ASSETS
- 8 Sec. 1012.306. SALE OR TRANSFER OF ASSETS AND
- 9 LIABILITIES
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- 11 TAXES
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CHAPTER 1012. CHILDRESS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1012.001. DEFINITIONS. In this chapter:

- 16 (1) "Board" means the board of directors of the
- 17 district.
- 18 (2) "Director" means a member of the board.
- 19 (3) "District" means the Childress County Hospital
- 20 District. (New.)

Sec. 1012.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter. (Acts 59th Leg., R.S., Ch. 647, Sec. 1 (part).)

Sec. 1012.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter. (Acts 59th Leg., R.S., Ch. 647, Sec. 10 (part).)

1 Sec. 1012.004. DISTRICT TERRITORY. The boundaries of the
2 district are coextensive with the boundaries of Childress County,
3 Texas. (Acts 59th Leg., R.S., Ch. 647, Sec. 1 (part).)

4 Sec. 1012.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
5 OBLIGATION. The support and maintenance of the district may not
6 become a charge against or obligation of this state. (Acts 59th
7 Leg., R.S., Ch. 647, Sec. 21 (part).)

8 Sec. 1012.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
9 The legislature may not make a direct appropriation for the
10 construction, maintenance, or improvement of a district facility.
11 (Acts 59th Leg., R.S., Ch. 647, Sec. 21 (part).)

12 [Sections 1012.007-1012.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1012.051. BOARD ELECTION; TERM. (a) The district is
15 governed by a board of seven directors elected from the district at
16 large.

17 (b) Unless four-year terms are established under Section
18 285.081, Health and Safety Code:

19 (1) directors serve staggered two-year terms, with
20 three directors elected in even-numbered years and four directors
21 elected in odd-numbered years; and

22 (2) a director's election shall be held each year on
23 the May uniform election date prescribed by Section 41.001,
24 Election Code. (Acts 59th Leg., R.S., Ch. 647, Secs. 4(a), (b)
25 (part).)

26 Sec. 1012.052. QUALIFICATIONS FOR OFFICE. (a) To be
27 eligible to hold office as a director, a person must be:

1 (1) a district resident; and

2 (2) a qualified voter.

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

4 (Acts 59th Leg., R.S., Ch. 647, Sec. 4(d).)

5 Sec. 1012.053. BOARD VACANCY. If a vacancy occurs in the
6 office of director, the remaining directors by majority vote shall
7 appoint a director for the unexpired term. (Acts 59th Leg., R.S.,
8 Ch. 647, Sec. 4(b) (part).)

9 Sec. 1012.054. OFFICERS. (a) The board shall elect a
10 president and vice president from among its members.

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

13 (c) The president has the same right to vote as any other
14 director.

15 (d) If the president is absent or fails and declines to act,
16 the vice president shall perform the president's duties and
17 exercise the president's powers under this chapter. (Acts 59th
18 Leg., R.S., Ch. 647, Sec. 4(e).)

19 Sec. 1012.055. COMPENSATION; EXPENSES. A director serves
20 without compensation but may be reimbursed for actual expenses
21 incurred in attending to district business. The expenses must be:

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

23 (2) approved by the remainder of the board. (Acts 59th
24 Leg., R.S., Ch. 647, Sec. 4(c).)

25 Sec. 1012.056. VOTING REQUIREMENT. A concurrence of four
26 directors is sufficient in any matter relating to district
27 business. (Acts 59th Leg., R.S., Ch. 647, Sec. 4(f) (part).)

1 Sec. 1012.057. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

2 (a) The board shall:

3 (1) keep an account of all board meetings and
4 proceedings; and

5 (2) maintain at the district's principal office all
6 district records and accounts, including all contracts, notices,
7 duplicate vouchers, and duplicate receipts.

8 (b) The information described by Subsection (a) shall be
9 open to public inspection at the district's principal office at all
10 reasonable times. (Acts 59th Leg., R.S., Ch. 647, Sec. 4(f)
11 (part).)

12 Sec. 1012.058. INDIVIDUAL LIABILITY OF DIRECTORS. A
13 director is individually liable only for the director's individual
14 misapplication of public money. (Acts 59th Leg., R.S., Ch. 647,
15 Sec. 5(a) (part).)

16 Sec. 1012.059. CHIEF EXECUTIVE OFFICER; ASSISTANT CHIEF
17 EXECUTIVE OFFICER. (a) The board shall appoint a qualified person
18 to be known as the chief executive officer of the district.

19 (b) The chief executive officer may appoint an assistant to
20 the chief executive officer.

21 (c) The chief executive officer is entitled to the
22 compensation determined by the board.

23 (d) The board may execute an employment contract with the
24 chief executive officer for a term of not more than three years.
25 The employment contract may be renewed or extended annually. (Acts
26 59th Leg., R.S., Ch. 647, Sec. 5(b).)

27 Sec. 1012.060. GENERAL DUTIES OF CHIEF EXECUTIVE OFFICER.

1 The chief executive officer shall:

2 (1) stay informed on the latest methods of hospital
3 administration and the care of hospital patients; and

4 (2) subject to the limitations prescribed by the
5 board:

6 (A) supervise the work and activities of the
7 district; and

8 (B) direct the affairs of the district. (Acts
9 59th Leg., R.S., Ch. 647, Sec. 5(c) (part).)

10 Sec. 1012.061. EMPLOYEES. The board shall authorize the
11 chief executive officer to employ nurses, technicians, and other
12 employees for the efficient operation of the district. (Acts 59th
13 Leg., R.S., Ch. 647, Sec. 5(d).)

14 Sec. 1012.062. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES.
15 The board may employ legal counsel or contract for other
16 professional services as the board considers advisable. (Acts 59th
17 Leg., R.S., Ch. 647, Sec. 17.)

18 Sec. 1012.063. RECRUITMENT OF MEDICAL PERSONNEL. (a) The
19 board may spend district money to recruit physicians, nurses, and
20 other trained medical personnel.

21 (b) The board may pay the tuition or other expenses of a
22 full-time medical student or other student in a health occupation
23 who:

24 (1) is enrolled in and is in good standing at an
25 accredited medical school, college, or university; and

26 (2) contractually agrees to become a district employee
27 or independent contractor in return for that assistance. (Acts

1 59th Leg., R.S., Ch. 647, Sec. 5(h).)

2 Sec. 1012.064. PERSONNEL CONTRACTS. (a) The board may
3 contract to provide administrative and other personnel for the
4 operation of the hospital facilities.

5 (b) The term of the contract may not exceed 25 years. (Acts
6 59th Leg., R.S., Ch. 647, Sec. 5(g) (part).)

7 Sec. 1012.065. EDUCATIONAL PROGRAMS; COURSES. The board may
8 provide or contract for the provision of educational programs or
9 courses for district employees and medical staff. (Acts 59th Leg.,
10 R.S., Ch. 647, Sec. 5(j).)

11 Sec. 1012.066. RETIREMENT BENEFITS. The board may provide
12 retirement benefits for district employees by:

13 (1) establishing or administering a retirement
14 program; or

15 (2) electing to participate in:

16 (A) the Texas County and District Retirement
17 System; or

18 (B) another statewide retirement system in which
19 the district is eligible to participate. (Acts 59th Leg., R.S., Ch.
20 647, Sec. 5(1).)

21 [Sections 1012.067-1012.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1012.101. DISTRICT RESPONSIBILITY. The district has
24 full responsibility for:

25 (1) operating all hospital facilities for providing
26 medical and hospital care to indigent persons in the district; and

27 (2) providing medical and hospital care for the

1 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 647,
2 Secs. 2 (part), 20 (part).)

3 Sec. 1012.102. RESTRICTION ON COUNTY OR MUNICIPALITY
4 TAXATION AND DEBT. Childress County or a municipality in Childress
5 County may not impose a tax or issue bonds or other obligations for
6 hospital purposes or for medical treatment of indigent persons in
7 the district. (Acts 59th Leg., R.S., Ch. 647, Sec. 20 (part).)

8 Sec. 1012.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

9 (a) The board shall manage, control, and administer the district's
10 hospitals and hospital system.

11 (b) The board may delegate to the chief executive officer
12 the authority to manage, control, and administer the hospital, the
13 hospital system, and the district's business, money, and resources
14 under the board's oversight. (Acts 59th Leg., R.S., Ch. 647, Secs.
15 5(a) (part), (c) (part).)

16 Sec. 1012.104. HOSPITAL SYSTEM. The district shall provide
17 for the establishment of a hospital system by:

18 (1) purchasing, constructing, acquiring, repairing,
19 or renovating buildings and equipment;

20 (2) equipping the buildings; and

21 (3) administering the buildings and equipment for
22 hospital purposes. (Acts 59th Leg., R.S., Ch. 647, Sec. 2 (part).)

23 Sec. 1012.105. RULES. The board may adopt rules for the
24 operation of the district and as required to administer this
25 chapter. (Acts 59th Leg., R.S., Ch. 647, Secs. 5(a) (part), 11
26 (part).)

27 Sec. 1012.106. PURCHASING AND ACCOUNTING PROCEDURES. The

1 board may prescribe:

2 (1) the method and manner of the making of purchases
3 and expenditures by and for the district; and

4 (2) all accounting and control procedures. (Acts 59th
5 Leg., R.S., Ch. 647, Sec. 11 (part).)

6 Sec. 1012.107. DISTRICT PROPERTY, FACILITIES, AND
7 EQUIPMENT. (a) The board shall determine the type, number, and
8 location of buildings required to maintain an adequate hospital
9 system.

10 (b) The board may:

11 (1) purchase or lease property, including facilities
12 or equipment, for the district to use in the hospital system; and

13 (2) mortgage or pledge the property as security for
14 the payment of the purchase price.

15 (c) The board may lease district hospital facilities to
16 individuals, corporations, or other legal entities.

17 (d) The board may sell or otherwise dispose of the
18 district's property, including facilities or equipment. (Acts 59th
19 Leg., R.S., Ch. 647, Secs. 5(f), (g) (part), 9.)

20 Sec. 1012.108. EMINENT DOMAIN. (a) The district may
21 exercise the power of eminent domain to acquire a fee simple or
22 other interest in any type of property located in district
23 territory if the interest is necessary or convenient for the
24 district to exercise a power, right, or privilege conferred by this
25 chapter.

26 (b) The district must exercise the power of eminent domain
27 in the manner provided by Chapter 21, Property Code. (Acts 59th

1 Leg., R.S., Ch. 647, Sec. 15.)

2 Sec. 1012.109. GIFTS AND ENDOWMENTS. The board may accept
3 for the district a gift or endowment to be held in trust and
4 administered by the board for the purposes and under the
5 directions, limitations, or other provisions prescribed in writing
6 by the donor that are not inconsistent with the proper management
7 and objectives of the district. (Acts 59th Leg., R.S., Ch. 647,
8 Sec. 19.)

9 Sec. 1012.110. CONSTRUCTION CONTRACTS. A construction
10 contract that requires the expenditure of more than the amount
11 provided by Section 271.024, Local Government Code, may be made
12 only after competitive bidding as provided by Subchapter B, Chapter
13 271, Local Government Code. (Acts 59th Leg., R.S., Ch. 647, Sec. 11
14 (part).)

15 Sec. 1012.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
16 CARE AND TREATMENT. (a) The board may contract with a county or
17 municipality located outside the district's boundaries for the care
18 and treatment of a sick or injured person of that county or
19 municipality.

20 (b) The board may contract with this state or a federal
21 agency for the treatment of a sick or injured person for whom this
22 state or the agency is responsible. (Acts 59th Leg., R.S., Ch. 647,
23 Sec. 5(e).)

24 Sec. 1012.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)
25 When a patient who resides in the district is admitted to a district
26 facility, the chief executive officer shall have an inquiry made
27 into the circumstances of:

- 1 (1) the patient; and
2 (2) the patient's relatives who are legally liable for
3 the patient's support.

4 (b) If the chief executive officer determines that the
5 patient or those relatives cannot pay all or part of the costs of
6 the care and treatment in the hospital, the amount of the costs that
7 cannot be paid becomes a charge against the district.

8 (c) If the chief executive officer determines that the
9 patient or those relatives can pay for all or part of the costs of
10 the patient's care and treatment, the chief executive officer shall
11 issue an order directing the patient or those relatives to pay the
12 district a specified amount each week for the patient's support.
13 The amount ordered must be proportionate to the person's financial
14 ability and may not exceed the actual per capita cost of
15 maintenance.

16 (d) The chief executive officer may collect the amount from
17 the patient's estate, or from a relative who is legally liable for
18 the patient's support, in the manner provided by law for the
19 collection of expenses of the last illness of a deceased person.

20 (e) The board may institute a suit to collect an amount owed
21 to the district by a patient who has not been determined under this
22 section to be unable to pay.

23 (f) If there is a dispute as to the ability to pay, or doubt
24 in the mind of the chief executive officer, the board shall hold a
25 hearing and, after calling witnesses, shall:

- 26 (1) resolve the dispute or doubt; and
27 (2) issue any appropriate orders.

1 (g) A final order of the board may be appealed to the
2 district court. The substantial evidence rule applies to the
3 appeal. (Acts 59th Leg., R.S., Ch. 647, Secs. 5(k), 18.)

4 Sec. 1012.113. AUTHORITY TO SUE AND BE SUED. The district,
5 through the board, may sue and be sued. (Acts 59th Leg., R.S., Ch.
6 647, Sec. 5(a) (part).)

7 [Sections 1012.114-1012.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 1012.151. BUDGET. The chief executive officer shall
10 prepare an annual budget for approval by the board. (Acts 59th
11 Leg., R.S., Ch. 647, Sec. 6 (part).)

12 Sec. 1012.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
13 The board shall hold a public hearing on the proposed annual budget.

14 (b) The board shall publish notice of the hearing in
15 accordance with Chapter 551, Government Code.

16 (c) The board must approve the budget. (Acts 59th Leg.,
17 R.S., Ch. 647, Sec. 6 (part).)

18 Sec. 1012.153. AMENDMENT OF BUDGET. The budget may be
19 amended as required by circumstances. The board must approve all
20 amendments. (Acts 59th Leg., R.S., Ch. 647, Sec. 6 (part).)

21 Sec. 1012.154. RESTRICTION ON EXPENDITURES. Money may be
22 spent only for an expense included in the budget or an amendment to
23 the budget. (Acts 59th Leg., R.S., Ch. 647, Sec. 6 (part).)

24 Sec. 1012.155. FISCAL YEAR. (a) The district operates on a
25 fiscal year established by the board.

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

27 (1) during a period that revenue bonds of the district

1 are outstanding; or

2 (2) more than once in a 24-month period. (Acts 59th
3 Leg., R.S., Ch. 647, Sec. 6 (part).)

4 Sec. 1012.156. ANNUAL AUDIT. (a) The board annually shall
5 have an audit made of the district's financial condition.

6 (b) The audit shall be open to inspection at all times at the
7 district's principal office. (Acts 59th Leg., R.S., Ch. 647, Sec. 6
8 (part).)

9 Sec. 1012.157. FINANCIAL REPORT. As soon as practicable
10 after the close of each fiscal year, the chief executive officer
11 shall prepare for the board:

12 (1) a complete sworn statement of all district money;
13 and

14 (2) a complete account of the disbursement of that
15 money. (Acts 59th Leg., R.S., Ch. 647, Sec. 6 (part).)

16 Sec. 1012.158. DEPOSITORY. (a) The board shall select one
17 or more banks to serve as a depository for district money.

18 (b) District money shall be immediately deposited on
19 receipt with a depository bank, except that sufficient money must
20 be remitted to the appropriate bank to pay the principal of and
21 interest on the district's outstanding bonds or other obligations
22 on or before the maturity date of the principal and interest.

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

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

1 director of a bank disqualifies the bank from being selected as a
2 depository bank. (Acts 59th Leg., R.S., Ch. 647, Sec. 12.)

3 Sec. 1012.159. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

4 (a) The board may borrow money at a rate not to exceed the maximum
5 annual percentage rate allowed by law for district obligations at
6 the time the loan is made.

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

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

10 (2) a district tax to be imposed by the district in the
11 next 12-month period that is not pledged to pay the principal of or
12 interest on district bonds; or

13 (3) district bonds that have been authorized but not
14 sold.

15 (c) A loan for which taxes or bonds are pledged must mature
16 not later than the first anniversary of the date the loan is made. A
17 loan for which district revenue is pledged must mature not later
18 than the fifth anniversary of the date the loan is made. (Acts 59th
19 Leg., R.S., Ch. 647, Sec 20B.)

20 Sec. 1012.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;

21 SECURITY. (a) The board may borrow money at a rate not to exceed
22 the maximum annual percentage rate allowed by law for district
23 obligations at the time the loan is made if the board declares that:

24 (1) money is not available to meet authorized
25 obligations of the district; and

26 (2) an emergency exists.

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

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

3 (2) a district tax to be imposed by the district in the
4 next 12-month period that is not pledged to pay the principal of or
5 interest on district bonds; or

6 (3) district bonds that have been authorized but not
7 sold.

8 (c) A loan for which taxes or bonds are pledged must mature
9 not later than the first anniversary of the date the loan is made. A
10 loan for which district revenue is pledged must mature not later
11 than the fifth anniversary of the date the loan is made.

12 (d) The board may not spend money obtained from a loan under
13 this section for any purpose other than:

14 (1) the purpose for which the board declared an
15 emergency; and

16 (2) if district taxes or bonds are pledged to pay the
17 loan, the purpose for which the pledged taxes were imposed or the
18 pledged bonds were authorized. (Acts 59th Leg., R.S., Ch. 647, Sec.
19 20A.)

20 [Sections 1012.161-1012.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1012.201. GENERAL OBLIGATION BONDS. The board may
23 issue and sell general obligation bonds in the name and on the faith
24 and credit of the district, for hospital or hospital system
25 purposes, to:

26 (1) purchase, construct, acquire, repair, or renovate
27 buildings or improvements;

1 (2) equip buildings or improvements; or

2 (3) acquire and operate a mobile emergency medical or
3 air ambulance service. (Acts 59th Leg., R.S., Ch. 647, Sec. 7(a)
4 (part).)

5 Sec. 1012.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
6 the time general obligation bonds are issued under Section
7 1012.201, the board shall impose an ad valorem tax at a rate
8 sufficient to create an interest and sinking fund and to pay the
9 principal of and interest on the bonds as the bonds mature.

10 (b) The tax required by this section together with any other
11 ad valorem tax the district imposes may not exceed the limit
12 approved by the voters at the election authorizing the imposition
13 of the tax. (Acts 59th Leg., R.S., Ch. 647, Sec. 7(b) (part).)

14 Sec. 1012.203. GENERAL OBLIGATION BOND ELECTION. (a) The
15 district may issue general obligation bonds only if the bonds are
16 authorized by a majority of the district voters voting at an
17 election held for that purpose.

18 (b) Section 41.001(a), Election Code, does not apply to a
19 bond election ordered by the board.

20 (c) Except as otherwise provided by this chapter, the
21 election shall be conducted in accordance with Chapter 1251,
22 Government Code. (Acts 59th Leg., R.S., Ch. 647, Secs. 7(a)
23 (part), (b) (part).)

24 Sec. 1012.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
25 The board president shall execute the general obligation bonds in
26 the district's name.

27 (b) The board secretary shall attest the bonds as provided

1 by Chapter 618, Government Code. (Acts 59th Leg., R.S., Ch. 647,
2 Sec. 7(c) (part).)

3 Sec. 1012.205. REVENUE BONDS. (a) The board may issue and
4 sell revenue bonds in the name and on the faith and credit of the
5 district to:

6 (1) purchase, construct, acquire, repair, renovate,
7 or equip buildings or improvements for hospitals and the hospital
8 system; or

9 (2) acquire sites to be used for hospital purposes.

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

13 (c) The bonds may be additionally secured by a mortgage or
14 deed of trust on all or part of the district's property.

15 (d) The bonds must be issued in the manner provided by
16 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
17 Code, for issuance of revenue bonds by a county hospital authority.
18 (Acts 59th Leg., R.S., Ch. 647, Sec. 7(f).)

19 Sec. 1012.206. MATURITY OF BONDS. District bonds must
20 mature not later than 40 years after the date of issuance. (Acts
21 59th Leg., R.S., Ch. 647, Sec. 7(d) (part).)

22 Sec. 1012.207. BONDS EXEMPT FROM TAXATION. The following
23 are exempt from taxation by this state or a political subdivision of
24 this state:

25 (1) bonds issued by the district;

26 (2) the transfer and issuance of the bonds; and

27 (3) profits made in the sale of the bonds. (Acts 59th

1 Leg., R.S., Ch. 647, Sec. 10 (part).)

2 [Sections 1012.208-1012.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1012.251. IMPOSITION OF AD VALOREM TAXES. (a) The
5 board may impose a tax on property in the district subject to
6 district taxation.

7 (b) The tax may be used to pay:

8 (1) indebtedness issued or assumed by the district;

9 and

10 (2) the maintenance and operating expenses of the
11 district.

12 (c) The district may not impose a tax to pay the principal of
13 or interest on revenue bonds. (Acts 59th Leg., R.S., Ch. 647, Secs.
14 3 (part), 13 (part), 16(a) (part).)

15 Sec. 1012.252. TAX RATE. (a) The board may impose the tax
16 at a rate not to exceed the limit approved by the voters at the
17 election authorizing the imposition of the tax.

18 (b) The tax rate for all purposes may not exceed 75 cents on
19 each \$100 valuation of taxable property in the district.

20 (c) In setting the tax rate, the board shall consider the
21 income of the district from sources other than taxation. (Acts 59th
22 Leg., R.S., Ch. 647, Secs. 13 (part), 16(a) (part).)

23 Sec. 1012.253. TAX ASSESSOR-COLLECTOR. The board may
24 provide for the appointment of a tax assessor-collector for the
25 district or may contract for the assessment and collection of taxes
26 as provided by the Tax Code. (Acts 59th Leg., R.S., Ch. 647, Sec.
27 16(b) (part).)

1 [Sections 1012.254-1012.300 reserved for expansion]

2 SUBCHAPTER G. DISSOLUTION

3 Sec. 1012.301. DISSOLUTION; ELECTION. (a) The district
4 may be dissolved only on approval of a majority of the district
5 voters voting in an election held for that purpose.

6 (b) The board may order an election on the question of
7 dissolving the district and disposing of the district's assets and
8 obligations.

9 (c) The board shall order an election if the board receives
10 a petition requesting an election that is signed by a number of
11 residents of the district equal to at least 15 percent of the
12 registered voters in the district.

13 (d) The order calling the election must state:

14 (1) the nature of the election, including the
15 proposition to appear on the ballot;

16 (2) the date of the election;

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

18 (4) the location of the polling places.

19 (e) Section 41.001(a), Election Code, does not apply to an
20 election ordered under this section. (Acts 59th Leg., R.S., Ch.
21 647, Secs. 21A(a), (b), (c) (part).)

22 Sec. 1012.302. NOTICE OF ELECTION. (a) The board shall
23 give notice of an election under this subchapter by publishing once
24 a week for two consecutive weeks a substantial copy of the election
25 order in a newspaper with general circulation in the district.

26 (b) The first publication of the notice must appear not
27 later than the 35th day before the date set for the election. (Acts

1 59th Leg., R.S., Ch. 647, Sec. 21A(d) (part).)

2 Sec. 1012.303. BALLOT. The ballot for an election under
3 this subchapter must be printed to permit voting for or against the
4 proposition: "The dissolution of the Childress County Hospital
5 District." (Acts 59th Leg., R.S., Ch. 647, Sec. 21A(d) (part).)

6 Sec. 1012.304. ELECTION RESULTS. (a) If a majority of the
7 votes in an election under this subchapter favor dissolution, the
8 board shall find that the district is dissolved.

9 (b) If a majority of the votes in the election do not favor
10 dissolution, the board shall continue to administer the district
11 and another election on the question of dissolution may not be held
12 before the first anniversary of the date of the most recent election
13 to dissolve the district. (Acts 59th Leg., R.S., Ch. 647, Sec.
14 21A(e).)

15 Sec. 1012.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

16 (a) If a majority of the votes in the election under this
17 subchapter favor dissolution, the board shall:

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

22 (2) sell the assets and liabilities to another person;

23 or

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

27 (b) If the board makes the transfer under Subsection (a)(1),

1 the county or entity assumes all debts and obligations of the
2 district at the time of the transfer, and the district is dissolved.

3 (c) If Subsections (a)(1) and (2) do not apply and the board
4 administers the property, assets, and debts under Subsection
5 (a)(3), the district is dissolved when all money is disposed of and
6 all district debts have been paid or settled. (Acts 59th Leg.,
7 R.S., Ch. 647, Secs. 21A(f), (g), (m) (part).)

8 Sec. 1012.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

9 (a) The dissolution of the district and the sale or transfer of the
10 district's assets or liabilities to another person may not
11 contravene a trust indenture or bond resolution relating to the
12 district's outstanding bonds. The dissolution and sale or transfer
13 does not diminish or impair the rights of a holder of an outstanding
14 bond, warrant, or other obligation of the district.

15 (b) The sale or transfer of the district's assets and
16 liabilities must satisfy the debt and bond obligations of the
17 district in a manner that protects the interests of the residents of
18 the district, including the residents' collective property rights
19 in the district's assets.

20 (c) The district may not transfer or dispose of the
21 district's assets except for due compensation unless:

22 (1) the transfer is made to another governmental
23 entity that serves the district; and

24 (2) the transferred assets are to be used for the
25 benefit of the district's residents.

26 (d) A grant from federal funds is an obligation to be repaid
27 in satisfaction. (Acts 59th Leg., R.S., Ch. 647, Secs. 21A(m))

1 (part), (n).)

2 Sec. 1012.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
3 TAXES. (a) After the board finds that the district is dissolved,
4 the board shall:

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

6 (2) impose on the property included in the district's
7 tax rolls a tax that is in proportion of the debt to the property
8 value.

9 (b) On the payment of all outstanding debts and obligations
10 of the district, the board shall order the secretary to return to
11 each district taxpayer the taxpayer's pro rata share of all unused
12 tax money.

13 (c) A taxpayer may request that the taxpayer's share of
14 surplus tax money be credited to the taxpayer's county taxes. If a
15 taxpayer requests the credit, the board shall direct the secretary
16 to transmit the money to the county tax assessor-collector. (Acts
17 59th Leg., R.S., Ch. 647, Secs. 21A(h), (i), (j).)

18 Sec. 1012.308. REPORT; DISSOLUTION ORDER. (a) After the
19 district has paid all district debts and has disposed of all
20 district money and other assets as prescribed by this subchapter,
21 the board shall file a written report with the Commissioners Court
22 of Childress County summarizing the board's actions in dissolving
23 the district.

24 (b) Not later than the 10th day after the date the
25 Commissioners Court of Childress County receives the report and
26 determines that the requirements of this subchapter have been
27 fulfilled, the commissioners court shall enter an order dissolving

1 the district and releasing the board from any further duty or
2 obligation. (Acts 59th Leg., R.S., Ch. 647, Secs. 21A(k), (l).)

3 CHAPTER 1013. CASTRO COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1013.001. DEFINITIONS

6 Sec. 1013.002. AUTHORITY FOR OPERATION

7 Sec. 1013.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL

8 SUBDIVISION

9 Sec. 1013.004. DISTRICT TERRITORY

10 Sec. 1013.005. CORRECTION OF INVALID PROCEDURES

11 [Sections 1013.006-1013.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1013.051. BOARD ELECTION; TERM

14 Sec. 1013.052. NOTICE OF ELECTION

15 Sec. 1013.053. QUALIFICATIONS FOR OFFICE

16 Sec. 1013.054. BOND; RECORD OF BOND AND OATH OR

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18 Sec. 1013.055. BOARD VACANCY

19 Sec. 1013.056. OFFICERS

20 Sec. 1013.057. COMPENSATION; EXPENSES

21 Sec. 1013.058. VOTING REQUIREMENT

22 Sec. 1013.059. DISTRICT ADMINISTRATOR

23 Sec. 1013.060. GENERAL DUTIES OF DISTRICT

24 ADMINISTRATOR

25 Sec. 1013.061. EMPLOYEES

26 Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND

27 EMPLOYEES

- 1 Sec. 1013.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF
2 Sec. 1013.064. HEALTH CARE EDUCATIONAL PROGRAMS
3 Sec. 1013.065. RETIREMENT BENEFITS
4 Sec. 1013.066. LIABILITY INSURANCE; INDEMNIFICATION
5 Sec. 1013.067. MAINTENANCE OF RECORDS; PUBLIC
6 INSPECTION
7 Sec. 1013.068. SEAL
8 [Sections 1013.069-1013.100 reserved for expansion]
9 SUBCHAPTER C. POWERS AND DUTIES
10 Sec. 1013.101. DISTRICT RESPONSIBILITY
11 Sec. 1013.102. RESTRICTION ON COUNTY OR MUNICIPALITY
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13 Sec. 1013.103. MANAGEMENT AND CONTROL
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15 Sec. 1013.105. RULES
16 Sec. 1013.106. PURCHASING AND ACCOUNTING PROCEDURES
17 Sec. 1013.107. MOBILE EMERGENCY MEDICAL SERVICE
18 Sec. 1013.108. DISTRICT PROPERTY, FACILITIES, AND
19 EQUIPMENT
20 Sec. 1013.109. EMINENT DOMAIN
21 Sec. 1013.110. GIFTS AND ENDOWMENTS
22 Sec. 1013.111. CONTRACTS FOR CARE AND TREATMENT
23 Sec. 1013.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
24 FOR INVESTIGATORY OR OTHER SERVICES
25 Sec. 1013.113. PROVISION OF SERVICES OUTSIDE DISTRICT
26 Sec. 1013.114. JOINT ADMINISTRATION OR DELIVERY OF
27 HEALTH CARE SERVICES

1 Sec. 1013.115. PAYMENT FOR TREATMENT; PROCEDURES

2 Sec. 1013.116. REIMBURSEMENT FOR SERVICES

3 Sec. 1013.117. NONPROFIT CORPORATION

4 Sec. 1013.118. AUTHORITY TO SUE AND BE SUED

5 [Sections 1013.119-1013.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 1013.151. BUDGET

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9 Sec. 1013.153. FISCAL YEAR

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11 Sec. 1013.155. DEPOSITORY OR TREASURER

12 Sec. 1013.156. AUTHORITY TO BORROW MONEY; SECURITY

13 [Sections 1013.157-1013.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Sec. 1013.201. GENERAL OBLIGATION BONDS

16 Sec. 1013.202. TAX TO PAY GENERAL OBLIGATION BONDS

17 Sec. 1013.203. GENERAL OBLIGATION BOND ELECTION

18 Sec. 1013.204. MATURITY OF GENERAL OBLIGATION BONDS

19 Sec. 1013.205. EXECUTION OF GENERAL OBLIGATION BONDS

20 Sec. 1013.206. REVENUE BONDS

21 Sec. 1013.207. REFUNDING BONDS

22 Sec. 1013.208. BONDS EXEMPT FROM TAXATION

23 [Sections 1013.209-1013.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1013.251. IMPOSITION OF AD VALOREM TAX

26 Sec. 1013.252. TAX RATE

27 Sec. 1013.253. TAX ASSESSOR-COLLECTOR

[Sections 1013.254-1013.300 reserved for expansion]

SUBCHAPTER G. DISSOLUTION

Sec. 1013.301. DISSOLUTION; ELECTION

Sec. 1013.302. NOTICE OF ELECTION

Sec. 1013.303. BALLOT

Sec. 1013.304. ELECTION RESULTS

Sec. 1013.305. TRANSFER OR ADMINISTRATION OF ASSETS

Sec. 1013.306. SALE OR TRANSFER OF ASSETS AND

LIABILITIES

Sec. 1013.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

TAXES

Sec. 1013.308. REPORT; DISSOLUTION ORDER

CHAPTER 1013. CASTRO COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1013.001. DEFINITIONS. In this chapter:

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

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

(3) "District" means the Castro County Hospital District. (New.)

Sec. 1013.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section 11, Article IX, Texas Constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

Sec. 1013.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:

(1) a public entity performing an essential public

1 function; and

2 (2) a political subdivision of this state. (Acts 57th
3 Leg., R.S., Ch. 103, Secs. 6A(c) (part), 18 (part).)

4 Sec. 1013.004. DISTRICT TERRITORY. The boundaries of the
5 district are coextensive with the boundaries of Castro County.
6 (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

7 Sec. 1013.005. CORRECTION OF INVALID PROCEDURES. If a
8 court holds that any procedure under this chapter violates the
9 constitution of this state or of the United States, the district by
10 resolution may provide an alternative procedure that conforms with
11 the constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 19 (part).)

12 [Sections 1013.006-1013.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1013.051. BOARD ELECTION; TERM. (a) The board
15 consists of five directors elected from the district at large.

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

17 (c) An election shall be held on the uniform election date
18 in May of each year to elect the appropriate number of directors.
19 (Acts 57th Leg., R.S., Ch. 103, Secs. 3(a) (part), (e) (part).)

20 Sec. 1013.052. NOTICE OF ELECTION. Not earlier than the
21 30th day or later than the 10th day before the date of an election of
22 directors, notice of the election shall be published one time in a
23 newspaper of general circulation in Castro County. (Acts 57th
24 Leg., R.S., Ch. 103, Sec. 3(e) (part).)

25 Sec. 1013.053. QUALIFICATIONS FOR OFFICE. (a) A person may
26 not be elected or appointed as a director unless the person is:

27 (1) a district resident; and

1 (2) at least 21 years of age.

2 (b) An employee or medical staff member of the district may
3 not serve as a director. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(b)
4 (part).)

5 Sec. 1013.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
6 OF OFFICE. (a) Each director shall execute a good and sufficient
7 bond for \$1,000 that is:

8 (1) payable to the district; and

9 (2) conditioned on the faithful performance of the
10 director's duties.

11 (b) The district may pay for the directors' bonds with
12 district money.

13 (c) Each director's bond and constitutional oath or
14 affirmation of office shall be deposited with the district's
15 depository bank for safekeeping. (Acts 57th Leg., R.S., Ch. 103,
16 Sec. 3(c) (part).)

17 Sec. 1013.055. BOARD VACANCY. (a) If a vacancy occurs in
18 the office of director, the remaining directors shall appoint a
19 director for the unexpired term.

20 (b) If the number of directors is reduced to fewer than
21 three for any reason, the remaining directors shall immediately
22 call a special election to fill the vacancies. If the remaining
23 directors do not call the election, a district court, on
24 application of a district voter or taxpayer, may order the
25 directors to hold the election. (Acts 57th Leg., R.S., Ch. 103,
26 Sec. 3(d) (part).)

27 Sec. 1013.056. OFFICERS. The board shall elect from among

1 its members a president, vice president, and secretary. (Acts 57th
2 Leg., R.S., Ch. 103, Sec. 3(d) (part).)

3 Sec. 1013.057. COMPENSATION; EXPENSES. A director serves
4 without compensation but may be reimbursed for actual expenses
5 incurred in the performance of official duties on approval of the
6 expenses by the entire board. (Acts 57th Leg., R.S., Ch. 103, Sec.
7 4 (part).)

8 Sec. 1013.058. VOTING REQUIREMENT. A concurrence of three
9 directors is sufficient in any matter relating to district
10 business. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(d) (part).)

11 Sec. 1013.059. DISTRICT ADMINISTRATOR. (a) The board may
12 appoint a qualified person as district administrator.

13 (b) The district administrator serves at the will of the
14 board and receives the compensation determined by the board. (Acts
15 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

16 Sec. 1013.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
17 Subject to the limitations prescribed by the board, the district
18 administrator shall:

19 (1) supervise the work and activities of the district;
20 and

21 (2) direct the general affairs of the district. (Acts
22 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

23 Sec. 1013.061. EMPLOYEES. (a) The board may employ a
24 general manager, attorney, bookkeeper, and architect.

25 (b) The board may employ technicians, nurses, fiscal
26 agents, accountants, and other necessary employees.

27 (c) The board may delegate to the district administrator the

1 authority to hire employees under Subsection (b). (Acts 57th Leg.,
2 R.S., Ch. 103, Secs. 8(a) (part), (c) (part).)

3 Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

4 The board may spend district money, enter into agreements, and take
5 other necessary action to recruit physicians and other persons to
6 serve as medical staff members or district employees, including:

7 (1) advertising and marketing;

8 (2) paying travel, recruitment, and relocation
9 expenses;

10 (3) providing a loan or scholarship to a physician or a
11 person who:

12 (A) is currently enrolled in health care
13 education courses at an institution of higher education; and

14 (B) contractually agrees to become a district
15 employee or medical staff member; and

16 (4) providing on a rent-free basis or subsidizing the
17 cost of office space or other facilities for a health care
18 professional, including a physician. (Acts 57th Leg., R.S., Ch.
19 103, Sec. 8A(j).)

20 Sec. 1013.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

21 (a) The board may appoint to or remove from the medical staff any
22 doctors as necessary for the efficient operation of the district
23 and may make temporary appointments as necessary.

24 (b) The board may adopt policies relating to the appointment
25 and removal of medical staff members. (Acts 57th Leg., R.S., Ch.
26 103, Sec. 8(d) (part).)

27 Sec. 1013.064. HEALTH CARE EDUCATIONAL PROGRAMS. The

1 board may spend district money, enter into an agreement, or take
2 other necessary action to conduct, participate in, or assist in
3 providing health care educational programs for current or
4 prospective medical staff members or employees of the district.
5 (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(k).)

6 Sec. 1013.065. RETIREMENT BENEFITS. The board may provide
7 retirement benefits for district employees by:

8 (1) establishing or administering a retirement
9 program; or

10 (2) participating in:

11 (A) the Texas County and District Retirement
12 System; or

13 (B) another statewide retirement system in which
14 the district is eligible to participate. (Acts 57th Leg., R.S., Ch.
15 103, Sec. 8A(1).)

16 Sec. 1013.066. LIABILITY INSURANCE; INDEMNIFICATION. (a)
17 The board may defend or indemnify an officer, director, board
18 appointee, medical staff member, or district employee against or
19 from a claim, expense, or liability arising from duties performed
20 in that capacity.

21 (b) The board may purchase liability insurance coverage or
22 establish a self-insurance program to fund an indemnity obligation
23 under this section. (Acts 57th Leg., R.S., Ch. 103, Sec. 4 (part).)

24 Sec. 1013.067. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
25 Except as provided by Section 1013.054, all district records,
26 including books, accounts, notices, minutes, and all other matters
27 of the district and the operation of its facilities, shall be:

- 1 (1) maintained at the district office; and
2 (2) open to public inspection at the district office
3 at all reasonable hours. (Acts 57th Leg., R.S., Ch. 103, Sec.
4 8(e).)

5 Sec. 1013.068. SEAL. The board may adopt a seal for the
6 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a) (part).)

7 [Sections 1013.069-1013.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 1013.101. DISTRICT RESPONSIBILITY. The district has
10 full responsibility for providing medical and hospital care for the
11 district's needy and indigent residents. (Acts 57th Leg., R.S.,
12 Ch. 103, Sec. 13 (part).)

13 Sec. 1013.102. RESTRICTION ON COUNTY OR MUNICIPALITY
14 TAXATION. Castro County or a municipality in Castro County may not
15 impose a tax for hospital purposes. (Acts 57th Leg., R.S., Ch. 103,
16 Sec. 13 (part).)

17 Sec. 1013.103. MANAGEMENT AND CONTROL. The management and
18 control of the district is vested in the board. (Acts 57th Leg.,
19 R.S., Ch. 103, Sec. 4 (part).)

20 Sec. 1013.104. HOSPITAL SYSTEM. (a) The district may
21 provide for the establishment of a hospital or hospital system to
22 provide medical and hospital care to the district's needy
23 residents.

24 (b) The hospital system may include:

25 (1) facilities and equipment for domiciliary care and
26 treatment of sick, injured, or geriatric patients;

27 (2) outpatient clinics;

1 (3) convalescent home facilities;
2 (4) physicians' offices; and
3 (5) any other facilities or equipment the board
4 considers necessary for hospital purposes. (Acts 57th Leg., R.S.,
5 Ch. 103, Secs. 2 (part), 8A(a) (part).)

6 Sec. 1013.105. RULES. (a) The board may adopt rules
7 governing the operation of the district, including district
8 facilities.

9 (b) On approval by the board, the rules may be published in
10 booklet form at district expense and made available to any taxpayer
11 on request. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(f).)

12 Sec. 1013.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
13 The board may prescribe the method and manner of making purchases
14 and expenditures by and for the district.

15 (b) The board shall prescribe:

16 (1) all accounting and control procedures; and
17 (2) the method of purchasing necessary supplies,
18 materials, and equipment. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a)
19 (part).)

20 Sec. 1013.107. MOBILE EMERGENCY MEDICAL SERVICE. The
21 district may operate or provide for the operation of a mobile
22 emergency medical service as part of the hospital system. (Acts
23 57th Leg., R.S., Ch. 103, Sec. 8A(a) (part).)

24 Sec. 1013.108. DISTRICT PROPERTY, FACILITIES, AND
25 EQUIPMENT. (a) The board shall determine:

26 (1) the type, number, and location of facilities
27 required to maintain an adequate hospital system; and

1 (2) the type of equipment necessary for hospital care.

2 (b) The board may:

3 (1) acquire, construct, repair, or renovate property,
4 including facilities or equipment, for the district for use in the
5 hospital system; and

6 (2) mortgage or pledge the property as security for
7 the payment of the purchase price.

8 (c) The board may lease hospital facilities for the
9 district.

10 (d) The board may sell or otherwise dispose of property,
11 including facilities or equipment, for the district.

12 (e) The district may operate any facility covered by this
13 section or contract with any person to operate the facility. (Acts
14 57th Leg., R.S., Ch. 103, Secs. 8A(a) (part), (b), (c), (d), (e).)

15 Sec. 1013.109. EMINENT DOMAIN. (a) The district may
16 exercise the power of eminent domain to acquire a fee simple or
17 other interest in any type of property, real, personal, or mixed,
18 located in district territory, if the interest is necessary or
19 convenient for the district to exercise a right, power, privilege,
20 or function conferred on the district by this chapter.

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

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

27 (1) pay in advance or provide a bond or other security

1 for costs in the trial court;

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

4 (3) provide a bond for costs or a supersedeas bond on
5 an appeal or writ of error. (Acts 57th Leg., R.S., Ch. 103, Sec.
6 10.)

7 Sec. 1013.110. GIFTS AND ENDOWMENTS. The board may accept
8 for the district a gift or endowment to be held in trust and
9 administered by the board for the purposes and under the
10 directions, limitations, or provisions prescribed in writing by the
11 donor that are not inconsistent with the proper management and
12 objectives of the district. (Acts 57th Leg., R.S., Ch. 103, Sec.
13 16.)

14 Sec. 1013.111. CONTRACTS FOR CARE AND TREATMENT. (a) The
15 board may contract with a hospital, hospital authority, or
16 political subdivision of this state located outside the district's
17 boundaries to reimburse the district for the care and treatment of a
18 sick or injured person of that entity.

19 (b) The board may contract with this state or a federal
20 agency for the state or agency to reimburse the district for the
21 treatment of a sick or injured person. (Acts 57th Leg., R.S., Ch.
22 103, Sec. 8A(g) (part).)

23 Sec. 1013.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
24 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
25 political subdivision or governmental agency to provide
26 investigatory or other services related to facilities for the
27 medical care, hospital, or welfare needs of district inhabitants.

1 (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(g) (part).)

2 Sec. 1013.113. PROVISION OF SERVICES OUTSIDE DISTRICT.
3 Subject to board approval the district may provide primary care,
4 emergency services, preventative medical services, and other
5 health-related services outside the district, provided that the
6 services serve the purpose of the district as established by this
7 chapter. (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(f).)

8 Sec. 1013.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH
9 CARE SERVICES. (a) To provide joint administration or delivery of
10 health care services, the district may contract with, affiliate
11 with, or enter into another arrangement with:

- 12 (1) a managed care system;
- 13 (2) a preferred provider organization;
- 14 (3) a health maintenance organization;
- 15 (4) another provider of an alternative health care or
16 delivery system; or
- 17 (5) a private hospital.

18 (b) The district may spend district money to establish and
19 maintain a partnership, corporation, or other entity involved in
20 the delivery of health care services. (Acts 57th Leg., R.S., Ch.
21 103, Sec. 8A(h).)

22 Sec. 1013.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
23 When a patient who resides in Castro County is admitted to a
24 district facility, the board shall have an inquiry made into the
25 circumstances of:

- 26 (1) the patient; and
- 27 (2) the patient's relatives who are legally liable for

1 the patient's support.

2 (b) If an agent designated by the district to handle the
3 inquiry determines that the patient or those relatives cannot pay
4 all or part of the costs of the patient's care and treatment in the
5 hospital, the amount of the costs that cannot be paid becomes a
6 charge against the district.

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

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

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

21 (1) resolve the dispute or doubt; and

22 (2) issue an appropriate order.

23 (f) Either party to the dispute may appeal the order to the
24 district court. (Acts 57th Leg., R.S., Ch. 103, Sec. 14.)

25 Sec. 1013.116. REIMBURSEMENT FOR SERVICES. (a) The board
26 shall require a county, municipality, or public hospital located
27 outside the district to reimburse the district for the district's

1 care and treatment of a sick or injured person for whom that county,
2 municipality, or public hospital has an obligation to provide care,
3 as provided by Chapter 61, Health and Safety Code.

4 (b) The board shall seek reimbursement under Article
5 104.002, Code of Criminal Procedure, for the district's care and
6 treatment of a person who is confined in a Castro County jail
7 facility and is not a district resident. (Acts 57th Leg., R.S., Ch.
8 103, Secs. 14A(a) (part), (b).)

9 Sec. 1013.117. NONPROFIT CORPORATION. (a) The district
10 may create and sponsor a nonprofit corporation under the Business
11 Organizations Code and may contribute money to or solicit money for
12 the corporation.

13 (a-1) On or before December 31, 2009, the district may
14 create and sponsor a nonprofit corporation under the Texas
15 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
16 Texas Civil Statutes) or the Business Organizations Code, as
17 applicable, and may contribute money to or solicit money for the
18 corporation.

19 (b) The corporation may use money, other than money the
20 corporation pays to the district, only to provide health care or
21 other services the district is authorized to provide under this
22 chapter.

23 (c) The corporation may invest the corporation's money in
24 any manner in which the district may invest the district's money,
25 including investing money as authorized by Chapter 2256, Government
26 Code.

27 (d) The board shall establish controls to ensure that the

1 corporation uses its money as required by this section.

2 (e) This subsection and Subsection (a-1) expire December
3 31, 2009. (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(i).)

4 Sec. 1013.118. AUTHORITY TO SUE AND BE SUED. As a
5 governmental agency, the district may sue and be sued in its own
6 name in any court of this state. (Acts 57th Leg., R.S., Ch. 103,
7 Sec. 18 (part).)

8 [Sections 1013.119-1013.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 1013.151. BUDGET. The board annually shall require a
11 budget to be prepared for the next fiscal year that includes:

- 12 (1) proposed expenditures and disbursements;
13 (2) estimated receipts and collections; and
14 (3) the amount of taxes required to be imposed for the
15 year. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

16 Sec. 1013.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
17 The board shall hold a public hearing on the proposed budget.

18 (b) Notice of the hearing must be published at least once in
19 a newspaper of general circulation in Castro County not later than
20 the 10th day before the date of the hearing.

21 (c) Any district taxpayer is entitled to:

22 (1) appear at the time and place designated in the
23 notice; and

24 (2) be heard regarding any item included in the
25 proposed budget. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

26 Sec. 1013.153. FISCAL YEAR. The district operates on a
27 fiscal year established by the board. (Acts 57th Leg., R.S., Ch.

1 103, Sec. 9(a) (part).)

2 Sec. 1013.154. ANNUAL AUDIT. (a) The board annually shall
3 have an independent audit made of the district's books and records
4 for the fiscal year.

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

7 (1) with the comptroller; and

8 (2) at the district office. (Acts 57th Leg., R.S., Ch.
9 103, Sec. 9(a) (part).)

10 Sec. 1013.155. DEPOSITORY OR TREASURER. (a) The board by
11 resolution shall designate a bank or banks in Castro County as the
12 district's depository or treasurer. A designated bank serves for
13 three years and until a successor is designated.

14 (b) All district money shall be secured in the manner
15 provided for securing county funds. (Acts 57th Leg., R.S., Ch. 103,
16 Sec. 11.)

17 Sec. 1013.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)
18 The board may borrow money for district purposes on district credit
19 or secured by district revenue. The rate may not exceed the maximum
20 annual percentage rate allowed by law for district obligations at
21 the time the loan is made.

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

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

25 (2) a district tax to be imposed by the district in the
26 next 12-month period that is not pledged to pay the principal of or
27 interest on district bonds; or

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

3 (c) A loan for which taxes or bonds are pledged must mature
4 not later than the first anniversary of the date the loan is made. A
5 loan for which district revenue is pledged must mature not later
6 than the fifth anniversary of the date the loan is made. (Acts 57th
7 Leg., R.S., Ch. 103, Secs. 6B (part), 16A.)

8 [Sections 1013.157-1013.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1013.201. GENERAL OBLIGATION BONDS. The board may
11 issue and sell general obligation bonds in the name and on the faith
12 and credit of the district for any purpose relating to:

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

15 (2) equipping buildings or improvements for hospital
16 purposes. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(a).)

17 Sec. 1013.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
18 the time general obligation bonds are issued by the district under
19 Section 1013.201, the board shall impose an ad valorem tax at a rate
20 sufficient to create an interest and sinking fund to pay the
21 principal of and interest on the bonds as the bonds mature.

22 (b) The tax required by this section together with any other
23 ad valorem tax the district imposes may not in any year exceed 75
24 cents on each \$100 valuation of all taxable property in the
25 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(b) (part).)

26 Sec. 1013.203. GENERAL OBLIGATION BOND ELECTION. (a) The
27 district may issue general obligation bonds only if the bonds are

1 authorized by a majority of the district voters voting at an
2 election held for that purpose.

3 (b) The board may order the election on its own motion.

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

5 (1) the location of the polling places;

6 (2) the presiding election officers;

7 (3) the purpose of the bond issuance;

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

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

10 (6) the maximum maturity of the bonds.

11 (d) Notice of a bond election shall be given by publishing a
12 substantial copy of the order calling the election in a newspaper of
13 general circulation in Castro County once a week for two
14 consecutive weeks before the date of the election. The first
15 publication must occur at least 14 days before the date of the
16 election. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(d) (part).)

17 Sec. 1013.204. MATURITY OF GENERAL OBLIGATION BONDS.
18 District general obligation bonds must mature not later than 40
19 years after the date of issuance. (Acts 57th Leg., R.S., Ch. 103,
20 Sec. 6(d) (part).)

21 Sec. 1013.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
22 The board president shall execute the general obligation bonds in
23 the district's name.

24 (b) The board secretary shall countersign the bonds. (Acts
25 57th Leg., R.S., Ch. 103, Sec. 6(c) (part).)

26 Sec. 1013.206. REVENUE BONDS. (a) The board may issue
27 revenue bonds in the name and on the faith and credit of the

1 district to:

2 (1) purchase, construct, acquire, repair, or renovate
3 buildings or improvements;

4 (2) equip buildings or improvements for hospital
5 purposes; or

6 (3) acquire real property for hospital purposes.

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

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

12 (d) The bonds must be issued in the manner provided by
13 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
14 Code, for issuance of revenue bonds by a county hospital authority.
15 (Acts 57th Leg., R.S., Ch. 103, Sec. 6A(d).)

16 Sec. 1013.207. REFUNDING BONDS. (a) The board may, without
17 an election, issue refunding bonds to refund outstanding bonds
18 issued or assumed by the district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bonds
21 applied to the payment of the bonds to be refunded; or

22 (2) exchanged wholly or partly for not less than a
23 similar amount of outstanding bonds and the unpaid matured interest
24 on the bonds. (Acts 57th Leg., R.S., Ch. 103, Secs. 6(d) (part),
25 (e) (part).)

26 Sec. 1013.208. BONDS EXEMPT FROM TAXATION. The following
27 are exempt from taxation by this state or a political subdivision of

1 this state:

- 2 (1) bonds issued by the district;
- 3 (2) any transaction relating to the bonds; and
- 4 (3) profits made in the sale of the bonds. (Acts 57th
- 5 Leg., R.S., Ch. 103, Sec. 6A(c) (part).)

6 [Sections 1013.209-1013.250 reserved for expansion]

7 SUBCHAPTER F. TAXES

8 Sec. 1013.251. IMPOSITION OF AD VALOREM TAX. (a) On final

9 approval of the annual budget, the board may impose a tax on all

10 property in the district subject to district taxation.

11 (b) The tax may be used to pay:

- 12 (1) indebtedness issued or assumed by the district;
- 13 and
- 14 (2) the maintenance and operating expenses of the
- 15 district.

16 (c) The district may not impose a tax to pay the principal of

17 or interest on revenue bonds issued by the district. (Acts 57th

18 Leg., R.S., Ch. 103, Secs. 5A(a), (b) (part), (c) (part), (d), (e),

19 9(b) (part).)

20 Sec. 1013.252. TAX RATE. (a) The board may impose the tax

21 at a rate not to exceed the limit approved by the voters at the

22 election authorizing the imposition of the tax.

23 (b) The tax rate for all purposes may not exceed 75 cents on

24 each \$100 valuation of all taxable property in the district. (Acts

25 57th Leg., R.S., Ch. 103, Secs. 5A(b) (part), (c), 6(b) (part).)

26 Sec. 1013.253. TAX ASSESSOR-COLLECTOR. (a) The board may

27 provide for the appointment of a tax assessor-collector for the

1 district or may contract for the assessment and collection of taxes
2 as provided by the Tax Code.

3 (b) The tax assessor-collector shall assess and collect
4 taxes imposed by the district. (Acts 57th Leg., R.S., Ch. 103,
5 Secs. 5A(g), 9(b) (part).)

6 [Sections 1013.254-1013.300 reserved for expansion]

7 SUBCHAPTER G. DISSOLUTION

8 Sec. 1013.301. DISSOLUTION; ELECTION. (a) The district
9 may be dissolved only on approval of a majority of the district
10 voters voting in an election held for that purpose.

11 (b) The board may order an election on the question of
12 dissolving the district and disposing of the district's assets and
13 obligations.

14 (c) The board shall order an election if the board receives
15 a petition requesting an election that is signed by a number of
16 district residents equal to at least 15 percent of the registered
17 voters in the district.

18 (d) The order calling the election must state:

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

21 (2) the date of the election;

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

23 (4) the location of the polling places.

24 (e) Section 41.001(a), Election Code, does not apply to an
25 election ordered under this section. (Acts 57th Leg., R.S., Ch.
26 103, Secs. 21(a), (b), (c), (d) (part).)

27 Sec. 1013.302. NOTICE OF ELECTION. (a) The board shall

1 give notice of an election under this subchapter by publishing once
2 a week for two consecutive weeks the election order in a newspaper
3 with general circulation in the district.

4 (b) The first publication of the notice must appear not
5 later than the 35th day before the date set for the election. (Acts
6 57th Leg., R.S., Ch. 103, Sec. 21(e) (part).)

7 Sec. 1013.303. BALLOT. The ballot for an election under
8 this subchapter must be printed to permit voting for or against the
9 proposition: "The dissolution of the Castro County Hospital
10 District." (Acts 57th Leg., R.S., Ch. 103, Sec. 21(e) (part).)

11 Sec. 1013.304. ELECTION RESULTS. (a) If a majority of the
12 votes in an election under this subchapter favor dissolution, the
13 board shall find that the district is dissolved.

14 (b) If a majority of the votes in the election do not favor
15 dissolution, the board shall continue to administer the district
16 and another election on the question of dissolution may not be held
17 before the first anniversary of the date of the most recent election
18 to dissolve the district. (Acts 57th Leg., R.S., Ch. 103, Sec.
19 21(f).)

20 Sec. 1013.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
21 If a majority of the votes in the election held under this
22 subchapter favor dissolution, the board shall:

23 (1) transfer the land, buildings, improvements,
24 equipment, and other assets that belong to the district to Castro
25 County or another governmental agency in Castro 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 (b) If the board makes the transfer under Subsection (a)(1),
3 the county or agency assumes all debts and obligations of the
4 district at the time of the transfer, and the district is dissolved.
5 (Acts 57th Leg., R.S., Ch. 103, Secs. 21(g), (h).)

6 Sec. 1013.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

7 (a) The district may not be dissolved unless the board provides for
8 the sale or transfer of the district's assets and liabilities to
9 another person.

10 (b) The dissolution of the district and the sale or transfer
11 of the district's assets or liabilities may not contravene a trust
12 indenture or bond resolution relating to the district's outstanding
13 bonds. The dissolution and sale or transfer does not diminish or
14 impair the rights of a holder of an outstanding bond, warrant, or
15 other obligation of the district.

16 (c) The sale or transfer of the district's assets and
17 liabilities must satisfy the debt and bond obligations of the
18 district in a manner that protects the interests of district
19 residents, including the residents' collective property rights in
20 the district's assets.

21 (d) The district may not transfer or dispose of the
22 district's assets except for due compensation unless:

23 (1) the transfer is made to another governmental
24 agency that serves the district; and

25 (2) the transferred assets are to be used for the
26 benefit of the district's residents.

27 (e) A grant from federal funds is an obligation to be repaid

1 in satisfaction. (Acts 57th Leg., R.S., Ch. 103, Secs. 21(n), (o).)

2 Sec. 1013.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
3 TAXES. (a) After the board finds that the district is dissolved,
4 the board shall:

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

6 (2) impose on the property included in the district's
7 tax rolls a tax that is in proportion of the debt to the property
8 value.

9 (b) On the payment of all outstanding debts and obligations
10 of the district, the board shall order the secretary to return to
11 each district taxpayer the taxpayer's pro rata share of all unused
12 tax money.

13 (c) A taxpayer may request that the taxpayer's share of
14 surplus tax money be credited to the taxpayer's county taxes. If a
15 taxpayer requests the credit, the board shall direct the secretary
16 to transmit the money to the county tax assessor-collector. (Acts
17 57th Leg., R.S., Ch. 103, Secs. 21(i), (j), (k).)

18 Sec. 1013.308. REPORT; DISSOLUTION ORDER. (a) After the
19 district has paid all its debts and has disposed of all its money
20 and other assets as prescribed by this subchapter, the board shall
21 file a written report with the Commissioners Court of Castro County
22 summarizing the board's actions in dissolving the district.

23 (b) Not later than the 10th day after the date the
24 Commissioners Court of Castro County receives the report and
25 determines that the requirements of this subchapter have been
26 fulfilled, the commissioners court shall enter an order dissolving
27 the district and releasing the board from any further duty or

1 obligation. (Acts 57th Leg., R.S., Ch. 103, Secs. 21(1), (m).)

2 CHAPTER 1014. COLLINGSWORTH COUNTY HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1014.001. DEFINITIONS

5 Sec. 1014.002. AUTHORITY FOR CREATION

6 Sec. 1014.003. ESSENTIAL PUBLIC FUNCTION

7 Sec. 1014.004. DISTRICT TERRITORY

8 Sec. 1014.005. DISTRICT SUPPORT AND MAINTENANCE NOT

9 STATE OBLIGATION

10 Sec. 1014.006. RESTRICTION ON STATE FINANCIAL

11 ASSISTANCE

12 [Sections 1014.007-1014.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1014.051. BOARD ELECTION; TERM

15 Sec. 1014.052. BALLOT PETITION

16 Sec. 1014.053. QUALIFICATIONS FOR OFFICE

17 Sec. 1014.054. BOARD VACANCY

18 Sec. 1014.055. OFFICERS

19 Sec. 1014.056. COMPENSATION; EXPENSES

20 Sec. 1014.057. VOTING REQUIREMENT

21 Sec. 1014.058. MAINTENANCE OF RECORDS; PUBLIC

22 INSPECTION

23 Sec. 1014.059. INDIVIDUAL LIABILITY OF DIRECTORS

24 Sec. 1014.060. DISTRICT ADMINISTRATOR; ASSISTANT

25 ADMINISTRATOR

26 Sec. 1014.061. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1014.062. EMPLOYEES
2 Sec. 1014.063. LEGAL COUNSEL; OTHER PROFESSIONAL
3 SERVICES
4 Sec. 1014.064. RETIREMENT PROGRAM
5 [Sections 1014.065-1014.100 reserved for expansion]
6 SUBCHAPTER C. POWERS AND DUTIES
7 Sec. 1014.101. DISTRICT RESPONSIBILITY
8 Sec. 1014.102. RESTRICTION ON COUNTY OR MUNICIPALITY
9 TAXATION AND DEBT
10 Sec. 1014.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
11 Sec. 1014.104. HOSPITAL SYSTEM
12 Sec. 1014.105. RULES
13 Sec. 1014.106. PURCHASING AND ACCOUNTING PROCEDURES
14 Sec. 1014.107. BUILDINGS
15 Sec. 1014.108. EMINENT DOMAIN
16 Sec. 1014.109. GIFTS AND ENDOWMENTS
17 Sec. 1014.110. CONTRACTS WITH GOVERNMENTAL ENTITIES
18 FOR CARE AND TREATMENT
19 Sec. 1014.111. PAYMENT FOR TREATMENT; PROCEDURES
20 Sec. 1014.112. AUTHORITY TO SUE AND BE SUED
21 [Sections 1014.113-1014.150 reserved for expansion]
22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
23 Sec. 1014.151. BUDGET
24 Sec. 1014.152. NOTICE; HEARING; ADOPTION OF BUDGET
25 Sec. 1014.153. AMENDMENTS TO BUDGET
26 Sec. 1014.154. RESTRICTION ON EXPENDITURES
27 Sec. 1014.155. FISCAL YEAR

1 Sec. 1014.156. ANNUAL AUDIT

2 Sec. 1014.157. FINANCIAL REPORT

3 Sec. 1014.158. DEPOSITORY

4 [Sections 1014.159-1014.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1014.201. GENERAL OBLIGATION BONDS

7 Sec. 1014.202. TAX TO PAY GENERAL OBLIGATION BONDS

8 Sec. 1014.203. GENERAL OBLIGATION BOND ELECTION

9 Sec. 1014.204. EXECUTION OF GENERAL OBLIGATION BONDS

10 Sec. 1014.205. REVENUE OR SPECIAL OBLIGATION BONDS

11 Sec. 1014.206. CHARGES FOR SERVICES RENDERED

12 Sec. 1014.207. REFUNDING BONDS

13 Sec. 1014.208. BONDS EXEMPT FROM TAXATION

14 [Sections 1014.209-1014.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1014.251. IMPOSITION OF AD VALOREM TAX

17 Sec. 1014.252. TAX RATE

18 Sec. 1014.253. TAX ASSESSOR-COLLECTOR

19 CHAPTER 1014. COLLINGSWORTH COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1014.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the
23 district.

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

25 (3) "District" means the Collingsworth County
26 Hospital District. (New.)

27 Sec. 1014.002. AUTHORITY FOR CREATION. The district is

1 created under the authority of Section 9, Article IX, Texas
2 Constitution, and has the rights, powers, and duties prescribed by
3 this chapter. (Acts 60th Leg., R.S., Ch. 262, Sec. 1 (part).)

4 Sec. 1014.003. ESSENTIAL PUBLIC FUNCTION. The district
5 performs an essential public function in carrying out the purposes
6 of this chapter. (Acts 60th Leg., R.S., Ch. 262, Sec. 11 (part).)

7 Sec. 1014.004. DISTRICT TERRITORY. The boundaries of the
8 district are coextensive with the boundaries of Collingsworth
9 County, Texas. (Acts 60th Leg., R.S., Ch. 262, Sec. 1 (part).)

10 Sec. 1014.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
11 OBLIGATION. The support and maintenance of the district may not
12 become a charge against or obligation of this state. (Acts 60th
13 Leg., R.S., Ch. 262, Sec. 22 (part).)

14 Sec. 1014.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
15 The legislature may not make a direct appropriation for the
16 construction, maintenance, or improvement of a district facility.
17 (Acts 60th Leg., R.S., Ch. 262, Sec. 22 (part).)

18 [Sections 1014.007-1014.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1014.051. BOARD ELECTION; TERM. (a) The district is
21 governed by a board of seven directors elected from the district at
22 large.

23 (b) Directors serve staggered two-year terms unless
24 four-year terms are established under Section 285.081, Health and
25 Safety Code.

26 (c) The election order must state the time, place, and
27 purpose of the election. (Acts 60th Leg., R.S., Ch. 262, Secs. 4(a)

1 (part), (b) (part).)

2 Sec. 1014.052. BALLOT PETITION. A person who wants to have
3 the person's name printed on the ballot as a candidate for director
4 must file with the board secretary a petition requesting that
5 action. The petition must be:

6 (1) signed by at least 15 registered voters; and

7 (2) filed at least 25 days before the date of the
8 election. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(b) (part).)

9 Sec. 1014.053. QUALIFICATIONS FOR OFFICE. To be eligible
10 to hold office as a director, a person must be a resident
11 property-owning taxpaying voter of the district. (Acts 60th Leg.,
12 R.S., Ch. 262, Sec. 4(c) (part).)

13 Sec. 1014.054. BOARD VACANCY. If a vacancy occurs in the
14 office of director, the remaining directors by majority vote shall
15 appoint a director for the unexpired term. (Acts 60th Leg., R.S.,
16 Ch. 262, Sec. 4(b) (part).)

17 Sec. 1014.055. OFFICERS. (a) The board shall elect from
18 among its members a president, vice president, secretary, and other
19 officers as in the judgment of the board are necessary.

20 (b) The president is the chief executive officer of the
21 district and has the same right to vote as any other director.

22 (c) If the president is absent or fails or declines to act,
23 the vice president shall perform the president's duties and
24 exercise the president's powers under this chapter. (Acts 60th
25 Leg., R.S., Ch. 262, Sec. 4(c) (part).)

26 Sec. 1014.056. COMPENSATION; EXPENSES. A director serves
27 without compensation but may receive actual expenses incurred in

1 attending to district business on approval of the expenses by the
2 remainder of the board. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(c)
3 (part).)

4 Sec. 1014.057. VOTING REQUIREMENT. A concurrence of four
5 directors is sufficient in any matter relating to district
6 business. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(d) (part).)

7 Sec. 1014.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

8 (a) The board shall:

9 (1) keep an account of all board meetings and
10 proceedings; and

11 (2) maintain at the district's principal office all
12 district records and accounts, including all contracts, notices,
13 duplicate vouchers, and duplicate receipts.

14 (b) The information described by Subsection (a) shall be
15 open to public inspection at the district's principal office at all
16 reasonable times. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(d)
17 (part).)

18 Sec. 1014.059. INDIVIDUAL LIABILITY OF DIRECTORS. A
19 director is individually liable only for the director's individual
20 misapplication of public money. (Acts 60th Leg., R.S., Ch. 262,
21 Sec. 5(a) (part).)

22 Sec. 1014.060. DISTRICT ADMINISTRATOR; ASSISTANT
23 ADMINISTRATOR. (a) The board shall appoint a qualified person as
24 district administrator.

25 (b) The board may appoint an assistant administrator.

26 (c) The district administrator and any assistant
27 administrator are entitled to the compensation determined by the

1 board.

2 (d) The board may execute an employment contract with the
3 district administrator or assistant administrator for a term of not
4 more than three years. The employment contract may be renewed or
5 extended annually.

6 (e) On assuming the duties of district administrator, the
7 administrator shall execute a bond payable to the district in an
8 amount set by the board of not less than \$25,000 that:

9 (1) is conditioned on the administrator performing the
10 administrator's duties; and

11 (2) contains other conditions the board may require.
12 (Acts 60th Leg., R.S., Ch. 262, Sec. 5(a) (part).)

13 Sec. 1014.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
14 The district administrator shall:

15 (1) stay informed on the latest methods of hospital
16 administration and the care of hospital patients; and

17 (2) subject to the limitations prescribed by the
18 board:

19 (A) supervise the work and activities of the
20 district; and

21 (B) direct the affairs of the district. (Acts
22 60th Leg., R.S., Ch. 262, Sec. 5(a) (part).)

23 Sec. 1014.062. EMPLOYEES. The board may employ nurses,
24 technicians, and other employees for the efficient operation of the
25 district or may provide that the district administrator has that
26 authority. (Acts 60th Leg., R.S., Ch. 262, Sec. 5(b) (part).)

27 Sec. 1014.063. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES.

1 The board may employ legal counsel or contract for other
2 professional services as the board considers advisable. (Acts 60th
3 Leg., R.S., Ch. 262, Sec. 18.)

4 Sec. 1014.064. RETIREMENT PROGRAM. The board may contract
5 with this state or the federal government to establish or continue a
6 retirement program for the benefit of the district's employees.
7 (Acts 60th Leg., R.S., Ch. 262, Sec. 5(b) (part).)

8 [Sections 1014.065-1014.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 1014.101. DISTRICT RESPONSIBILITY. The district has
11 full responsibility for:

12 (1) operating all hospital facilities for providing
13 medical and hospital care of the indigent persons in the district;
14 and

15 (2) providing medical and hospital care for the
16 district's needy inhabitants. (Acts 60th Leg., R.S., Ch. 262,
17 Secs. 2 (part), 21 (part).)

18 Sec. 1014.102. RESTRICTION ON COUNTY OR MUNICIPALITY
19 TAXATION AND DEBT. Collingsworth County or a municipality in
20 Collingsworth County may not impose a tax or issue bonds or other
21 obligations for hospital purposes or for medical treatment of
22 indigent persons in the district. (Acts 60th Leg., R.S., Ch. 262,
23 Sec. 21 (part).)

24 Sec. 1014.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
25 The board shall manage, control, and administer the district's
26 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 262, Sec.
27 5(a) (part).)

1 Sec. 1014.104. HOSPITAL SYSTEM. The district shall provide
2 for the establishment of a hospital system by:

3 (1) purchasing, constructing, acquiring, repairing,
4 or renovating buildings and equipment;

5 (2) equipping the buildings; and

6 (3) administering the buildings and equipment for
7 hospital purposes. (Acts 60th Leg., R.S., Ch. 262, Sec. 2 (part).)

8 Sec. 1014.105. RULES. The board may adopt rules for the
9 operation of the district and as required to administer this
10 chapter. (Acts 60th Leg., R.S., Ch. 262, Secs. 5(a) (part), 12
11 (part).)

12 Sec. 1014.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
13 The board may prescribe:

14 (1) the method and manner of making purchases and
15 expenditures by and for the district; and

16 (2) all accounting and control procedures.

17 (b) A purchase that involves the expenditure of more than
18 \$2,000 may be made only after advertising in the manner provided by
19 Chapter 252 and Subchapter C, Chapter 262, Local Government Code.
20 (Acts 60th Leg., R.S., Ch. 262, Sec. 12 (part).)

21 Sec. 1014.107. BUILDINGS. The board shall determine the
22 type, number, and location of buildings required to maintain an
23 adequate hospital system. (Acts 60th Leg., R.S., Ch. 262, Sec. 10.)

24 Sec. 1014.108. EMINENT DOMAIN. (a) The district may
25 exercise the power of eminent domain to acquire a fee simple or
26 other interest in any type of property located in district
27 territory if the interest is necessary or convenient for the

1 district to exercise a power, right, or privilege conferred by this
2 chapter.

3 (b) The district must exercise the power of eminent domain
4 in the manner provided by Chapter 21, Property Code. (Acts 60th
5 Leg., R.S., Ch. 262, Sec. 16.)

6 Sec. 1014.109. GIFTS AND ENDOWMENTS. The board may accept
7 for the district a gift or endowment to be held in trust and
8 administered by the board for the purposes and under the
9 directions, limitations, or other provisions prescribed in writing
10 by the donor that are not inconsistent with the proper management
11 and objectives of the district. (Acts 60th Leg., R.S., Ch. 262,
12 Sec. 20.)

13 Sec. 1014.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
14 CARE AND TREATMENT. (a) The board may contract with a county or
15 municipality located outside the district's boundaries for the care
16 and treatment of a sick or injured person of that county or
17 municipality.

18 (b) The board may contract with this state or a federal
19 agency for the treatment of a sick or injured person for whom this
20 state or the agency is responsible. (Acts 60th Leg., R.S., Ch. 262,
21 Sec. 5(b) (part).)

22 Sec. 1014.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)
23 When a patient who resides in the district is admitted to a district
24 facility, the district administrator shall have an inquiry made
25 into the circumstances of:

26 (1) the patient; and

27 (2) the patient's relatives who are legally liable for

1 the patient's support.

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

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

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

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

20 (1) resolve the dispute or doubt; and

21 (2) issue any appropriate orders.

22 (f) A final order of the board may be appealed to the
23 district court. The substantial evidence rule applies to the
24 appeal. (Acts 60th Leg., R.S., Ch. 262, Sec. 19.)

25 Sec. 1014.112. AUTHORITY TO SUE AND BE SUED. The district,
26 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.
27 262, Sec. 5(a) (part).)

1 [Sections 1014.113-1014.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 1014.151. BUDGET. The district administrator shall
4 prepare an annual budget for approval by the board. (Acts 60th
5 Leg., R.S., Ch. 262, Sec. 6 (part).)

6 Sec. 1014.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
7 The board shall hold a public hearing on the proposed annual budget.

8 (b) Notice of the hearing must be published one time at
9 least 10 days before the date of the hearing.

10 (c) The board must approve the budget. (Acts 60th Leg.,
11 R.S., Ch. 262, Sec. 6 (part).)

12 Sec. 1014.153. AMENDMENTS TO BUDGET. The budget may be
13 amended as required by circumstances. The board must approve all
14 amendments. (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

15 Sec. 1014.154. RESTRICTION ON EXPENDITURES. Money may be
16 spent only for an expense included in the budget or an amendment to
17 the budget. (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

18 Sec. 1014.155. FISCAL YEAR. The district operates on a
19 fiscal year that begins on October 1 and ends on September 30.
20 (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

21 Sec. 1014.156. ANNUAL AUDIT. (a) The district annually
22 shall have an audit made of the district's financial condition.

23 (b) The audit shall be open to inspection at all times at the
24 district's principal office. (Acts 60th Leg., R.S., Ch. 262, Sec. 6
25 (part).)

26 Sec. 1014.157. FINANCIAL REPORT. As soon as practicable
27 after the close of each fiscal year, the district administrator

1 shall prepare for the board:

2 (1) a complete sworn statement of all district money;
3 and

4 (2) a complete account of the disbursements of that
5 money. (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

6 Sec. 1014.158. DEPOSITORY. (a) The board shall select one
7 or more banks in the district to serve as a depository for district
8 money.

9 (b) District money shall be immediately deposited on
10 receipt with a depository bank, except that sufficient money must
11 be remitted to an appropriate bank to pay the principal of and
12 interest on the district's outstanding bonds or other obligations
13 on or before the maturity date of the principal and interest.

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

18 (d) Membership on the district's board of an officer or
19 director of a bank does not disqualify the bank from being selected
20 as a depository bank. (Acts 60th Leg., R.S., Ch. 262, Sec. 13.)

21 [Sections 1014.159-1014.200 reserved for expansion]

22 SUBCHAPTER E. BONDS

23 Sec. 1014.201. GENERAL OBLIGATION BONDS. The board may
24 issue and sell general obligation bonds in the name and on the faith
25 and credit of the district for any purpose related to the purchase,
26 construction, acquisition, repair, or renovation of improvements,
27 and equipping the improvements for a hospital and the hospital

1 system, as determined by the board. (Acts 60th Leg., R.S., Ch. 262,
2 Sec. 7(a) (part).)

3 Sec. 1014.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
4 the time general obligation bonds are issued by the district under
5 Section 1014.201, the board shall impose an ad valorem tax on all
6 property in the district subject to district taxation at a rate
7 sufficient to create an interest and sinking fund and to pay the
8 principal of and interest on the bonds as the bonds mature.

9 (b) The tax required by this section together with any other
10 ad valorem tax the district imposes may not in any year exceed 75
11 cents on each \$100 valuation of taxable property in the district.
12 (Acts 60th Leg., R.S., Ch. 262, Sec. 7(a) (part).)

13 Sec. 1014.203. GENERAL OBLIGATION BOND ELECTION. (a) The
14 district may issue general obligation bonds only if the bonds are
15 authorized by a majority of the district voters voting at an
16 election held for that purpose.

17 (b) The board shall call the election. The election must be
18 held in accordance with Chapter 1251, Government Code.

19 (c) The bond election order must specify:
20 (1) the date of the election;
21 (2) the location of the polling places;
22 (3) the presiding election officers;
23 (4) the amount of the bonds to be authorized;
24 (5) the maximum maturity of the bonds; and
25 (6) the maximum interest rate of the bonds. (Acts 60th
26 Leg., R.S., Ch. 262, Sec. 7(a) (part).)

27 Sec. 1014.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)

1 The board president shall execute the general obligation bonds in
2 the district's name.

3 (b) The board secretary shall attest the bonds as provided
4 by Chapter 618, Government Code. (Acts 60th Leg., R.S., Ch. 262,
5 Sec. 7(a) (part).)

6 Sec. 1014.205. REVENUE OR SPECIAL OBLIGATION BONDS. (a)
7 The board may issue and sell revenue or special obligation bonds for
8 the purposes provided by Section 1014.201.

9 (b) Special obligation bonds must be payable from the
10 revenue of the district's entire hospital system, including that
11 portion originally acquired and all past or future extensions,
12 additions, or replacements, excluding taxes, after deducting the
13 cost of maintaining and operating the system. For purposes of this
14 subsection, the cost of maintaining and operating the system:

15 (1) may include only the items set forth and defined in
16 the resolution authorizing the bond issuance; and

17 (2) may not include the cost of providing medical or
18 hospital care for the district's needy inhabitants.

19 (c) A cost described by Subsection (b)(2) is a maintenance
20 and operating expense for budget and tax purposes.

21 (d) The district may issue revenue bonds without an
22 election.

23 (e) Revenue bonds may be additionally secured by:

24 (1) a mortgage or deed of trust on real property;

25 (2) a chattel mortgage on the district's personal
26 property; or

27 (3) both.

1 (f) The board may issue bonds that are a junior lien on the
2 district's net revenue or property and additional parity bonds
3 under conditions specified in the bond resolution or trust
4 indenture.

5 (g) Money for the payment of not more than two years'
6 interest on the bonds and an amount the board estimates will be
7 required for maintenance and operating expenses during the first
8 year of operation may be set aside out of the proceeds from the sale
9 of the bonds.

10 (h) A revenue bond issued by the district must contain the
11 following provision: "The holder of the bond may not demand payment
12 of this bond or appurtenant coupons out of money raised or to be
13 raised by taxation." (Acts 60th Leg., R.S., Ch. 262, Secs. 8(a),
14 (b) (part), (c).)

15 Sec. 1014.206. CHARGES FOR SERVICES RENDERED. If the board
16 issues revenue bonds, the board shall charge and collect rates for
17 services rendered by the hospital system that are sufficient to:

18 (1) pay the maintenance and operating expenses
19 described by Section 1014.205;

20 (2) pay the principal and interest on the bonds as each
21 becomes due; and

22 (3) create and maintain a bond reserve fund and other
23 funds as provided in the bond resolution or trust indenture. (Acts
24 60th Leg., R.S., Ch. 262, Sec. 8(b) (part).)

25 Sec. 1014.207. REFUNDING BONDS. (a) The board may, without
26 an election, issue refunding bonds to refund any bonds issued or
27 assumed by the district.

1 (b) A refunding bond may be:

2 (1) sold, with the proceeds of the refunding bond
3 applied to the payment of the outstanding bonds; or

4 (2) exchanged wholly or partly for not less than a
5 similar principal amount of the outstanding bonds. (Acts 60th
6 Leg., R.S., Ch. 262, Secs. 7(a) (part), (b) (part).)

7 Sec. 1014.208. BONDS EXEMPT FROM TAXATION. The following
8 are exempt from taxation by this state or a political subdivision of
9 this state:

10 (1) bonds issued by the district;

11 (2) the transfer and issuance of the bonds; and

12 (3) profits made in the sale of the bonds. (Acts 60th
13 Leg., R.S., Ch. 262, Sec. 11 (part).)

14 [Sections 1014.209-1014.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1014.251. IMPOSITION OF AD VALOREM TAX. (a) The board
17 shall impose a tax on property in the district subject to district
18 taxation.

19 (b) The board shall impose the tax to pay:

20 (1) indebtedness issued or assumed by the district;
21 and

22 (2) the maintenance and operating expenses of the
23 district. (Acts 60th Leg., R.S., Ch. 262, Secs. 3(a) (part), 14
24 (part).)

25 Sec. 1014.252. TAX RATE. (a) The board may impose the tax
26 at a rate not to exceed 75 cents on each \$100 valuation of taxable
27 property in the district.

1 (b) In setting the tax rate, the board shall consider the
2 income of the district from sources other than taxation. (Acts 60th
3 Leg., R.S., Ch. 262, Secs. 3(b) (part), 14 (part).)

4 Sec. 1014.253. TAX ASSESSOR-COLLECTOR. The tax
5 assessor-collector of Collingsworth County shall assess and
6 collect taxes imposed by the district. (Acts 60th Leg., R.S., Ch.
7 262, Sec. 17 (part).)

8 CHAPTER 1015. FAIRFIELD HOSPITAL DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 1015.001. DEFINITIONS

11 Sec. 1015.002. AUTHORITY FOR OPERATION

12 Sec. 1015.003. ESSENTIAL PUBLIC FUNCTION

13 Sec. 1015.004. DISTRICT TERRITORY

14 Sec. 1015.005. DISTRICT SUPPORT AND MAINTENANCE NOT

15 STATE OBLIGATION

16 Sec. 1015.006. RESTRICTION ON STATE FINANCIAL

17 ASSISTANCE

18 [Sections 1015.007-1015.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1015.051. BOARD ELECTION; TERM

21 Sec. 1015.052. NOTICE OF ELECTION

22 Sec. 1015.053. QUALIFICATIONS FOR OFFICE

23 Sec. 1015.054. BOND; RECORD OF BOND

24 Sec. 1015.055. BOARD VACANCY

25 Sec. 1015.056. OFFICERS

26 Sec. 1015.057. COMPENSATION; EXPENSES

27 Sec. 1015.058. VOTING REQUIREMENT

- 1 Sec. 1015.059. DISTRICT ADMINISTRATOR
- 2 Sec. 1015.060. GENERAL DUTIES OF DISTRICT
- 3 ADMINISTRATOR
- 4 Sec. 1015.061. ASSISTANT DISTRICT ADMINISTRATOR;
- 5 ATTORNEY
- 6 Sec. 1015.062. APPOINTMENT AND RECRUITMENT OF STAFF
- 7 AND EMPLOYEES
- 8 Sec. 1015.063. CONTINUING EDUCATION; RETRAINING
- 9 Sec. 1015.064. RETIREMENT BENEFITS
- 10 [Sections 1015.065-1015.100 reserved for expansion]
- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 1015.101. DISTRICT RESPONSIBILITY
- 13 Sec. 1015.102. RESTRICTION ON MUNICIPAL TAXATION AND
- 14 DEBT
- 15 Sec. 1015.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 16 Sec. 1015.104. RULES
- 17 Sec. 1015.105. PURCHASING AND ACCOUNTING PROCEDURES
- 18 Sec. 1015.106. DISTRICT PROPERTY, FACILITIES, AND
- 19 EQUIPMENT
- 20 Sec. 1015.107. EMINENT DOMAIN
- 21 Sec. 1015.108. COST OF RELOCATING OR ALTERING PROPERTY
- 22 Sec. 1015.109. GIFTS AND ENDOWMENTS
- 23 Sec. 1015.110. CONSTRUCTION CONTRACTS
- 24 Sec. 1015.111. OPERATING AND MANAGEMENT CONTRACTS
- 25 Sec. 1015.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 26 FOR SERVICES
- 27 Sec. 1015.113. PAYMENT FOR TREATMENT; PROCEDURES

1 Sec. 1015.114. REIMBURSEMENT FOR SERVICES

2 Sec. 1015.115. AUTHORITY TO SUE AND BE SUED

3 [Sections 1015.116-1015.150 reserved for expansion]

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

5 Sec. 1015.151. BUDGET

6 Sec. 1015.152. NOTICE; HEARING; ADOPTION OF BUDGET

7 Sec. 1015.153. AMENDMENTS TO BUDGET

8 Sec. 1015.154. RESTRICTION ON EXPENDITURES

9 Sec. 1015.155. FISCAL YEAR

10 Sec. 1015.156. ANNUAL AUDIT

11 Sec. 1015.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

12 RECORDS

13 Sec. 1015.158. FINANCIAL REPORT

14 Sec. 1015.159. DEPOSITORY

15 Sec. 1015.160. SPENDING AND INVESTMENT RESTRICTIONS

16 Sec. 1015.161. AUTHORITY TO BORROW MONEY; SECURITY

17 [Sections 1015.162-1015.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Sec. 1015.201. GENERAL OBLIGATION BONDS

20 Sec. 1015.202. TAX TO PAY GENERAL OBLIGATION BONDS

21 Sec. 1015.203. GENERAL OBLIGATION BOND ELECTION

22 Sec. 1015.204. REVENUE BONDS

23 Sec. 1015.205. REFUNDING BONDS

24 Sec. 1015.206. MATURITY OF BONDS

25 Sec. 1015.207. EXECUTION OF BONDS

26 Sec. 1015.208. BONDS EXEMPT FROM TAXATION

27 [Sections 1015.209-1015.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Sec. 1015.251. IMPOSITION OF AD VALOREM TAX

3 Sec. 1015.252. TAX RATE

4 Sec. 1015.253. TAX ASSESSOR-COLLECTOR

5 [Sections 1015.254-1015.300 reserved for expansion]

6 SUBCHAPTER G. DISSOLUTION

7 Sec. 1015.301. DISSOLUTION; ELECTION

8 Sec. 1015.302. NOTICE OF ELECTION

9 Sec. 1015.303. BALLOT

10 Sec. 1015.304. ELECTION RESULTS

11 Sec. 1015.305. DIRECTORS IN OFFICE AFTER DISSOLUTION

12 Sec. 1015.306. IMPOSITION OF TAX; TRANSFER OF DEBTS

13 Sec. 1015.307. DISPOSITION OR TRANSFER OF ASSETS AND

14 DEBTS

15 Sec. 1015.308. SPENDING RESTRICTIONS

16 Sec. 1015.309. REPORT; DISSOLUTION ORDER

17 CHAPTER 1015. FAIRFIELD HOSPITAL DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1015.001. DEFINITIONS. In this chapter:

20 (1) "Board" means the board of directors of the
21 district.

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

23 (3) "District" means the Fairfield Hospital District.

24 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 1.01.)

25 Sec. 1015.002. AUTHORITY FOR OPERATION. The district
26 operates and is financed as provided by Section 9, Article IX, Texas
27 Constitution, and by this chapter. (Acts 70th Leg., 2nd C.S., Ch.

1 12, Sec. 1.02.)

2 Sec. 1015.003. ESSENTIAL PUBLIC FUNCTION. The district is
3 a public entity performing an essential public function. (Acts
4 70th Leg., 2nd C.S., Ch. 12, Sec. 7.11 (part).)

5 Sec. 1015.004. DISTRICT TERRITORY. The boundaries of the
6 district are coextensive with the boundaries of the Fairfield
7 Independent School District as those boundaries existed on August
8 3, 1987. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 1.03.)

9 Sec. 1015.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
10 OBLIGATION. The state may not be obligated for the support or
11 maintenance of the district. (Acts 70th Leg., 2nd C.S., Ch. 12,
12 Sec. 10.01 (part).)

13 Sec. 1015.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
14 The legislature may not make a direct appropriation for the
15 construction, maintenance, or improvement of a district facility.
16 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 10.01 (part).)

17 [Sections 1015.007-1015.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1015.051. BOARD ELECTION; TERM. (a) The district is
20 governed by a board of seven directors elected from the district at
21 large.

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

23 (c) An election shall be held on the uniform election day in
24 May of each even-numbered year to elect the appropriate number of
25 directors. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 4.01(a),
26 4.03(a), (c).)

27 Sec. 1015.052. NOTICE OF ELECTION. At least 35 days before

1 the date of an election of directors, notice of the election shall
2 be published one time in a newspaper with general circulation in the
3 district. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 4.04.)

4 Sec. 1015.053. QUALIFICATIONS FOR OFFICE. (a) To be
5 eligible to be a candidate for or to serve as a director, a person
6 must be:

7 (1) a district resident; and

8 (2) a qualified voter.

9 (b) A district employee may not serve as a director. (Acts
10 70th Leg., 2nd C.S., Ch. 12, Sec. 4.06.)

11 Sec. 1015.054. BOND; RECORD OF BOND. (a) Before assuming
12 the duties of office, each director must execute a bond for \$5,000
13 that is:

14 (1) payable to the district; and

15 (2) conditioned on the faithful performance of the
16 director's duties.

17 (b) The board may pay for a director's bond with district
18 money.

19 (c) Each director's bond shall be kept in the district's
20 permanent records. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 4.07.)

21 Sec. 1015.055. BOARD VACANCY. If a vacancy occurs in the
22 office of director, the remaining directors shall appoint a
23 director for the unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 12,
24 Sec. 4.08.)

25 Sec. 1015.056. OFFICERS. (a) The board shall elect a
26 president and vice president from among its members.

27 (b) The board shall appoint a secretary, who need not be a

1 director.

2 (c) Each officer of the board serves for a term of one year.

3 (d) The board shall fill a vacancy in a board office for the
4 unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 4.09,
5 4.10.)

6 Sec. 1015.057. COMPENSATION; EXPENSES. A director or
7 officer serves without compensation but may be reimbursed for
8 actual expenses incurred in the performance of official duties.
9 The expenses must be:

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

11 (2) approved by the board. (Acts 70th Leg., 2nd C.S.,
12 Ch. 12, Sec. 4.11.)

13 Sec. 1015.058. VOTING REQUIREMENT. A concurrence of a
14 majority of the directors voting is necessary in any matter
15 relating to district business. (Acts 70th Leg., 2nd C.S., Ch. 12,
16 Sec. 4.12.)

17 Sec. 1015.059. DISTRICT ADMINISTRATOR. (a) The board may
18 appoint a qualified person as district administrator.

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

21 (c) Before assuming the duties of district administrator,
22 the administrator must execute a bond in the amount set by the board
23 of not less than \$5,000 that is:

24 (1) payable to the district; and

25 (2) conditioned on the faithful performance of the
26 administrator's duties under this chapter.

27 (d) The board may pay for the bond with district money.

1 (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 4.13(a) (part), (b) (part),
2 (c) (part), (d).)

3 Sec. 1015.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
4 Subject to the limitations prescribed by the board, the district
5 administrator shall:

6 (1) supervise the work and activities of the district;
7 and

8 (2) direct the general affairs of the district. (Acts
9 70th Leg., 2nd C.S., Ch. 12, Sec. 4.16.)

10 Sec. 1015.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

11 (a) The board may appoint qualified persons as:

12 (1) the assistant district administrator; and

13 (2) the attorney for the district.

14 (b) The assistant district administrator and the attorney
15 for the district serve at the will of the board and are entitled to
16 the compensation determined by the board. (Acts 70th Leg., 2nd
17 C.S., Ch. 12, Secs. 4.13(a) (part), (b) (part), (c) (part).)

18 Sec. 1015.062. APPOINTMENT AND RECRUITMENT OF STAFF AND
19 EMPLOYEES. (a) The board may appoint to the staff any doctors the
20 board considers necessary for the efficient operation of the
21 district and may make temporary appointments as necessary.

22 (b) The district may employ technicians, nurses, fiscal
23 agents, accountants, architects, additional attorneys, and other
24 necessary employees.

25 (c) The board may delegate to the district administrator the
26 authority to employ persons for the district.

27 (d) The board may spend money to recruit physicians, nurses,

1 and other trained medical personnel. The board may pay the tuition
2 or other costs or expenses of a full-time medical student or nursing
3 student who:

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

6 (2) contractually agrees to become a district employee
7 in return for that assistance. (Acts 70th Leg., 2nd C.S., Ch. 12,
8 Secs. 4.14, 4.15, 4.18(a), (b).)

9 Sec. 1015.063. CONTINUING EDUCATION; RETRAINING. The board
10 may spend money for continuing education and retraining of
11 employees. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 4.18(c).)

12 Sec. 1015.064. RETIREMENT BENEFITS. The board may provide
13 retirement benefits for district employees by:

14 (1) establishing or administering a retirement
15 program; or

16 (2) participating in:

17 (A) the Texas County and District Retirement
18 System; or

19 (B) another statewide retirement system in which
20 the district is eligible to participate. (Acts 70th Leg., 2nd C.S.,
21 Ch. 12, Sec. 4.17.)

22 [Sections 1015.065-1015.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1015.101. DISTRICT RESPONSIBILITY. The district has
25 full responsibility for:

26 (1) operating hospital facilities; and

27 (2) providing medical and hospital care for the

1 district's needy inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 12,
2 Sec. 5.02 (part).)

3 Sec. 1015.102. RESTRICTION ON MUNICIPAL TAXATION AND DEBT.
4 The City of Fairfield may not impose a tax or issue bonds or other
5 obligations for hospital purposes or to provide medical care for
6 district residents. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.
7 5.01(b).)

8 Sec. 1015.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
9 The board shall manage, control, and administer the hospital system
10 and the district's money and resources. (Acts 70th Leg., 2nd C.S.,
11 Ch. 12, Sec. 5.03.)

12 Sec. 1015.104. RULES. The board may adopt rules governing:
13 (1) the operation of the hospital and hospital system;
14 and
15 (2) the duties, functions, and responsibilities of
16 district staff and employees. (Acts 70th Leg., 2nd C.S., Ch. 12,
17 Sec. 5.04.)

18 Sec. 1015.105. PURCHASING AND ACCOUNTING PROCEDURES. The
19 board may prescribe:

20 (1) the method of making purchases and expenditures by
21 and for the district; and

22 (2) accounting and control procedures for the
23 district. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 5.05.)

24 Sec. 1015.106. DISTRICT PROPERTY, FACILITIES, AND
25 EQUIPMENT. (a) The board shall determine:

26 (1) the type, number, and location of buildings
27 required to maintain an adequate hospital system; and

1 (2) the type of equipment necessary for hospital care.

2 (b) The board may:

3 (1) acquire property, including facilities and
4 equipment, for the district for use in the hospital system; and

5 (2) mortgage or pledge the property as security for
6 the payment of the purchase price.

7 (c) The board may lease hospital facilities for the
8 district.

9 (d) The board may sell or otherwise dispose of the property,
10 including facilities, or equipment, for the district. (Acts 70th
11 Leg., 2nd C.S., Ch. 12, Sec. 5.06.)

12 Sec. 1015.107. EMINENT DOMAIN. (a) The district may
13 exercise the power of eminent domain to acquire a fee simple or
14 other interest in property located in district territory if the
15 interest is necessary for the district to exercise a right or
16 authority conferred by this chapter.

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

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

23 (1) pay in advance or provide a bond or other security
24 for costs in the trial court;

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

27 (3) provide a bond for costs or a supersedeas bond on

1 an appeal or writ of error. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.
2 5.09.)

3 Sec. 1015.108. COST OF RELOCATING OR ALTERING PROPERTY. In
4 exercising the power of eminent domain, if the board requires
5 relocating, raising, lowering, rerouting, changing the grade of, or
6 altering the construction of any railroad, highway, pipeline,
7 electric transmission and electric distribution, telegraph, or
8 telephone line, conduit, pole, or facility, the district must bear
9 the actual cost of relocating, raising, lowering, rerouting,
10 changing the grade, or altering the construction to provide
11 comparable replacement, without enhancement of facilities, after
12 deducting the net salvage value derived from the old facility.
13 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 5.10.)

14 Sec. 1015.109. GIFTS AND ENDOWMENTS. The board may accept
15 for the district a gift or endowment to be held in trust for any
16 purpose and under any direction, limitation, or provision
17 prescribed in writing by the donor that is consistent with the
18 proper management of the district. (Acts 70th Leg., 2nd C.S., Ch.
19 12, Sec. 5.14.)

20 Sec. 1015.110. CONSTRUCTION CONTRACTS. (a) The board may
21 enter into construction contracts for the district.

22 (b) The board may enter into a construction contract that
23 involves the expenditure of more than the amount provided by
24 Section 271.024, Local Government Code, only after competitive
25 bidding as provided by Subchapter B, Chapter 271, Local Government
26 Code. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 5.07(a).)

27 Sec. 1015.111. OPERATING AND MANAGEMENT CONTRACTS. The

1 board may enter into an operating or management contract relating
2 to a hospital facility for the district. (Acts 70th Leg., 2nd C.S.,
3 Ch. 12, Sec. 5.08.)

4 Sec. 1015.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
5 SERVICES. The board may contract with a political subdivision of
6 this state or with a state or federal agency for the district to:

- 7 (1) furnish a mobile emergency medical service; or
8 (2) provide for the investigatory or welfare needs of
9 district inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.
10 5.13.)

11 Sec. 1015.113. PAYMENT FOR TREATMENT; PROCEDURES.

12 (a) Each year, the board may set criteria for determining
13 residency, eligibility for a service, and the type of services
14 available.

15 (b) When a person who resides in the district is admitted as
16 a patient to a district facility, the district administrator may
17 have an inquiry made into the financial circumstances of:

- 18 (1) the patient; and
19 (2) a relative of the patient who is legally
20 responsible for the patient's support.

21 (c) To the extent that the patient or a relative of the
22 patient who is legally responsible for the patient's support cannot
23 pay for care and treatment provided by the district, the district
24 shall supply the care and treatment without charging the patient or
25 the patient's relative.

26 (d) On determining that the patient or a relative legally
27 responsible for the patient's support can pay for all or part of the

1 care and treatment provided by the district, the district
2 administrator shall report that determination to the board, and the
3 board shall issue an order directing the patient or the relative to
4 pay the district a specified amount each week. The amount must be
5 based on the person's ability to pay.

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

11 (f) If there is a dispute relating to a person's ability to
12 pay or if the district administrator has any doubt concerning a
13 person's ability to pay, the board shall:

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

17 (g) The final order of the board may be appealed to a
18 district court in the county in which the district is located. The
19 substantial evidence rule applies to the appeal. (Acts 70th Leg.,
20 2nd C.S., Ch. 12, Secs. 5.11(a) (part), (b), (c), (d), (e), (f).)

21 Sec. 1015.114. REIMBURSEMENT FOR SERVICES. (a) The board
22 shall require a county, municipality, or public hospital located
23 outside the district to reimburse the district for the district's
24 care and treatment of a sick or injured person of that county,
25 municipality, or public hospital as provided by Chapter 61, Health
26 and Safety Code.

27 (b) The board shall require the sheriff of Freestone County

1 or the police chief of the City of Fairfield to reimburse the
2 district for the district's care and treatment of a person who is
3 confined in a jail facility of Freestone County or the City of
4 Fairfield and is not a district resident. A prisoner in the
5 Freestone County jail or any penal or police facility located in the
6 district does not qualify as a district resident unless the person
7 would meet the qualifications for residency notwithstanding the
8 incarceration, its duration, or the facts surrounding the
9 incarceration.

10 (c) On behalf of the district, the board may contract with
11 the state or federal government for that government to reimburse
12 the district for treatment of a sick or injured person. (Acts 70th
13 Leg., 2nd C.S., Ch. 12, Sec. 5.12.)

14 Sec. 1015.115. AUTHORITY TO SUE AND BE SUED. The board may
15 sue and be sued on behalf of the district. (Acts 70th Leg., 2nd
16 C.S., Ch. 12, Sec. 5.15.)

17 [Sections 1015.116-1015.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 1015.151. BUDGET. (a) The district administrator
20 shall prepare a proposed annual budget for the district.

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

- 23 (1) the outstanding obligations of the district;
24 (2) the amount of cash on hand in each district fund;
25 (3) the amount of money received by the district from
26 all sources during the previous year;
27 (4) the amount of money available to the district from

1 all sources during the ensuing year;

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

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

6 (7) the estimated tax rate required. (Acts 70th Leg.,
7 2nd C.S., Ch. 12, Sec. 6.04.)

8 Sec. 1015.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
9 The board shall hold a public hearing on the proposed annual budget.

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

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

15 (d) At the conclusion of the hearing, the board shall adopt
16 a budget by acting on the budget proposed by the district
17 administrator. The board may make any changes in the proposed
18 budget that the board judges to be in the interests of the
19 taxpayers.

20 (e) The budget is effective only after adoption by the
21 board. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.05.)

22 Sec. 1015.153. AMENDMENTS TO BUDGET. After adoption, the
23 annual budget may be amended on the board's approval. (Acts 70th
24 Leg., 2nd C.S., Ch. 12, Sec. 6.06.)

25 Sec. 1015.154. RESTRICTION ON EXPENDITURES. Money may be
26 spent only for an expense included in the budget or an amendment to
27 the budget. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.07.)

1 Sec. 1015.155. FISCAL YEAR. (a) The district operates on a
2 fiscal year established by the board.

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

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

6 (2) more than once in a 24-month period. (Acts 70th
7 Leg., 2nd C.S., Ch. 12, Sec. 6.01.)

8 Sec. 1015.156. ANNUAL AUDIT. The board annually shall have
9 an audit made of the district's financial condition. (Acts 70th
10 Leg., 2nd C.S., Ch. 12, Sec. 6.02.)

11 Sec. 1015.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
12 RECORDS. The annual audit and other district records shall be open
13 to inspection during regular business hours at the district's
14 principal office. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.03.)

15 Sec. 1015.158. FINANCIAL REPORT. As soon as practicable
16 after the close of the fiscal year, the district administrator
17 shall prepare for the board:

18 (1) a sworn statement of the amount of district money;
19 and

20 (2) an account of the disbursements of that money.
21 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.08.)

22 Sec. 1015.159. DEPOSITORY. (a) The board shall select at
23 least one bank to serve as a depository for district money.

24 (b) District money, other than money invested as provided by
25 Section 1015.160(b) and money transmitted to a bank for payment of
26 bonds or obligations issued or assumed by the district, shall be
27 deposited as received with the depository bank and shall remain on

1 deposit. This subsection does not limit the power of the board to
2 place a part of district money on time deposit or to purchase
3 certificates of deposit.

4 (c) The district may not deposit money with a bank in an
5 amount that exceeds the maximum amount secured by the Federal
6 Deposit Insurance Corporation unless the bank has first executed a
7 bond or other security in an amount sufficient to secure from loss
8 the district money that exceeds the amount secured by the Federal
9 Deposit Insurance Corporation. (Acts 70th Leg., 2nd C.S., Ch. 12,
10 Sec. 6.11.)

11 Sec. 1015.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
12 Except as otherwise provided by Sections 1015.110, 1015.161,
13 1015.201, 1015.204, and 1015.205, the district may not incur a debt
14 payable from district revenue other than the revenue on hand or to
15 be on hand in the current and immediately following district fiscal
16 years.

17 (b) The board may invest operating, depreciation, or
18 building reserves only in funds or securities specified by Chapter
19 2256, Government Code. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.
20 6.09.)

21 Sec. 1015.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
22 The board may borrow money at a rate not to exceed the maximum
23 annual percentage rate allowed by law for district obligations at
24 the time the loan is made if the board declares that money is not
25 available to meet authorized district obligations, which creates an
26 emergency.

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

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

3 (2) a district tax to be imposed by the district in the
4 next 12-month period that is not pledged to pay the principal of or
5 interest on district bonds; or

6 (3) district bonds that have been authorized but not
7 sold.

8 (c) A loan for which taxes or bonds are pledged must mature
9 not later than the first anniversary of the date the loan is made. A
10 loan for which district revenue is pledged must mature not later
11 than the fifth anniversary of the date the loan is made.

12 (d) Money obtained from a loan under this section may be
13 spent only for:

14 (1) a purpose for which the board declared an
15 emergency; and

16 (2) if district taxes or bonds are pledged to pay the
17 loan, the purpose for which the pledged taxes were imposed or the
18 pledged bonds were authorized. (Acts 70th Leg., 2nd C.S., Ch. 12,
19 Sec. 6.10.)

20 [Sections 1015.162-1015.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1015.201. GENERAL OBLIGATION BONDS. If authorized by
23 an election, the board may issue and sell general obligation bonds
24 in the name and on the faith and credit of the district to:

25 (1) purchase, construct, acquire, repair, or renovate
26 buildings or improvements; and

27 (2) equip buildings or improvements for hospital

1 purposes. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 7.01.)

2 Sec. 1015.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
3 the time general obligation bonds are issued by the district under
4 Section 1015.201, the board shall impose an ad valorem tax at a rate
5 sufficient to create an interest and sinking fund to pay the
6 principal of and interest on the bonds as the bonds mature.

7 (b) The tax required by this section together with any other
8 ad valorem tax the district imposes may not in any year exceed the
9 limit approved by the voters at the election authorizing the
10 imposition of the tax. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.
11 7.02.)

12 Sec. 1015.203. GENERAL OBLIGATION BOND ELECTION. (a) The
13 district may issue general obligation bonds only if the bonds are
14 authorized by a majority of district voters voting at an election
15 held for that purpose.

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

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

- 18 (1) the nature and date of the election;
19 (2) the hours during which the polls will be open;
20 (3) the location of the polling places;
21 (4) the amount of the bonds to be authorized; and
22 (5) the maximum maturity of the bonds.

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

25 (e) The board shall declare the results of the election.
26 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 7.03.)

27 Sec. 1015.204. REVENUE BONDS. (a) The board may issue

1 revenue bonds to:

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

4 (2) acquire sites to be used for hospital purposes.

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

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

10 (d) The bonds must be issued in the manner provided by
11 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
12 Code, for issuance of revenue bonds by a county hospital authority.
13 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 7.04.)

14 Sec. 1015.205. REFUNDING BONDS. (a) The board may issue
15 refunding bonds to refund an outstanding indebtedness issued or
16 assumed by the district.

17 (b) A refunding bond may be:

18 (1) sold, with the proceeds of the refunding bonds
19 applied to the payment of the indebtedness to be refunded; or

20 (2) exchanged wholly or partly for not less than a
21 similar principal amount of outstanding indebtedness. (Acts 70th
22 Leg., 2nd C.S., Ch. 12, Secs. 7.05(a), (c) (part).)

23 Sec. 1015.206. MATURITY OF BONDS. District bonds must
24 mature not later than 50 years after the date of issuance. (Acts
25 70th Leg., 2nd C.S., Ch. 12, Sec. 7.06 (part).)

26 Sec. 1015.207. EXECUTION OF BONDS. (a) The board president
27 shall execute district bonds in the district's name.

1 (b) The board secretary shall countersign the bonds in the
2 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,
3 2nd C.S., Ch. 12, Sec. 7.07.)

4 Sec. 1015.208. BONDS EXEMPT FROM TAXATION. The following
5 are exempt from taxation by this state or a political subdivision of
6 this state:

- 7 (1) bonds issued by the district;
8 (2) any transaction relating to the bonds; and
9 (3) profits made in the sale of the bonds. (Acts 70th
10 Leg., 2nd C.S., Ch. 12, Sec. 7.11 (part).)

11 [Sections 1015.209-1015.250 reserved for expansion]

12 SUBCHAPTER F. TAXES

13 Sec. 1015.251. IMPOSITION OF AD VALOREM TAX. (a) The board
14 may impose a tax on all property in the district subject to district
15 taxation.

16 (b) The tax may be used to meet the requirements of:

- 17 (1) district bonds;
18 (2) indebtedness assumed by the district; and
19 (3) the maintenance and operating expenses of the
20 district.

21 (c) The district may not impose a tax to pay the principal of
22 or interest on revenue bonds issued under this chapter. (Acts 70th
23 Leg., 2nd C.S., Ch. 12, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

24 Sec. 1015.252. TAX RATE. (a) The board may impose the tax
25 at a rate for the initial tax year not to exceed eight cents on each
26 \$100 valuation of taxable property.

27 (b) The tax rate for all purposes may not exceed 12 cents on

1 each \$100 valuation of all taxable property in the district.

2 (c) In setting the tax rate, the board shall consider income
3 of the district from sources other than taxation.

4 (d) The board may decrease the tax rate or may elect not to
5 impose a tax. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 8.01(a)
6 (part), (b), 8.03 (part).)

7 Sec. 1015.253. TAX ASSESSOR-COLLECTOR. The board may
8 provide for the appointment of a tax assessor-collector for the
9 district or may contract for the assessment and collection of taxes
10 as provided by the Tax Code. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.
11 8.04(b).)

12 [Sections 1015.254-1015.300 reserved for expansion]

13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1015.301. DISSOLUTION; ELECTION. (a) The district
15 may be dissolved only on approval of a majority of the district
16 voters voting in an election held for that purpose.

17 (b) The board may order that a dissolution election be held.

18 (c) The board shall order an election if the board receives
19 a petition requesting an election that is signed by at least 10
20 percent of the registered voters in the district. The board shall
21 order the election not later than the 60th day after the date the
22 petition is presented to the district.

23 (d) The order calling the election must state:

24 (1) the nature of the election, including the
25 proposition to appear on the ballot;

26 (2) the date of the election;

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

1 (4) the location of the polling places.

2 (e) Section 41.001(a), Election Code, does not apply to an
3 election ordered under this section. (Acts 70th Leg., 2nd C.S., Ch.
4 12, Secs. 9.01, 9.02, 9.03, 9.05(b).)

5 Sec. 1015.302. NOTICE OF ELECTION. (a) The board shall
6 give notice of an election under this subchapter by publishing once
7 a week for two consecutive weeks a substantial copy of the election
8 order in a newspaper with general circulation in the district.

9 (b) The first publication of the notice must appear at least
10 35 days before the date set for the election. (Acts 70th Leg., 2nd
11 C.S., Ch. 12, Sec. 9.04.)

12 Sec. 1015.303. BALLOT. The ballot for an election under
13 this subchapter must be printed to permit voting for or against the
14 proposition: "The dissolution of the Fairfield Hospital District."
15 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.06.)

16 Sec. 1015.304. ELECTION RESULTS. (a) If the board finds
17 that the election results favor the proposition to dissolve the
18 district, the board shall:

19 (1) issue an order declaring the district be
20 dissolved; and

21 (2) specify in the order the date the dissolution
22 takes effect.

23 (b) If the board finds that the election results do not
24 favor the proposition to dissolve the district, another dissolution
25 election may not be held before the first anniversary of the date of
26 the election at which the voters disapproved the proposition.
27 (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 9.07(b), (c).)

1 Sec. 1015.305. DIRECTORS IN OFFICE AFTER DISSOLUTION. The
2 directors in office on the date of the dissolution shall continue in
3 office, without further election, until:

4 (1) the affairs of the district are effectively
5 concluded; and

6 (2) all duties or acts required of the board are
7 completed. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(c).)

8 Sec. 1015.306. IMPOSITION OF TAX; TRANSFER OF DEBTS. After
9 issuing the dissolution order, the board shall determine the debt
10 owed by the district and shall:

11 (1) impose on property subject to taxation in the
12 district a tax in proportion of the debt to the property value and
13 use the tax revenue to pay the district's bonds or satisfy other
14 district debts; or

15 (2) transfer the district's debts to any governmental
16 entity assuming responsibility after dissolution of the district
17 for providing hospital care in the territory included in the
18 district. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(a).)

19 Sec. 1015.307. DISPOSITION OR TRANSFER OF ASSETS AND DEBTS.
20 (a) The board may not dispose of or transfer the district's assets
21 except for due compensation unless:

22 (1) the debts are transferred to another governmental
23 entity embracing the district; and

24 (2) the transferred assets are used for the benefit of
25 citizens formerly in the district.

26 (b) If the board transfers the district's debts to another
27 governmental entity, the board shall also transfer to that

1 governmental entity:

2 (1) title to land, buildings, improvements, and
3 equipment related to the hospital system owned by the district; and

4 (2) operating money and reserves for operating
5 expenses and money budgeted by the district to provide medical care
6 for district residents for the remainder of the fiscal year in which
7 the district is dissolved. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs.
8 9.08(b), (d) (part).)

9 Sec. 1015.308. SPENDING RESTRICTIONS. After the effective
10 date of the district's dissolution, the board may not spend any
11 money except:

12 (1) as authorized by law; and

13 (2) as necessary to pay reasonable dissolution
14 expenses and the district's legal debts incurred before that date.
15 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(d) (part).)

16 Sec. 1015.309. REPORT; DISSOLUTION ORDER. (a) After the
17 district has paid all district debts and has disposed of all
18 district money and other assets as prescribed by this subchapter,
19 the board shall file a written report with the Commissioners Court
20 of Freestone County summarizing the board's actions in dissolving
21 the district. The report must include a summary of the district's
22 debts.

23 (b) Not later than the 10th day after the date the
24 Commissioners Court of Freestone County receives the report, the
25 commissioners court shall:

26 (1) determine whether the board has fulfilled the
27 requirements of this subchapter; and

1 (2) if the commissioners court determines the board
2 has fulfilled its duties, enter an order to that effect.

3 (c) On entry of an order under Subsection (b)(2), the
4 directors are discharged from liability under their bonds. (Acts
5 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(e).)

6 CHAPTER 1016. CONCHO COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1016.001. DEFINITIONS

9 Sec. 1016.002. AUTHORITY FOR OPERATION

10 Sec. 1016.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1016.004. DISTRICT TERRITORY

12 Sec. 1016.005. CORRECTION OF INVALID PROCEDURES

13 Sec. 1016.006. DISTRICT SUPPORT AND MAINTENANCE NOT

14 STATE OBLIGATION

15 Sec. 1016.007. RESTRICTION ON STATE FINANCIAL

16 ASSISTANCE

17 [Sections 1016.008-1016.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1016.051. BOARD ELECTION; TERM

20 Sec. 1016.052. NOTICE OF ELECTION

21 Sec. 1016.053. BALLOT PETITION

22 Sec. 1016.054. QUALIFICATIONS FOR OFFICE

23 Sec. 1016.055. BOND; RECORD OF BOND AND OATH OR

24 AFFIRMATION OF OFFICE

25 Sec. 1016.056. BOARD VACANCY

26 Sec. 1016.057. OFFICERS

27 Sec. 1016.058. VOTING REQUIREMENT

- 1 Sec. 1016.059. MEETINGS
- 2 Sec. 1016.060. DISTRICT ADMINISTRATOR; ASSISTANT
3 ADMINISTRATOR
- 4 Sec. 1016.061. GENERAL DUTIES OF DISTRICT
5 ADMINISTRATOR
- 6 Sec. 1016.062. EMPLOYEES; APPOINTMENT OF STAFF
- 7 Sec. 1016.063. SENIORITY; RETIREMENT BENEFITS
- 8 [Sections 1016.064-1016.100 reserved for expansion]
- 9 SUBCHAPTER C. POWERS AND DUTIES
- 10 Sec. 1016.101. DISTRICT RESPONSIBILITY
- 11 Sec. 1016.102. RESTRICTION ON POLITICAL SUBDIVISION
12 TAXATION AND DEBT
- 13 Sec. 1016.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 14 Sec. 1016.104. HOSPITAL SYSTEM
- 15 Sec. 1016.105. RULES
- 16 Sec. 1016.106. PURCHASING AND ACCOUNTING PROCEDURES
- 17 Sec. 1016.107. DISTRICT PROPERTY, FACILITIES, AND
18 EQUIPMENT
- 19 Sec. 1016.108. EMINENT DOMAIN
- 20 Sec. 1016.109. GIFTS AND ENDOWMENTS
- 21 Sec. 1016.110. CONSTRUCTION OR PURCHASE CONTRACTS
- 22 Sec. 1016.111. OPERATING AND MANAGEMENT CONTRACTS
- 23 Sec. 1016.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
24 FOR HOSPITALIZATION
- 25 Sec. 1016.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
26 FOR INVESTIGATORY OR OTHER SERVICES
- 27 Sec. 1016.114. PAYMENT FOR TREATMENT; PROCEDURES

1 Sec. 1016.115. AUTHORITY TO SUE AND BE SUED

2 [Sections 1016.116-1016.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1016.151. BUDGET

5 Sec. 1016.152. NOTICE; HEARING; ADOPTION OF BUDGET

6 Sec. 1016.153. AMENDMENTS TO BUDGET

7 Sec. 1016.154. RESTRICTION ON EXPENDITURES

8 Sec. 1016.155. FISCAL YEAR

9 Sec. 1016.156. AUDIT

10 Sec. 1016.157. INSPECTION OF AUDIT AND DISTRICT

11 RECORDS

12 Sec. 1016.158. FINANCIAL REPORT

13 Sec. 1016.159. DEPOSITORY

14 Sec. 1016.160. SPENDING AND INVESTMENT RESTRICTIONS

15 [Sections 1016.161-1016.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Sec. 1016.201. GENERAL OBLIGATION BONDS

18 Sec. 1016.202. TAX TO PAY GENERAL OBLIGATION BONDS

19 Sec. 1016.203. GENERAL OBLIGATION BOND ELECTION

20 Sec. 1016.204. REVENUE BONDS

21 Sec. 1016.205. REFUNDING BONDS

22 Sec. 1016.206. MATURITY OF BONDS

23 Sec. 1016.207. EXECUTION OF BONDS

24 Sec. 1016.208. BONDS EXEMPT FROM TAXATION

25 [Sections 1016.209-1016.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1016.251. IMPOSITION OF AD VALOREM TAX

1 Sec. 1016.252. TAX RATE

2 CHAPTER 1016. CONCHO COUNTY HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1016.001. DEFINITIONS. In this chapter:

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

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

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

10 Sec. 1016.002. AUTHORITY FOR OPERATION. The district
11 operates in accordance with and has the rights, powers, and duties
12 provided by Section 9, Article IX, Texas Constitution, and by this
13 chapter. (Acts 62nd Leg., R.S., Ch. 877, Sec. 1 (part).)

14 Sec. 1016.003. ESSENTIAL PUBLIC FUNCTION. The district
15 performs an essential public function in carrying out the purposes
16 of this chapter. (Acts 62nd Leg., R.S., Ch. 877, Sec. 21 (part).)

17 Sec. 1016.004. DISTRICT TERRITORY. The boundaries of the
18 district are coextensive with the boundaries of Concho County,
19 Texas. (Acts 62nd Leg., R.S., Ch. 877, Sec. 1 (part).)

20 Sec. 1016.005. CORRECTION OF INVALID PROCEDURES. If a
21 court holds that any procedure under this chapter violates the
22 constitution of this state or of the United States, the district by
23 resolution may provide an alternative procedure that conforms with
24 the constitution. (Acts 62nd Leg., R.S., Ch. 877, Sec. 23 (part).)

25 Sec. 1016.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
26 OBLIGATION. The support and maintenance of the district may not
27 become a charge against or obligation of this state. (Acts 62nd

1 Leg., R.S., Ch. 877, Sec. 20 (part).)

2 Sec. 1016.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

3 The legislature may not make a direct appropriation for
4 construction, maintenance, or improvement of a district facility.

5 (Acts 62nd Leg., R.S., Ch. 877, Sec. 20 (part).)

6 [Sections 1016.008-1016.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1016.051. BOARD ELECTION; TERM. (a) The board
9 consists of seven directors elected as follows:

10 (1) four directors, each of whom is a resident of a
11 different county commissioners precinct; and

12 (2) three directors from the district at large.

13 (b) A district voter may vote on each of the seven
14 directors.

15 (c) Directors serve staggered two-year terms unless
16 four-year terms are established under Section 285.081, Health and
17 Safety Code. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(a) (part).)

18 Sec. 1016.052. NOTICE OF ELECTION. At least 10 days before
19 the date of an election of directors, notice of the election shall
20 be published one time in a newspaper of general circulation in
21 Concho County. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(c) (part).)

22 Sec. 1016.053. BALLOT PETITION. A person who wants to have
23 the person's name printed on the ballot as a candidate for director
24 must file with the board secretary a petition requesting that
25 action. The petition must be:

26 (1) signed by at least 10 registered voters; and

27 (2) filed at least 25 days before the date of the

1 election. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(c) (part).)

2 Sec. 1016.054. QUALIFICATIONS FOR OFFICE. A person may not
3 be elected or appointed as a director unless the person is:

- 4 (1) a district resident;
- 5 (2) a qualified voter;
- 6 (3) a freeholder; and
- 7 (4) at least 18 years of age when elected or appointed.

8 (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(a) (part).)

9 Sec. 1016.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
10 OF OFFICE. (a) Each director shall execute a good and sufficient
11 bond for \$1,000 that is:

- 12 (1) payable to the district; and
- 13 (2) conditioned on the faithful performance of the
14 director's duties.

15 (b) Each director's bond and the constitutional oath or
16 affirmation of office shall be deposited with the district's
17 depository bank for safekeeping. (Acts 62nd Leg., R.S., Ch. 877,
18 Sec. 4(a) (part).)

19 Sec. 1016.056. BOARD VACANCY. (a) If a vacancy occurs in
20 the office of director, the remaining directors shall appoint a
21 director for the unexpired term.

22 (b) If the number of directors is reduced to fewer than four
23 for any reason, the remaining directors shall immediately call a
24 special election to fill the vacancies. If the remaining directors
25 do not call the election, a district court, on application of a
26 district voter or taxpayer, may order the directors to hold the
27 election. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(b) (part).)

1 Sec. 1016.057. OFFICERS. The board shall elect a president
2 and a secretary from among its members. (Acts 62nd Leg., R.S., Ch.
3 877, Sec. 4(b) (part).)

4 Sec. 1016.058. VOTING REQUIREMENT. A concurrence of four
5 directors is sufficient in any matter relating to district
6 business. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(b) (part).)

7 Sec. 1016.059. MEETINGS. (a) A board meeting may be called
8 by the president or any four directors.

9 (b) Notice of the time and place of a board meeting must be
10 given to each director at least 72 hours before the time of the
11 meeting. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(b) (part).)

12 Sec. 1016.060. DISTRICT ADMINISTRATOR; ASSISTANT
13 ADMINISTRATOR. (a) The board may appoint a qualified person as
14 district administrator.

15 (b) The board may appoint an assistant administrator.

16 (c) The district administrator and any assistant
17 administrator serve at the will of the board and are entitled to the
18 compensation determined by the board.

19 (d) On assuming the duties of district administrator, the
20 administrator shall execute a bond payable to the district in an
21 amount set by the board of not less than \$5,000 that:

22 (1) is conditioned on the administrator performing the
23 administrator's duties; and

24 (2) contains other conditions the board may require.
25 (Acts 62nd Leg., R.S., Ch. 877, Sec. 6 (part).)

26 Sec. 1016.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
27 Subject to the limitations prescribed by the board, the district

1 administrator shall:

2 (1) supervise the work and activities of the district;
3 and

4 (2) direct the affairs of the district. (Acts 62nd
5 Leg., R.S., Ch. 877, Sec. 6 (part).)

6 Sec. 1016.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
7 board may appoint to the staff any doctors the board considers
8 necessary for the efficient operation of the district and may make
9 temporary appointments as necessary.

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

12 (c) The board may delegate to the district administrator the
13 authority to hire district employees, including technicians and
14 nurses. (Acts 62nd Leg., R.S., Ch. 877, Secs. 6 (part), 16.)

15 Sec. 1016.063. SENIORITY; RETIREMENT BENEFITS. The board
16 may:

17 (1) adopt rules related to the seniority of district
18 employees, including rules for a retirement plan based on
19 seniority; and

20 (2) give effect to previous years of service for
21 district employees continuously employed in the operation or
22 management of hospital facilities:

23 (A) constructed by the district; or

24 (B) acquired by the district, including
25 facilities acquired when the district was created. (Acts 62nd
26 Leg., R.S., Ch. 877, Sec. 6 (part).)

27 [Sections 1016.064-1016.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1016.101. DISTRICT RESPONSIBILITY. The district has
3 full responsibility for providing hospital care for the district's
4 indigent residents. (Acts 62nd Leg., R.S., Ch. 877, Sec. 19
5 (part).)

6 Sec. 1016.102. RESTRICTION ON POLITICAL SUBDIVISION
7 TAXATION AND DEBT. A political subdivision located within the
8 district may not impose a tax or issue bonds or other obligations
9 for hospital purposes or to provide medical care. (Acts 62nd Leg.,
10 R.S., Ch. 877, Sec. 19 (part).)

11 Sec. 1016.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
12 The board shall manage, control, and administer the hospital system
13 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.
14 877, Sec. 6 (part).)

15 Sec. 1016.104. HOSPITAL SYSTEM. (a) The district shall
16 provide for the establishment of a hospital system by:

17 (1) purchasing, constructing, acquiring, repairing,
18 or renovating buildings and equipment;

19 (2) equipping the buildings; and

20 (3) administering the buildings and equipment for
21 hospital purposes.

22 (b) The hospital system may include:

23 (1) facilities for domiciliary care of the sick,
24 injured, or geriatric;

25 (2) facilities for outpatient clinics;

26 (3) dispensaries;

27 (4) convalescent home facilities;

- 1 (5) necessary nurses' domiciliaries and training
2 centers;
- 3 (6) blood banks;
- 4 (7) research centers or laboratories; and
- 5 (8) any other facilities the board considers necessary
6 for hospital care. (Acts 62nd Leg., R.S., Ch. 877, Secs. 2 (part),
7 10 (part).)

8 Sec. 1016.105. RULES. The board may adopt rules governing
9 the operation of the hospital, the hospital system, and the
10 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 877,
11 Sec. 6 (part).)

12 Sec. 1016.106. PURCHASING AND ACCOUNTING PROCEDURES. The
13 board may prescribe:

14 (1) the method and manner of making purchases and
15 expenditures by and for the district; and

16 (2) all accounting and control procedures. (Acts 62nd
17 Leg., R.S., Ch. 877, Sec. 11 (part).)

18 Sec. 1016.107. DISTRICT PROPERTY, FACILITIES, AND
19 EQUIPMENT. (a) The board shall determine the type, number, and
20 location of buildings required to maintain an adequate hospital
21 system.

22 (b) The board may lease all or part of the district's
23 buildings and other facilities on terms considered to be in the best
24 interest of the district's inhabitants. The term of the lease may
25 not exceed 25 years.

26 (c) The district may acquire equipment for use in the
27 district's hospital system and mortgage or pledge the property as

1 security for the payment of the purchase price. A contract entered
2 into under this subsection must provide that the entire obligation
3 be retired not later than the fifth anniversary of the date of the
4 contract.

5 (d) The district may sell or otherwise dispose of any
6 property, including equipment, on terms the board finds are in the
7 best interest of the district's inhabitants. The board may not sell
8 or dispose of any real property unless the board affirmatively
9 finds that the property is not needed for the operation of the
10 hospital system. (Acts 62nd Leg., R.S., Ch. 877, Secs. 10 (part),
11 11 (part).)

12 Sec. 1016.108. EMINENT DOMAIN. (a) The district may
13 exercise the power of eminent domain to acquire a fee simple or
14 other interest in any type of property located in district
15 territory if the interest is necessary for the district to exercise
16 a power, right, or privilege conferred by this chapter.

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

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

23 (1) pay in advance or provide a bond or other security
24 for costs in the trial court;

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

27 (3) provide a bond for costs or a supersedeas bond on

1 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 877, Sec.
2 15.)

3 Sec. 1016.109. GIFTS AND ENDOWMENTS. The board may accept
4 for the district a gift or endowment to be held in trust and
5 administered by the board for the purposes and under the
6 directions, limitations, or other provisions prescribed in writing
7 by the donor that are not inconsistent with the proper management
8 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 877,
9 Sec. 18 (part).)

10 Sec. 1016.110. CONSTRUCTION OR PURCHASE CONTRACTS. A
11 construction or purchase contract that involves the expenditure of
12 more than \$2,000 may be made only after advertising in the manner
13 provided by Chapter 252 and Subchapter C, Chapter 262, Local
14 Government Code. (Acts 62nd Leg., R.S., Ch. 877, Sec. 11 (part).)

15 Sec. 1016.111. OPERATING AND MANAGEMENT CONTRACTS. The
16 board may enter into an operating or management contract relating
17 to a district facility. (Acts 62nd Leg., R.S., Ch. 877, Sec. 10
18 (part).)

19 Sec. 1016.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
20 HOSPITALIZATION. (a) The board may contract with a county or
21 municipality located outside the district's boundaries for the
22 hospitalization of a sick or injured person of that county or
23 municipality.

24 (b) The board may contract with this state or a federal
25 agency for the hospitalization of a sick or injured person. (Acts
26 62nd Leg., R.S., Ch. 877, Sec. 6 (part).)

27 Sec. 1016.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR

1 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
2 political subdivision or governmental agency for the district to
3 provide investigatory and other services as to the hospital or
4 welfare needs of district inhabitants. (Acts 62nd Leg., R.S., Ch.
5 877, Sec. 6 (part).)

6 Sec. 1016.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
7 When a patient who resides in the district is admitted to a district
8 facility, the district administrator may have an inquiry made into
9 the circumstances of:

10 (1) the patient; and

11 (2) the patient's relatives who are legally liable for
12 the patient's support.

13 (b) If the district administrator determines that the
14 patient or those relatives cannot pay all or part of the costs of
15 the care and treatment in the hospital, the amount of the costs that
16 cannot be paid becomes a charge against the district.

17 (c) If the district administrator determines that the
18 patient or those relatives can pay for all or part of the costs of
19 the patient's care and treatment, the patient or those relatives
20 shall be ordered to pay the district a specified amount each week
21 for the patient's care and support. The amount ordered must be
22 proportionate to the person's financial ability.

23 (d) The district administrator may collect the amount from
24 the patient's estate, or from any relative who is legally liable for
25 the patient's support, in the manner provided by law for the
26 collection of expenses of the last illness of a deceased person.

27 (e) If there is a dispute as to the ability to pay, or doubt

1 in the mind of the district administrator, the board shall hold a
2 hearing and, after calling witnesses, shall:

3 (1) resolve the dispute or doubt; and

4 (2) issue any appropriate orders.

5 (f) The final order of the board may be appealed to the
6 district court. The substantial evidence rule applies to the
7 appeal. (Acts 62nd Leg., R.S., Ch. 877, Sec. 17.)

8 Sec. 1016.115. AUTHORITY TO SUE AND BE SUED. (a) The
9 district, through the board, may sue and be sued.

10 (b) The district is entitled to all causes of action and
11 defenses to which similar authorities performing only governmental
12 functions are entitled. (Acts 62nd Leg., R.S., Ch. 877, Sec. 6
13 (part).)

14 [Sections 1016.116-1016.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1016.151. BUDGET. (a) The district administrator
17 shall prepare an annual budget for approval by the board.

18 (b) The proposed budget must contain a complete financial
19 statement of:

20 (1) the outstanding obligations of the district;

21 (2) the cash on hand in each district fund;

22 (3) the money received by the district from all
23 sources during the previous year;

24 (4) the money available to the district from all
25 sources during the ensuing year;

26 (5) the balances expected at the end of the year in
27 which the budget is being prepared;

1 (6) the estimated revenue and balances available to
2 cover the proposed budget;

3 (7) the estimated tax rate required; and

4 (8) the proposed expenditures and disbursements and
5 the estimated receipts and collections for the following fiscal
6 year. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

7 Sec. 1016.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
8 The board shall hold a public hearing on the proposed annual budget.

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

13 (c) Any property taxpayer of the district is entitled to be
14 present and participate at the hearing in accordance with the rules
15 of decorum and procedures prescribed by the board.

16 (d) At the conclusion of the hearing, the board shall adopt
17 a budget by acting on the budget proposed by the district
18 administrator. The board may make any changes in the proposed
19 budget that the board judges to be in the interest of the taxpayers
20 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7
21 (part).)

22 Sec. 1016.153. AMENDMENTS TO BUDGET. The budget may be
23 amended as required by circumstances. The board must approve all
24 amendments. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

25 Sec. 1016.154. RESTRICTION ON EXPENDITURES. Money may be
26 spent only for an expense included in the budget or an amendment to
27 the budget. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

1 Sec. 1016.155. FISCAL YEAR. (a) The district operates on a
2 fiscal year established by the board.

3 (b) The fiscal year may not be changed more than once in a
4 24-month period. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

5 Sec. 1016.156. AUDIT. (a) The board shall have an
6 independent audit made of the district's financial condition for
7 the fiscal year.

8 (b) As soon as the audit is completed, the audit shall be
9 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 877,
10 Sec. 7 (part).)

11 Sec. 1016.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
12 The audit and other district records shall be open to inspection at
13 the district's principal office. (Acts 62nd Leg., R.S., Ch. 877,
14 Sec. 7 (part).)

15 Sec. 1016.158. FINANCIAL REPORT. As soon as practicable
16 after the close of each fiscal year, the district administrator
17 shall prepare for the board:

18 (1) a complete sworn statement of all district money;
19 and

20 (2) a complete account of the disbursements of that
21 money. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

22 Sec. 1016.159. DEPOSITORY. (a) The board shall select one
23 or more banks inside or outside the district to serve as a
24 depository for district money.

25 (b) District money, other than money invested as provided by
26 Section 1016.160(b), and money transmitted to a bank for payment of
27 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on
2 deposit.

3 (c) This chapter, including Subsection (b), does not limit
4 the power of the board to place a part of district money on time
5 deposit or to purchase certificates of deposit. (Acts 62nd Leg.,
6 R.S., Ch. 877, Sec. 12.)

7 Sec. 1016.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
8 Except as otherwise provided by Section 1016.107(c), this
9 subchapter, and Subchapter E, the district may not incur an
10 obligation payable from district revenue other than the revenue on
11 hand or to be on hand in the current and following district fiscal
12 years.

13 (b) The board may invest operating, depreciation, or
14 building reserves only in funds or securities specified by Chapter
15 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 877, Secs. 6
16 (part), 11 (part).)

17 [Sections 1016.161-1016.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Sec. 1016.201. GENERAL OBLIGATION BONDS. The board may
20 issue and sell general obligation bonds in the name and on the faith
21 and credit of the district for any purpose relating to:

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

24 (2) equipping buildings or improvements for hospital
25 purposes. (Acts 62nd Leg., R.S., Ch. 877, Sec. 8 (part).)

26 Sec. 1016.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
27 the time general obligation bonds are issued by the district under

1 Section 1016.201, the board shall impose an ad valorem tax at a rate
2 sufficient to create an interest and sinking fund to pay the
3 principal of and interest on the bonds as the bonds mature.

4 (b) The tax required by this section together with any other
5 ad valorem tax the district imposes may not in any year exceed the
6 tax rate approved by the voters at the election authorizing the
7 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 877, Sec. 8
8 (part).)

9 Sec. 1016.203. GENERAL OBLIGATION BOND ELECTION. (a) The
10 district may issue general obligation bonds only if the bonds are
11 authorized by a majority of the district voters voting at an
12 election held for that purpose.

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

- 15 (1) the date of the election;
16 (2) the location of the polling places;
17 (3) the presiding and alternate election judges for
18 each polling place;
19 (4) the amount of the bonds to be authorized;
20 (5) the maximum maturity of the bonds; and
21 (6) the maximum interest rate of the bonds.

22 (c) Notice of a bond election shall be given as provided by
23 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 877,
24 Sec. 8 (part).)

25 Sec. 1016.204. REVENUE BONDS. (a) The board may issue
26 revenue bonds to:

- 27 (1) purchase, construct, acquire, repair, renovate,

1 or equip buildings or improvements for hospital purposes; or

2 (2) acquire sites to be used for hospital purposes.

3 (b) The bonds must be payable from and secured by a pledge of
4 all or part of the revenue derived from the operation of the
5 district's hospitals.

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

8 (d) The bonds must be issued in the manner and in accordance
9 with the procedures and requirements prescribed by Sections
10 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
11 issuance of revenue bonds by a county hospital authority. (Acts
12 62nd Leg., R.S., Ch. 877, Sec. 9(b) (part).)

13 Sec. 1016.205. REFUNDING BONDS. (a) The board may issue
14 refunding bonds to refund outstanding indebtedness issued or
15 assumed by the district.

16 (b) Refunding bonds may be:

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

19 (2) exchanged wholly or partly for not less than a
20 similar principal amount of outstanding indebtedness. (Acts 62nd
21 Leg., R.S., Ch. 877, Secs. 9(a) (part), (b) (part).)

22 Sec. 1016.206. MATURITY OF BONDS. District bonds must
23 mature not later than 40 years after the date of issuance. (Acts
24 62nd Leg., R.S., Ch. 877, Sec. 9(c) (part).)

25 Sec. 1016.207. EXECUTION OF BONDS. (a) The board president
26 shall execute the district's bonds in the district's name.

27 (b) The board secretary shall countersign the bonds in the

1 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,
2 R.S., Ch. 877, Sec. 9(c) (part).)

3 Sec. 1016.208. BONDS EXEMPT FROM TAXATION. The following
4 are exempt from taxation by this state or a political subdivision of
5 this state:

- 6 (1) bonds issued by the district;
- 7 (2) the transfer and issuance of the bonds; and
- 8 (3) profits made in the sale of the bonds. (Acts 62nd
9 Leg., R.S., Ch. 877, Sec. 21 (part).)

10 [Sections 1016.209-1016.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1016.251. IMPOSITION OF AD VALOREM TAX. (a) The board
13 shall impose a tax on all property in the district subject to
14 district taxation.

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

- 16 (1) pay the interest on and create a sinking fund for
17 bonds or other obligations issued or assumed by the district for
18 hospital purposes;
- 19 (2) pay indebtedness incurred or assumed by the
20 district;
- 21 (3) provide for the operation and maintenance of the
22 district and the hospital or hospital system;
- 23 (4) make improvements and additions to the hospital
24 system; and
- 25 (5) acquire necessary sites for the hospital system by
26 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 877,
27 Secs. 5 (part), 13 (part).)

1 Sec. 1016.252. TAX RATE. (a) The board may impose the tax
2 at a rate not to exceed 75 cents on each \$100 valuation of all
3 taxable property in the district.

4 (b) In setting the tax rate, the board shall consider the
5 income of the district from sources other than taxation. (Acts 62nd
6 Leg., R.S., Ch. 877, Secs. 5 (part), 13 (part).)

7 CHAPTER 1017. CULBERSON COUNTY HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1017.001. DEFINITIONS

10 Sec. 1017.002. AUTHORITY FOR OPERATION

11 Sec. 1017.003. ESSENTIAL PUBLIC FUNCTION

12 Sec. 1017.004. DISTRICT TERRITORY

13 Sec. 1017.005. DISTRICT SUPPORT AND MAINTENANCE NOT

14 STATE OBLIGATION

15 Sec. 1017.006. RESTRICTION ON STATE FINANCIAL

16 ASSISTANCE

17 [Sections 1017.007-1017.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1017.051. BOARD ELECTION; TERM

20 Sec. 1017.052. NOTICE OF ELECTION

21 Sec. 1017.053. BALLOT PETITION

22 Sec. 1017.054. QUALIFICATIONS FOR OFFICE

23 Sec. 1017.055. BOND; RECORD OF BOND

24 Sec. 1017.056. BOARD VACANCY

25 Sec. 1017.057. OFFICERS

26 Sec. 1017.058. COMPENSATION; EXPENSES

27 Sec. 1017.059. VOTING REQUIREMENT

- 1 Sec. 1017.060. DISTRICT ADMINISTRATOR
- 2 Sec. 1017.061. GENERAL DUTIES OF DISTRICT
- 3 ADMINISTRATOR
- 4 Sec. 1017.062. ASSISTANT DISTRICT ADMINISTRATOR;
- 5 ATTORNEY
- 6 Sec. 1017.063. APPOINTMENTS AND RECRUITMENT OF STAFF
- 7 AND EMPLOYEES
- 8 Sec. 1017.064. RETIREMENT BENEFITS
- 9 [Sections 1017.065-1017.100 reserved for expansion]
- 10 SUBCHAPTER C. POWERS AND DUTIES
- 11 Sec. 1017.101. DISTRICT RESPONSIBILITY
- 12 Sec. 1017.102. RESTRICTION ON CULBERSON COUNTY
- 13 TAXATION AND DEBT
- 14 Sec. 1017.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 15 Sec. 1017.104. RULES
- 16 Sec. 1017.105. PURCHASING AND ACCOUNTING PROCEDURES
- 17 Sec. 1017.106. MOBILE EMERGENCY MEDICAL SERVICE
- 18 Sec. 1017.107. DISTRICT PROPERTY, FACILITIES, AND
- 19 EQUIPMENT
- 20 Sec. 1017.108. EMINENT DOMAIN
- 21 Sec. 1017.109. COST OF RELOCATING OR ALTERING PROPERTY
- 22 Sec. 1017.110. GIFTS AND ENDOWMENTS
- 23 Sec. 1017.111. CONSTRUCTION CONTRACTS
- 24 Sec. 1017.112. OPERATING AND MANAGEMENT CONTRACTS
- 25 Sec. 1017.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 26 FOR SERVICES
- 27 Sec. 1017.114. PAYMENT FOR TREATMENT; PROCEDURES

1 Sec. 1017.115. REIMBURSEMENT FOR SERVICE

2 Sec. 1017.116. AUTHORITY TO SUE AND BE SUED

3 [Sections 1017.117-1017.150 reserved for expansion]

4 SUBCHAPTER D. GENERAL FINANCE PROVISIONS

5 Sec. 1017.151. BUDGET

6 Sec. 1017.152. NOTICE; HEARING; ADOPTION OF BUDGET

7 Sec. 1017.153. AMENDMENTS TO BUDGET

8 Sec. 1017.154. RESTRICTION ON EXPENDITURES

9 Sec. 1017.155. FISCAL YEAR

10 Sec. 1017.156. ANNUAL AUDIT

11 Sec. 1017.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

12 RECORDS

13 Sec. 1017.158. FINANCIAL REPORT

14 Sec. 1017.159. DEPOSITORY

15 Sec. 1017.160. SPENDING AND INVESTMENT RESTRICTIONS

16 Sec. 1017.161. AUTHORITY TO BORROW MONEY; SECURITY

17 [Sections 1017.162-1017.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Sec. 1017.201. GENERAL OBLIGATION BONDS

20 Sec. 1017.202. TAX TO PAY GENERAL OBLIGATION BONDS

21 Sec. 1017.203. GENERAL OBLIGATION BOND ELECTION

22 Sec. 1017.204. REVENUE BONDS

23 Sec. 1017.205. REFUNDING BONDS

24 Sec. 1017.206. MATURITY OF BONDS

25 Sec. 1017.207. EXECUTION OF BONDS

26 Sec. 1017.208. BONDS EXEMPT FROM TAXATION

27 [Sections 1017.209-1017.250 reserved for expansion]

SUBCHAPTER F. AD VALOREM TAX

Sec. 1017.251. IMPOSITION OF AD VALOREM TAX

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CHAPTER 1017. CULBERSON COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1017.001. DEFINITIONS. In this chapter:

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

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

(3) "District" means the Culberson County Hospital District. (Acts 69th Leg., R.S., Ch. 515, Sec. 1.01.)

Sec. 1017.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter. (Acts 69th Leg., R.S., Ch. 515, Sec. 1.02.)

Sec. 1017.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function. (Acts 69th Leg., R.S., Ch. 515, Sec. 7.11 (part).)

Sec. 1017.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Culberson County, Texas. (Acts 69th Leg., R.S., Ch. 515, Sec. 1.03.)

Sec. 1017.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district. (Acts 69th Leg., R.S., Ch. 515, Sec. 9.01 (part).)

Sec. 1017.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

1 The legislature may not make a direct appropriation for the
2 construction, maintenance, or improvement of a district facility.
3 (Acts 69th Leg., R.S., Ch. 515, Sec. 9.01 (part).)

4 [Sections 1017.007-1017.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT ADMINISTRATION

6 Sec. 1017.051. BOARD ELECTION; TERM. (a) The district is
7 governed by a board of five directors elected from the district at
8 large.

9 (b) Directors serve staggered two-year terms unless
10 four-year terms are established under Section 285.081, Health and
11 Safety Code. (Acts 69th Leg., R.S., Ch. 515, Secs. 4.01(a),
12 4.03(a), (c).)

13 Sec. 1017.052. NOTICE OF ELECTION. At least 35 days before
14 the date of an election of directors, notice of the election shall
15 be published one time in a newspaper with general circulation in the
16 district. (Acts 69th Leg., R.S., Ch. 515, Sec. 4.04.)

17 Sec. 1017.053. BALLOT PETITION. A person who wants to have
18 the person's name printed on the ballot as a candidate for director
19 must file with the board secretary a petition requesting that
20 action. The petition must be:

21 (1) signed by at least one registered voter of the
22 district as determined by the most recent official list of
23 registered voters; and

24 (2) filed not later than the 31st day before the date
25 of the election. (Acts 69th Leg., R.S., Ch. 515, Sec. 4.05.)

26 Sec. 1017.054. QUALIFICATIONS FOR OFFICE. (a) To be
27 eligible to be a candidate for or to serve as a director, a person

1 must be:

2 (1) a district resident; and

3 (2) a qualified voter.

4 (b) A district employee may not serve as a director. (Acts
5 69th Leg., R.S., Ch. 515, Sec. 4.06.)

6 Sec. 1017.055. BOND; RECORD OF BOND. (a) Before assuming
7 the duties of office, each director must execute a bond for \$5,000
8 that is:

9 (1) payable to the district; and

10 (2) conditioned on the faithful performance of the
11 director's duties.

12 (b) The board may pay for a director's bond with district
13 money.

14 (c) The bond shall be kept in the permanent records of the
15 district. (Acts 69th Leg., R.S., Ch. 515, Sec. 4.07.)

16 Sec. 1017.056. BOARD VACANCY. If a vacancy occurs in the
17 office of director, the remaining directors shall appoint a
18 director for the unexpired term. (Acts 69th Leg., R.S., Ch. 515,
19 Sec. 4.08.)

20 Sec. 1017.057. OFFICERS. (a) The board shall elect a
21 president and a vice president from among its members.

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

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

25 (d) The board shall fill a vacancy in a board office for the
26 unexpired term. (Acts 69th Leg., R.S., Ch. 515, Secs. 4.09, 4.10.)

27 Sec. 1017.058. COMPENSATION; EXPENSES. A director or

1 officer serves without compensation but may be reimbursed for
2 actual expenses incurred in the performance of official duties.
3 The expenses must be:

- 4 (1) reported in the district's records; and
- 5 (2) approved by the board. (Acts 69th Leg., R.S., Ch.
6 515, Sec. 4.11.)

7 Sec. 1017.059. VOTING REQUIREMENT. A concurrence of a
8 majority of the directors voting is necessary in any matter
9 relating to district business. (Acts 69th Leg., R.S., Ch. 515, Sec.
10 4.12.)

11 Sec. 1017.060. DISTRICT ADMINISTRATOR. (a) The board may
12 appoint a qualified person as district administrator.

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

15 (c) Before assuming the duties of district administrator,
16 the administrator must execute a bond in the amount set by the board
17 of not less than \$5,000 that is:

- 18 (1) payable to the district; and
- 19 (2) conditioned on the faithful performance of the
20 administrator's duties under this chapter.

21 (d) The board may pay for the bond with district money.
22 (Acts 69th Leg., R.S., Ch. 515, Secs. 4.13(a) (part), (b) (part),
23 (c) (part), (d).)

24 Sec. 1017.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
25 Subject to the limitations prescribed by the board, the district
26 administrator shall:

- 27 (1) supervise the work and activities of the district;

1 and

2 (2) direct the general affairs of the district. (Acts
3 69th Leg., R.S., Ch. 515, Sec. 4.17.)

4 Sec. 1017.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

5 (a) The board may appoint qualified persons as:

6 (1) the assistant district administrator; and

7 (2) the attorney for the district.

8 (b) The assistant district administrator and the attorney
9 for the district serve at the will of the board and are entitled to
10 the compensation determined by the board. (Acts 69th Leg., R.S.,
11 Ch. 515, Secs. 4.13(a) (part), (b) (part), (c) (part).)

12 Sec. 1017.063. APPOINTMENTS AND RECRUITMENT OF STAFF AND
13 EMPLOYEES. (a) The board may appoint to the staff any doctors the
14 board considers necessary for the efficient operation of the
15 district and may make temporary appointments as necessary.

16 (b) The district may employ technicians, nurses, fiscal
17 agents, accountants, architects, additional attorneys, and other
18 necessary employees.

19 (c) The board may delegate to the district administrator the
20 authority to employ persons for the district.

21 (d) The board may spend money to recruit physicians, nurses,
22 or other trained medical personnel. The board may pay the tuition or
23 other costs or expenses of a full-time medical student or nursing
24 student who:

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

27 (2) contractually agrees to become a district employee

1 in return for that assistance. (Acts 69th Leg., R.S., Ch. 515,
2 Secs. 4.14, 4.15, 4.16.)

3 Sec. 1017.064. RETIREMENT BENEFITS. The board may provide
4 retirement benefits for district employees by:

5 (1) establishing or administering a retirement
6 program; or

7 (2) participating in:

8 (A) the Texas County and District Retirement
9 System; or

10 (B) another statewide retirement system in which
11 the district is eligible to participate. (Acts 69th Leg., R.S., Ch.
12 515, Sec. 4.18.)

13 [Sections 1017.065-1017.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 1017.101. DISTRICT RESPONSIBILITY. The district has
16 full responsibility for:

17 (1) operating hospital facilities; and

18 (2) providing medical and hospital care for the
19 district's needy inhabitants. (Acts 69th Leg., R.S., Ch. 515, Sec.
20 5.02 (part).)

21 Sec. 1017.102. RESTRICTION ON CULBERSON COUNTY TAXATION AND
22 DEBT. Culberson County may not impose a tax or issue bonds or other
23 obligations for hospital purposes or to provide medical care for
24 district residents. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.01(b).)

25 Sec. 1017.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
26 The board shall manage, control, and administer the hospital system
27 and the district's money and resources. (Acts 69th Leg., R.S., Ch.

1 515, Sec. 5.03.)

2 Sec. 1017.104. RULES. The board may adopt rules governing:

3 (1) the operation of the hospital and hospital system;

4 and

5 (2) the duties, functions, and responsibilities of
6 district staff and employees. (Acts 69th Leg., R.S., Ch. 515, Sec.
7 5.04.)

8 Sec. 1017.105. PURCHASING AND ACCOUNTING PROCEDURES. The
9 board may prescribe:

10 (1) the method of making purchases and expenditures by
11 and for the district; and

12 (2) accounting and control procedures for the
13 district. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.05.)

14 Sec. 1017.106. MOBILE EMERGENCY MEDICAL SERVICE. The
15 district may operate or provide for the operation of a mobile
16 emergency medical service. (Acts 69th Leg., R.S., Ch. 515, Sec.
17 5.02 (part).)

18 Sec. 1017.107. DISTRICT PROPERTY, FACILITIES, AND
19 EQUIPMENT. (a) The board shall determine the type, number, and
20 location of buildings required to maintain an adequate hospital
21 system and the type of equipment necessary for hospital care. The
22 hospital system may include facilities and equipment to provide for
23 domiciliary care and treatment of geriatric patients.

24 (b) The board may:

25 (1) lease or acquire property, including facilities
26 and equipment, for the use of the district; and

27 (2) mortgage or pledge the property as security for

1 the payment of the purchase price.

2 (c) The board may sell, lease, or otherwise dispose of
3 property, including facilities or equipment, for the district.
4 Sale or other disposal under this subsection must be at a public
5 sale and at a price and on the terms the board determines are most
6 advantageous to the district.

7 (d) The board may donate to another governmental entity or
8 to a charitable organization any surplus personal property or
9 equipment if the donation serves a public purpose and is
10 accompanied by adequate consideration. (Acts 69th Leg., R.S., Ch.
11 515, Sec. 5.06.)

12 Sec. 1017.108. EMINENT DOMAIN. (a) The district may
13 exercise the power of eminent domain to acquire a fee simple or
14 other interest in property located in district territory if the
15 property interest is necessary to exercise a right or authority
16 conferred by this chapter.

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

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

24 (1) pay in advance or provide a bond or other security
25 for costs in the trial court;

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

1 (3) provide a bond for costs or a supersedeas bond on
2 an appeal or writ of error. (Acts 69th Leg., R.S., Ch. 515, Sec.
3 5.09.)

4 Sec. 1017.109. COST OF RELOCATING OR ALTERING PROPERTY. In
5 exercising the power of eminent domain, if the board requires
6 relocating, raising, lowering, rerouting, changing the grade of, or
7 altering the construction of any railroad, highway, pipeline, or
8 electric transmission, telegraph, or telephone line, conduit,
9 pole, or facility, the district must bear the actual cost of
10 relocating, raising, lowering, rerouting, changing the grade, or
11 altering the construction to provide comparable replacement
12 without enhancement of facilities, after deducting the net salvage
13 value derived from the old facility. (Acts 69th Leg., R.S., Ch.
14 515, Sec. 5.10.)

15 Sec. 1017.110. GIFTS AND ENDOWMENTS. The board may accept
16 for the district a gift or endowment to be held in trust for any
17 purpose and under any direction, limitation, or other provision
18 prescribed in writing by the donor that is consistent with the
19 proper management of the district. (Acts 69th Leg., R.S., Ch. 515,
20 Sec. 5.14.)

21 Sec. 1017.111. CONSTRUCTION CONTRACTS. (a) The board may
22 enter into construction contracts for the district.

23 (b) The board may enter into a construction contract that
24 involves the expenditure of more than the amount provided by
25 Section 271.024, Local Government Code, only after competitive
26 bidding as provided by Subchapter B, Chapter 271, Local Government
27 Code. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.07(a).)

1 Sec. 1017.112. OPERATING AND MANAGEMENT CONTRACTS. The
2 board may enter into an operating or management contract relating
3 to a hospital facility for the district. (Acts 69th Leg., R.S., Ch.
4 515, Sec. 5.08.)

5 Sec. 1017.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
6 SERVICES. The board may contract with a political subdivision of
7 the state or with a state or federal agency for the district to:

- 8 (1) furnish a mobile emergency medical service; or
9 (2) provide for the investigatory or welfare needs of
10 district inhabitants. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.13.)

11 Sec. 1017.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
12 When a person who resides in the district is admitted as a patient
13 to a district facility, the district administrator may have an
14 inquiry made into the financial circumstances of:

- 15 (1) the patient; and
16 (2) a relative of the patient who is legally
17 responsible for the patient's support.

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

23 (c) On determining that the patient or a relative legally
24 responsible for the patient's support can pay for all or any part of
25 the care and treatment provided by the district, the district
26 administrator shall report that determination to the board, and the
27 board shall issue an order directing the patient or the relative to

1 pay the district a specified amount each week. The amount must be
2 based on the person's ability to pay.

3 (d) The district administrator may collect the amount owed
4 to the district from the patient's estate or from that of a relative
5 who was legally responsible for the patient's support in the manner
6 provided by law for collection of expenses in the last illness of a
7 deceased person.

8 (e) If there is a dispute relating to a person's ability to
9 pay or if the district administrator has any doubt concerning a
10 person's ability to pay, the board shall:

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

14 (f) The final order of the board may be appealed to a
15 district court in Culberson County. The substantial evidence rule
16 applies to the appeal. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.11.)

17 Sec. 1017.115. REIMBURSEMENT FOR SERVICE. (a) The board
18 shall require a county or municipality located outside the district
19 to reimburse the district for the district's care and treatment of a
20 sick or injured person of that county or municipality.

21 (b) The board shall require the sheriff of Culberson County
22 to reimburse the district for the district's care and treatment of a
23 person who is confined in a jail facility of Culberson County and is
24 not a district resident.

25 (c) On behalf of the district, the board may contract with
26 the state or federal government for that government to reimburse
27 the district for treatment of a sick or injured person. (Acts 69th

1 Leg., R.S., Ch. 515, Sec. 5.12.)

2 Sec. 1017.116. AUTHORITY TO SUE AND BE SUED. The board may
3 sue and be sued on behalf of the district. (Acts 69th Leg., R.S.,
4 Ch. 515, Sec. 5.15.)

5 [Sections 1017.117-1017.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCE PROVISIONS

7 Sec. 1017.151. BUDGET. (a) The district administrator
8 shall prepare a proposed annual budget for the district.

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

- 11 (1) the outstanding obligations of the district;
- 12 (2) the amount of cash on hand in each district fund;
- 13 (3) the amount of money received by the district from
14 all sources during the previous year;
- 15 (4) the amount of money available to the district from
16 all sources during the ensuing year;
- 17 (5) the amount of the balances expected at the end of
18 the year in which the budget is being prepared;
- 19 (6) the estimated amount of revenue and balances
20 available to cover the proposed budget; and
- 21 (7) the estimated tax rate required. (Acts 69th Leg.,
22 R.S., Ch. 515, Sec. 6.04.)

23 Sec. 1017.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
24 The board shall hold a public hearing on the proposed annual budget.

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

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

3 (d) At the conclusion of the hearing, the board shall adopt
4 a budget by acting on the budget proposed by the district
5 administrator. The board may make any changes in the proposed
6 budget that the board determines to be in the interests of the
7 taxpayers.

8 (e) The budget is effective only after adoption by the
9 board. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.05.)

10 Sec. 1017.153. AMENDMENTS TO BUDGET. After adoption, the
11 annual budget may be amended on the board's approval. (Acts 69th
12 Leg., R.S., Ch. 515, Sec. 6.06.)

13 Sec. 1017.154. RESTRICTION ON EXPENDITURES. Money may be
14 spent only for an expense included in the budget or an amendment to
15 the budget. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.07.)

16 Sec. 1017.155. FISCAL YEAR. (a) The district operates on a
17 fiscal year established by the board.

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

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

21 (2) more than once in a 24-month period. (Acts 69th
22 Leg., R.S., Ch. 515, Sec. 6.01.)

23 Sec. 1017.156. ANNUAL AUDIT. The board annually shall have
24 an audit made of the district's financial condition. (Acts 69th
25 Leg., R.S., Ch. 515, Sec. 6.02.)

26 Sec. 1017.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
27 RECORDS. The annual audit and other district records shall be open

1 to inspection during regular business hours at the district's
2 principal office. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.03.)

3 Sec. 1017.158. FINANCIAL REPORT. As soon as practicable
4 after the close of the fiscal year, the district administrator
5 shall prepare for the board:

6 (1) a sworn statement of the amount of district money;
7 and

8 (2) an account of the disbursements of that money.
9 (Acts 69th Leg., R.S., Ch. 515, Sec. 6.08.)

10 Sec. 1017.159. DEPOSITORY. (a) The board shall select at
11 least one bank to serve as a depository for district money.

12 (b) District money, other than money invested as provided by
13 Section 1017.160(b) and money transmitted to a bank for payment of
14 bonds or obligations issued or assumed by the district, shall be
15 deposited as received with the depository bank and shall remain on
16 deposit. This subsection does not limit the power of the board to
17 place a part of district money on time deposit or to purchase
18 certificates of deposit.

19 (c) The district may not deposit money with a bank in an
20 amount that exceeds the maximum amount secured by the Federal
21 Deposit Insurance Corporation unless the bank first executes a bond
22 or other security in an amount sufficient to secure from loss the
23 district money that exceeds the amount secured by the Federal
24 Deposit Insurance Corporation. (Acts 69th Leg., R.S., Ch. 515,
25 Sec. 6.10.)

26 Sec. 1017.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
27 Except as provided by this section and Sections 1017.063(d),

1 1017.111, 1017.201, 1017.204, and 1017.205, the district may not
2 incur a debt payable from district revenue other than the revenue on
3 hand or to be on hand in the current and immediately following
4 district fiscal years.

5 (b) The board may invest operating, depreciation, or
6 building reserves only in funds or securities specified by Chapter
7 2256, Government Code. (Acts 69th Leg., R.S., Ch. 515, Secs.
8 6.09(a), (b).)

9 Sec. 1017.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
10 The board may borrow money at a rate of not more than 10 percent a
11 year on district notes to pay the obligations if the board declares
12 that money is not available to meet authorized district
13 obligations, which creates an emergency.

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

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

17 (2) a district tax to be imposed by the district in the
18 next 12-month period that is not pledged to pay the principal of or
19 interest on district bonds; or

20 (3) district bonds that have been authorized but not
21 sold.

22 (c) A loan for which taxes or bonds are pledged must mature
23 not later than the first anniversary of the date the loan is made. A
24 loan for which district revenue is pledged must mature not later
25 than the fifth anniversary of the date the loan is made.

26 (d) Money obtained from a loan under this section may be
27 spent only for:

1 (1) a purpose for which the board declared an
2 emergency; and

3 (2) if district taxes or bonds are pledged to pay the
4 loan, the purposes for which the taxes were imposed or the bonds
5 were authorized. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.09(c).)

6 [Sections 1017.162-1017.200 reserved for expansion]

7 SUBCHAPTER E. BONDS

8 Sec. 1017.201. GENERAL OBLIGATION BONDS. If authorized by
9 an election, the board may issue and sell general obligation bonds
10 in the name and on the faith and credit of the district to:

11 (1) purchase, construct, acquire, repair, or renovate
12 buildings or improvements;

13 (2) equip buildings or improvements for hospital
14 purposes; or

15 (3) acquire and operate a mobile emergency medical
16 service. (Acts 69th Leg., R.S., Ch. 515, Sec. 7.01.)

17 Sec. 1017.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
18 the time general obligation bonds are issued by the district under
19 Section 1017.201, the board shall impose an ad valorem tax at a rate
20 sufficient to create an interest and sinking fund to pay the
21 principal of and interest on the bonds as the bonds mature.

22 (b) The tax required by this section together with any other
23 ad valorem tax the district imposes may not in any year exceed the
24 limit approved by the voters at the election authorizing the
25 imposition of a tax. (Acts 69th Leg., R.S., Ch. 515, Sec. 7.02.)

26 Sec. 1017.203. GENERAL OBLIGATION BOND ELECTION. (a) The
27 district may issue general obligation bonds only if the bonds are

1 authorized by a majority of the district voters.

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

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

4 (1) the nature and date of the election;

5 (2) the hours during which the polls will be open;

6 (3) the location of the polling places;

7 (4) the amount of the bonds to be authorized; and

8 (5) the maximum maturity of the bonds.

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

11 (e) The board shall declare the results of the election.
12 (Acts 69th Leg., R.S., Ch. 515, Sec. 7.03.)

13 Sec. 1017.204. REVENUE BONDS. (a) The board may issue
14 revenue bonds to:

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

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

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

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

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

26 (d) The bonds must be issued in the manner provided by
27 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety

1 Code, for issuance of revenue bonds by a county hospital authority.
2 (Acts 69th Leg., R.S., Ch. 515, Sec. 7.04.)

3 Sec. 1017.205. REFUNDING BONDS. (a) The board may issue
4 refunding bonds to refund outstanding indebtedness issued or
5 assumed by the district.

6 (b) A refunding bond may be:

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

9 (2) exchanged wholly or partly for not less than a
10 similar principal amount of outstanding indebtedness. (Acts 69th
11 Leg., R.S., Ch. 515, Secs. 7.05(a), (c) (part).)

12 Sec. 1017.206. MATURITY OF BONDS. District bonds must
13 mature not later than 50 years after the date of issuance. (Acts
14 69th Leg., R.S., Ch. 515, Sec. 7.06 (part).)

15 Sec. 1017.207. EXECUTION OF BONDS. (a) The board president
16 shall execute district bonds in the district's name.

17 (b) The board secretary shall countersign the bonds in the
18 manner provided by Chapter 618, Government Code. (Acts 69th Leg.,
19 R.S., Ch. 515, Sec. 7.07.)

20 Sec. 1017.208. BONDS EXEMPT FROM TAXATION. The following
21 are exempt from taxation by this state or a political subdivision of
22 this state:

23 (1) bonds issued by the district;

24 (2) any transaction relating to the bonds; and

25 (3) profits made in the sale of the bonds. (Acts 69th
26 Leg., R.S., Ch. 515, Sec. 7.11 (part).)

27 [Sections 1017.209-1017.250 reserved for expansion]

SUBCHAPTER F. AD VALOREM TAX

1
2 Sec. 1017.251. IMPOSITION OF AD VALOREM TAX. (a) The board
3 may impose a tax on all property in the district subject to district
4 taxation.

5 (b) The tax may be used to pay:

- 6 (1) indebtedness issued or assumed by the district;
7 and
8 (2) the maintenance and operating expenses of the
9 district.

10 (c) The district may not impose a tax to pay the principal of
11 or interest on revenue bonds issued under this chapter. (Acts 69th
12 Leg., R.S., Ch. 515, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

13 Sec. 1017.252. TAX RATE. (a) The board may impose the tax
14 at a rate not to exceed the limit approved by the voters at the
15 election authorizing the imposition of the tax.

16 (b) The tax rate for all purposes may not exceed 75 cents on
17 each \$100 valuation of all taxable property in the district.

18 (c) In setting the tax rate, the board shall consider the
19 income of the district from sources other than taxation. (Acts 69th
20 Leg., R.S., Ch. 515, Secs. 8.01(a) (part), (b), 8.03 (part).)

21 Sec. 1017.253. TAX ASSESSOR-COLLECTOR. The board may
22 provide for the appointment of a tax assessor-collector for the
23 district or may contract for the assessment and collection of taxes
24 as provided by the Tax Code. (Acts 69th Leg., R.S., Ch. 515, Sec.
25 8.04(b).)

1 CHAPTER 1018. DALLAM-HARTLEY COUNTIES HOSPITAL DISTRICT

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20 [Sections 1018.162-1018.200 reserved for expansion]

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22 Sec. 1018.201. GENERAL OBLIGATION BONDS

23 Sec. 1018.202. TAX TO PAY GENERAL OBLIGATION BONDS

24 Sec. 1018.203. GENERAL OBLIGATION BOND ELECTION

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5 Sec. 1018.251. IMPOSITION OF AD VALOREM TAX

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11 CHAPTER 1018. DALLAM-HARTLEY COUNTIES HOSPITAL DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 1018.001. DEFINITIONS. In this chapter:

14 (1) "Board" means the board of directors of the
15 district.

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

17 (3) "District" means the Dallam-Hartley Counties
18 Hospital District. (New.)

19 Sec. 1018.002. AUTHORITY FOR OPERATION. The district
20 operates and is administered and financed in accordance with
21 Section 9, Article IX, Texas Constitution, and has the rights,
22 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,
23 Ch. 128, Sec. 1 (part).)

24 Sec. 1018.003. ESSENTIAL PUBLIC FUNCTION. The district
25 performs an essential public function in carrying out the purposes
26 of this chapter. (Acts 66th Leg., R.S., Ch. 128, Sec. 19 (part).)

27 Sec. 1018.004. DISTRICT TERRITORY. The boundaries of the

1 district are coextensive with the boundaries of Dallam and Hartley
2 Counties, Texas, except that the district does not include land
3 located in another hospital district on the date the Dallam-Hartley
4 Counties Hospital District was created. (Acts 66th Leg., R.S., Ch.
5 128, Sec. 1 (part).)

6 Sec. 1018.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
7 OBLIGATION. The support or maintenance of the district may not
8 become a charge against or obligation of this state. (Acts 66th
9 Leg., R.S., Ch. 128, Sec. 18 (part).)

10 Sec. 1018.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
11 The legislature may not make a direct appropriation for the
12 construction, maintenance, or improvement of a district facility.
13 (Acts 66th Leg., R.S., Ch. 128, Sec. 18 (part).)

14 [Sections 1018.007-1018.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1018.051. BOARD APPOINTMENT; TERM. (a) The board
17 consists of seven directors appointed as follows:

18 (1) three directors appointed by the Commissioners
19 Court of Dallam County;

20 (2) three directors appointed by the Commissioners
21 Court of Hartley County; and

22 (3) one director jointly appointed by the six
23 directors appointed under Subdivisions (1) and (2).

24 (b) The directors shall make an appointment under
25 Subsection (a)(3) not later than the 20th day after the date the
26 last director is appointed under Subsection (a)(1) or (2).

27 (c) A successor director is appointed in the same manner as

1 the initial director.

2 (d) Directors serve staggered two-year terms. (Acts 66th
3 Leg., R.S., Ch. 128, Sec. 3(e) (part).)

4 Sec. 1018.052. QUALIFICATIONS FOR OFFICE. (a) A person may
5 not be appointed as a director unless the person is:

6 (1) a district resident; and

7 (2) a qualified voter.

8 (b) A person is not eligible to serve as a director if the
9 person is:

10 (1) the district administrator;

11 (2) the attorney for the district; or

12 (3) a district employee. (Acts 66th Leg., R.S., Ch.
13 128, Sec. 3(g).)

14 Sec. 1018.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
15 OF OFFICE. (a) Each director shall execute a good and sufficient
16 bond for \$5,000 that is:

17 (1) approved by the commissioners courts of Dallam and
18 Hartley Counties;

19 (2) payable to the district; and

20 (3) conditioned on the faithful performance of the
21 director's duties.

22 (b) The district may provide for a director's bond with
23 district money.

24 (c) Each director's bond and constitutional oath or
25 affirmation of office shall be kept in the district's permanent
26 records. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(f).)

27 Sec. 1018.054. BOARD VACANCY. A vacancy in the office of

1 director shall be filled for the unexpired term by appointment in
2 the same manner as the office was previously filled under Section
3 1018.051. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(e) (part).)

4 Sec. 1018.055. OFFICERS. (a) The board shall elect:

5 (1) a president and a vice president from among its
6 members; and

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

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

9 (c) The board shall fill a vacancy in a board office for the
10 unexpired term. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(h) (part).)

11 Sec. 1018.056. COMPENSATION; EXPENSES. A director or
12 officer serves without compensation but may be reimbursed for
13 actual expenses incurred in the performance of official duties.
14 The expenses must be:

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

16 (2) approved by the board. (Acts 66th Leg., R.S., Ch.
17 128, Sec. 3(h) (part).)

18 Sec. 1018.057. VOTING REQUIREMENT. A concurrence of four
19 directors is sufficient in any matter relating to district
20 business. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(h) (part).)

21 Sec. 1018.058. DISTRICT ADMINISTRATOR. (a) The board may
22 appoint a qualified person as district administrator.

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

25 (c) On assuming the duties of district administrator, the
26 administrator shall execute a bond payable to the district in an
27 amount set by the board of not less than \$5,000 that:

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

3 (2) contains other conditions the board may require.
4 (Acts 66th Leg., R.S., Ch. 128, Sec. 4(a) (part).)

5 Sec. 1018.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
6 Subject to the limitations prescribed by the board, the district
7 administrator shall:

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

10 (2) direct the affairs of the district. (Acts 66th
11 Leg., R.S., Ch. 128, Sec. 4(a) (part).)

12 Sec. 1018.060. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR.

13 (a) The board may appoint qualified persons as:

14 (1) the attorney for the district; and

15 (2) the assistant district administrator.

16 (b) The attorney for the district and the assistant district
17 administrator serve at the will of the board and are entitled to the
18 compensation determined by the board. (Acts 66th Leg., R.S., Ch.
19 128, Sec. 4(a) (part).)

20 Sec. 1018.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
21 board may appoint to the staff any doctors the board considers
22 necessary for the efficient operation of the district and may make
23 temporary appointments as necessary.

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

26 (c) The board may delegate to the district administrator the
27 authority to hire district employees, including technicians and

1 nurses. (Acts 66th Leg., R.S., Ch. 128, Secs. 4(a) (part), 14.)

2 Sec. 1018.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

3 The board may spend district money, enter into agreements, and take
4 other necessary action to recruit physicians and other persons for
5 appointment to the district's medical staff or for employment with
6 the district, including:

7 (1) advertising and marketing;

8 (2) paying travel, recruiting, and relocation
9 expenses;

10 (3) providing a loan or scholarship to a physician or
11 other person who:

12 (A) is currently enrolled in health care
13 education courses at an institution of higher education; and

14 (B) contractually agrees to become a district
15 employee; and

16 (4) providing on a rent-free basis or subsidizing the
17 cost of office space or other facilities for a health care
18 professional, including a physician. (Acts 66th Leg., R.S., Ch.
19 128, Sec. 4B(a).)

20 Sec. 1018.063. HEALTH CARE EDUCATIONAL PROGRAMS. The board
21 may spend district money, enter into agreements, or take other
22 necessary action to conduct, participate in, or assist in providing
23 health care educational programs for current or prospective staff
24 members or employees. (Acts 66th Leg., R.S., Ch. 128, Sec. 4B(b).)

25 Sec. 1018.064. LIABILITY INSURANCE; INDEMNIFICATION. (a)
26 For an officer, director, board appointee, member of the medical
27 staff, or district employee, the board may:

1 (1) purchase and maintain liability insurance to
2 protect the person from any liability that arises from performing a
3 duty for the district or at a district facility; and

4 (2) enter into and perform an agreement to defend or
5 indemnify the person with regard to a claim, cost, expense, or
6 liability resulting from duties performed for the district or at a
7 district facility.

8 (b) The board may establish a self-insurance program to fund
9 an indemnity obligation. (Acts 66th Leg., R.S., Ch. 128, Secs.
10 4(b), (c).)

11 [Sections 1018.065-1018.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1018.101. DISTRICT RESPONSIBILITY. The district has
14 full responsibility for:

15 (1) operating all hospital facilities; and

16 (2) providing medical and hospital care for the
17 district's needy inhabitants. (Acts 66th Leg., R.S., Ch. 128, Sec.
18 17 (part).)

19 Sec. 1018.102. RESTRICTION ON POLITICAL SUBDIVISION
20 TAXATION AND DEBT. A political subdivision located wholly or
21 partly within the district may not impose a tax or issue bonds or
22 other obligations for hospital purposes or to provide medical care
23 for district residents. (Acts 66th Leg., R.S., Ch. 128, Sec. 17
24 (part).)

25 Sec. 1018.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
26 The board shall manage, control, and administer the hospital system
27 and the district's money and resources. (Acts 66th Leg., R.S., Ch.

1 128, Sec. 4(a) (part).)

2 Sec. 1018.104. HOSPITAL SYSTEM. (a) The district may:

3 (1) provide for the establishment of a hospital system
4 by:

5 (A) purchasing, constructing, acquiring,
6 repairing, or renovating buildings and equipment;

7 (B) equipping the buildings; and

8 (C) administering the system for hospital
9 purposes; or

10 (2) provide hospital services by lease or contract.

11 (b) The hospital system may include any facilities the board
12 considers necessary for hospital care. (Acts 66th Leg., R.S., Ch.
13 128, Secs. 2 (part), 8(a) (part).)

14 Sec. 1018.105. RULES. The board may adopt rules governing
15 the operation of the hospital, the hospital system, and the
16 district's staff and employees. (Acts 66th Leg., R.S., Ch. 128,
17 Sec. 4(a) (part).)

18 Sec. 1018.106. PURCHASING AND ACCOUNTING PROCEDURES. The
19 board may prescribe:

20 (1) the method and manner of making purchases and
21 expenditures by and for the district; and

22 (2) all accounting and control procedures. (Acts 66th
23 Leg., R.S., Ch. 128, Sec. 8(b) (part).)

24 Sec. 1018.107. DISTRICT PROPERTY, FACILITIES, AND
25 EQUIPMENT. (a) The board shall determine the type, number, and
26 location of buildings required to maintain an adequate hospital
27 system.

1 (b) The board may lease all or part of the district's
2 facilities on terms considered to be in the best interest of the
3 district's inhabitants.

4 (c) The board may:

5 (1) acquire by lease, purchase, lease to purchase, or
6 option to purchase property, including facilities, supplies, or
7 equipment, for the district; and

8 (2) mortgage or pledge the property or the revenue
9 from the property as security for the payment of the purchase price.

10 (d) The district may sell, lease, or otherwise dispose of
11 any of the district's property, including equipment, on terms the
12 board finds are in the best interest of the district's inhabitants.
13 (Acts 66th Leg., R.S., Ch. 128, Secs. 8(a) (part), (b) (part).)

14 Sec. 1018.108. ASSISTED LIVING FACILITY. The board may
15 construct and maintain an assisted living facility and a related
16 facility that is necessary to operate and maintain an assisted
17 living facility. (Acts 66th Leg., R.S., Ch. 128, Sec. 8(a) (part).)

18 Sec. 1018.109. EMINENT DOMAIN. (a) The district may
19 exercise the power of eminent domain to acquire a fee simple or
20 other interest in any type of property located in district
21 territory if the interest is necessary or convenient for the
22 district to exercise a power, right, or privilege conferred by this
23 chapter.

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

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

3 (1) pay in advance or provide a bond or other security
4 for costs in the trial court;

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

7 (3) provide a bond for costs or a supersedeas bond on
8 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 128, Sec.
9 12(a).)

10 Sec. 1018.110. COST OF RELOCATING OR ALTERING PROPERTY. In
11 exercising the power of eminent domain, if the board requires
12 relocating, raising, lowering, rerouting, changing the grade of, or
13 altering the construction of any railroad, electric transmission,
14 telegraph or telephone line, conduit, pole, or facility, or
15 pipeline, the district must bear the actual cost of relocating,
16 raising, lowering, rerouting, changing the grade, or altering the
17 construction to provide comparable replacement without enhancement
18 of facilities, after deducting the net salvage value derived from
19 the old facility. (Acts 66th Leg., R.S., Ch. 128, Sec. 12(b).)

20 Sec. 1018.111. GIFTS AND ENDOWMENTS. The board may accept
21 for the district a gift or endowment to be held in trust for the
22 purposes and under the directions, limitations, or other provisions
23 prescribed in writing by the donor that are consistent with the
24 proper management and objectives of the district. (Acts 66th Leg.,
25 R.S., Ch. 128, Sec. 16.)

26 Sec. 1018.112. CONSTRUCTION CONTRACTS. A construction
27 contract that involves the expenditure of the amount specified by

1 Section 271.024, Local Government Code, may be made only after
2 advertising in the manner provided by Subchapter B, Chapter 271,
3 Local Government Code. (Acts 66th Leg., R.S., Ch. 128, Sec. 8(b)
4 (part).)

5 Sec. 1018.113. OPERATING AND MANAGEMENT CONTRACTS. The
6 board may enter into an operating or management contract relating
7 to a district facility. (Acts 66th Leg., R.S., Ch. 128, Sec. 8(a)
8 (part).)

9 Sec. 1018.114. CONTRACTS FOR MEDICAL AND HOSPITAL CARE.
10 The district may contract with public or private institutions and
11 physicians to provide medical and hospital care for the district's
12 indigent and needy residents. (Acts 66th Leg., R.S., Ch. 128, Sec.
13 8(a) (part).)

14 Sec. 1018.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
15 CARE AND TREATMENT. (a) The board may contract with a county or
16 municipality located outside the district's boundaries to
17 reimburse the district for the care and treatment of a sick or
18 injured person of that county or municipality.

19 (b) The district may contract with this state or a federal
20 agency for reimbursement for the treatment of a sick or injured
21 person. (Acts 66th Leg., R.S., Ch. 128, Sec. 4(a) (part).)

22 Sec. 1018.116. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
23 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
24 political subdivision or governmental agency for the district to
25 provide investigatory or other services as to facilities for the
26 medical care, hospital, or welfare needs of district inhabitants.
27 (Acts 66th Leg., R.S., Ch. 128, Sec. 4(a) (part).)

1 Sec. 1018.117. JOINT ADMINISTRATION OR DELIVERY OF HEALTH
2 CARE SERVICES. (a) To provide joint administration or delivery of
3 health care services, the district may contract with, affiliate
4 with, have an ownership interest in, or enter into another
5 arrangement with:

- 6 (1) a managed care system;
7 (2) a preferred provider organization;
8 (3) a health maintenance organization;
9 (4) a medical services organization;
10 (5) another provider of alternative health care or
11 delivery system; or
12 (6) a private hospital.

13 (b) The district may spend district money to establish,
14 maintain, and have an ownership interest in a partnership,
15 corporation, or other entity involved in the delivery of health
16 care services. (Acts 66th Leg., R.S., Ch. 128, Sec. 4(d).)

17 Sec. 1018.118. PAYMENT FOR TREATMENT; PROCEDURES. (a)
18 When a patient who resides in the district is admitted to a district
19 facility, the district administrator may have an inquiry made into
20 the circumstances of:

- 21 (1) the patient; and
22 (2) the patient's relatives who are legally liable for
23 the patient's support.

24 (b) If the district administrator determines that the
25 patient or those relatives cannot pay all or part of the costs of
26 the care and treatment in the hospital, the amount of the costs that
27 cannot be paid becomes a charge against the district.

1 (c) If the district administrator determines that the
2 patient or those relatives can pay for all or part of the costs of
3 the patient's care and treatment, the patient or those relatives
4 shall be ordered to pay the district a specified amount each week
5 for the patient's care and support. The amount ordered must be
6 proportionate to the person's financial ability.

7 (d) The district administrator may collect the amount from
8 the patient's estate, or from any relative who is legally liable for
9 the patient's support, in the manner provided by law for the
10 collection of expenses of the last illness of a deceased person.

11 (e) If there is a dispute as to the ability to pay, or doubt
12 in the mind of the district administrator, the board shall hold a
13 hearing and, after calling witnesses, shall:

14 (1) resolve the dispute or doubt; and

15 (2) issue a final order.

16 (f) A final order of the board may be appealed to the
17 district court. The substantial evidence rule applies to the
18 appeal. (Acts 66th Leg., R.S., Ch. 128, Sec. 15.)

19 Sec. 1018.119. NONPROFIT CORPORATION. (a) The district
20 may create, sponsor, and have a membership interest in a nonprofit
21 corporation under the Business Organizations Code and may
22 contribute money to or solicit money for the corporation.

23 (a-1) On or before December 31, 2009, the district may
24 create, sponsor, and have a membership interest in a nonprofit
25 corporation under the Texas Non-Profit Corporation Act (Article
26 1396-1.01, et seq., Vernon's Texas Civil Statutes) or the Business
27 Organizations Code, as applicable, and may contribute money to or

1 solicit money for the corporation.

2 (b) The corporation created may use money, other than money
3 the corporation pays to the district, only to provide health care or
4 other services the district is authorized to provide under this
5 chapter.

6 (c) The corporation may invest the corporation's money in
7 any manner in which the district may invest the district's money,
8 including investing money as authorized by Chapter 2256, Government
9 Code.

10 (d) The board shall establish controls to ensure that the
11 corporation uses its money as required by this section.

12 (e) This subsection and Subsection (a-1) expire December
13 31, 2009. (Acts 66th Leg., R.S., Ch. 128, Sec. 4(e).)

14 Sec. 1018.120. AUTHORITY TO SUE AND BE SUED. The district,
15 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.
16 128, Sec. 4(a) (part).)

17 [Sections 1018.121-1018.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 1018.151. BUDGET. (a) The district administrator
20 shall prepare an annual budget for approval by the board.

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

23 (1) the outstanding obligations of the district;

24 (2) the cash on hand in each district fund;

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

27 (4) the money available to the district from all

1 sources during the ensuing year;

2 (5) the balances expected at the end of the year in
3 which the budget is being prepared;

4 (6) the estimated revenue and balances available to
5 cover the proposed budget; and

6 (7) the estimated tax rate required. (Acts 66th Leg.,
7 R.S., Ch. 128, Sec. 5 (part).)

8 Sec. 1018.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
9 The board shall hold a public hearing on the proposed annual budget.

10 (b) Notice of the hearing must be published one time in a
11 newspaper with general circulation in the district at least 10 days
12 before the date of the hearing.

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

15 (d) At the conclusion of the hearing, the board shall adopt
16 a budget by acting on the budget proposed by the district
17 administrator. The board may make any changes in the proposed
18 budget that the board judges to be in the interests of the taxpayers
19 and that the law warrants. (Acts 66th Leg., R.S., Ch. 128, Sec. 5
20 (part).)

21 Sec. 1018.153. AMENDMENTS TO BUDGET. The budget may be
22 amended as required by circumstances. The board must approve all
23 amendments. (Acts 66th Leg., R.S., Ch. 128, Sec. 5 (part).)

24 Sec. 1018.154. RESTRICTION ON EXPENDITURES. Money may be
25 spent only for an expense included in the budget or an amendment to
26 the budget. (Acts 66th Leg., R.S., Ch. 128, Sec. 5 (part).)

27 Sec. 1018.155. FISCAL YEAR. (a) The district operates on a

1 fiscal year established by the board.

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

3 (1) during the time revenue bonds of the district are
4 outstanding; or

5 (2) more than once in a 24-month period. (Acts 66th
6 Leg., R.S., Ch. 128, Sec. 5 (part).)

7 Sec. 1018.156. ANNUAL AUDIT. The board annually shall have
8 an audit made of the district's financial condition. (Acts 66th
9 Leg., R.S., Ch. 128, Sec. 5 (part).)

10 Sec. 1018.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
11 RECORDS. The annual audit and other district records shall be open
12 to inspection at the district's principal office. (Acts 66th Leg.,
13 R.S., Ch. 128, Sec. 5 (part).)

14 Sec. 1018.158. FINANCIAL REPORT. As soon as practicable
15 after the close of each fiscal year, the district administrator
16 shall prepare for the board:

17 (1) a complete sworn statement of all district money;
18 and

19 (2) a complete account of the disbursements of that
20 money. (Acts 66th Leg., R.S., Ch. 128, Sec. 5 (part).)

21 Sec. 1018.159. DEPOSITORY. (a) The board shall select one
22 or more banks inside or outside the district to serve as a
23 depository for district money.

24 (b) District money, other than money invested as provided by
25 Section 1018.160(b) and money transmitted to a bank for payment of
26 bonds or obligations issued or assumed by the district, shall be
27 deposited as received with the depository bank and shall remain on

1 deposit.

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

5 (d) The district may not deposit money with a bank in an
6 amount that exceeds the maximum amount secured by the Federal
7 Deposit Insurance Corporation unless the bank first executes a bond
8 or other security in an amount sufficient to secure from loss the
9 district money that exceeds the amount secured by the Federal
10 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 128,
11 Sec. 9.)

12 Sec. 1018.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
13 Except as otherwise provided by Sections 1018.107(c) and 1018.161
14 and Subchapter E, the district may not incur an obligation payable
15 from district revenue other than the revenue on hand or to be on
16 hand in the current and following district fiscal years.

17 (b) The board may invest operating, depreciation, or
18 building reserves only in funds or securities specified by Chapter
19 2256, Government Code. (Acts 66th Leg., R.S., Ch. 128, Secs. 4(a)
20 (part), 8(b) (part).)

21 Sec. 1018.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
22 The board may borrow money for district operating expenses in an
23 amount not to exceed the amount of tax or other revenue the district
24 expects to receive during the fiscal year in which the money is
25 borrowed.

26 (b) To repay the debt, the district may pledge all or part of
27 the tax or other revenue received during the fiscal year in which

1 the board borrows money under this section. (Acts 66th Leg., R.S.,
2 Ch. 128, Sec. 4A.)

3 [Sections 1018.162-1018.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1018.201. GENERAL OBLIGATION BONDS. The board may
6 issue and sell general obligations bonds in the name and on the
7 faith and credit of the district for any purpose relating to:

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

10 (2) equipping buildings or improvements for hospital
11 purposes. (Acts 66th Leg., R.S., Ch. 128, Sec. 6(a) (part).)

12 Sec. 1018.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
13 the time general obligation bonds are issued by the district under
14 Section 1018.201, the board shall impose an ad valorem tax at a rate
15 sufficient to create an interest and sinking fund to pay the
16 principal of and interest on the bonds as the bonds mature.

17 (b) The tax required by this section together with any other
18 ad valorem tax the district imposes may not in any year exceed 75
19 cents on each \$100 valuation of all taxable property in the
20 district. (Acts 66th Leg., R.S., Ch. 128, Sec. 6(a) (part).)

21 Sec. 1018.203. GENERAL OBLIGATION BOND ELECTION. (a) The
22 district may issue general obligation bonds only if the bonds are
23 authorized by a majority of the district voters.

24 (b) The board, in ordering the election, shall provide for
25 clerks as in county elections and specify:

26 (1) the date of the election;

27 (2) the location of the polling places;

1 (3) the presiding and alternate election judges for
2 each polling place;

3 (4) the amount of the bonds to be authorized; and

4 (5) the maximum maturity of the bonds.

5 (c) Notice of a bond election shall be given as provided by
6 Section 1251.003, Government Code.

7 (d) Chapter 41, Election Code, does not apply to an election
8 held under this section.

9 (e) The board shall declare the results of the election.
10 (Acts 66th Leg., R.S., Ch. 128, Sec. 6(a) (part).)

11 Sec. 1018.204. MATURITY OF GENERAL OBLIGATION BONDS.
12 District general obligation bonds must mature not later than 40
13 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 128,
14 Sec. 6(c) (part).)

15 Sec. 1018.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
16 The board president shall execute the general obligation bonds in
17 the district's name.

18 (b) The board secretary shall countersign the bonds in the
19 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,
20 R.S., Ch. 128, Sec. 6(c) (part).)

21 Sec. 1018.206. REVENUE BONDS. (a) The board may issue
22 revenue bonds to:

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

25 (2) acquire sites to be used for hospital purposes.

26 (b) The bonds must be payable from and secured by a pledge of
27 all or part of the revenue derived from the operation of the

1 district's hospitals.

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

4 (d) The bonds must be issued in the manner and in accordance
5 with the procedures and requirements prescribed by Sections
6 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
7 issuance of revenue bonds by a county hospital authority. (Acts
8 66th Leg., R.S., Ch. 128, Sec. 7 (part).)

9 Sec. 1018.207. REFUNDING BONDS. (a) The board may, without
10 an election, issue refunding bonds to refund outstanding
11 indebtedness issued or assumed by the district.

12 (b) A refunding bond may be:

13 (1) sold, with the proceeds of the refunding bond
14 applied to the payment of the outstanding indebtedness; or

15 (2) exchanged wholly or partly for not less than a
16 similar principal amount of outstanding indebtedness. (Acts 66th
17 Leg., R.S., Ch. 128, Secs. 6(a) (part), (b) (part), 7 (part).)

18 Sec. 1018.208. BONDS EXEMPT FROM TAXATION. The following
19 are exempt from taxation by this state or a political subdivision of
20 this state:

21 (1) bonds issued by the district;

22 (2) the transfer and issuance of the bonds; and

23 (3) profits made in the sale of the bonds. (Acts 66th
24 Leg., R.S., Ch. 128, Sec. 19 (part).)

25 [Sections 1018.209-1018.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1018.251. IMPOSITION OF AD VALOREM TAX. (a) The board

1 may impose a tax on all property in the district subject to district
2 taxation.

3 (b) The board may impose the tax to pay:

4 (1) indebtedness issued or assumed by the district;
5 and

6 (2) the construction, maintenance, equipment, and
7 operating expenses of the district.

8 (c) The district may not impose a tax to pay the principal of
9 or interest on revenue bonds issued under this chapter. (Acts 66th
10 Leg., R.S., Ch. 128, Secs. 10(a) (part), 13(a) (part).)

11 Sec. 1018.252. TAX RATE. (a) The board may impose the tax
12 at a rate not to exceed 75 cents on each \$100 valuation of all
13 taxable property in the district.

14 (b) In setting the tax rate, the board shall consider the
15 income of the district from sources other than taxation. (Acts 66th
16 Leg., R.S., Ch. 128, Secs. 3(b) (part), 10(a) (part), (b) (part).)

17 Sec. 1018.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
18 ASSESSOR-COLLECTOR. (a) This section applies unless the board
19 elects to have taxes assessed and collected under Section 1018.254.

20 (b) The tax assessors-collectors of Dallam and Hartley
21 Counties shall assess and collect taxes imposed by the district in
22 their respective counties. (Acts 66th Leg., R.S., Ch. 128, Secs.
23 13(a) (part), (b) (part).)

24 Sec. 1018.254. ASSESSMENT AND COLLECTION BY DISTRICT
25 ASSESSOR-COLLECTOR. (a) The board, by majority vote, may elect to
26 have district taxes assessed and collected by a tax
27 assessor-collector appointed by the board. An election under this

1 subsection must be made by December 1 and governs the manner in
2 which taxes are assessed and collected, until changed by a similar
3 resolution.

4 (b) The district tax assessor-collector must reside in the
5 district.

6 (c) The board shall set for the district tax
7 assessor-collector:

8 (1) the term of employment; and

9 (2) compensation. (Acts 66th Leg., R.S., Ch. 128,
10 Secs. 13(a) (part), (c) (part).)

11 CHAPTER 1019. DARROUZETT HOSPITAL DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 1019.001. DEFINITIONS

14 Sec. 1019.002. AUTHORITY FOR OPERATION

15 Sec. 1019.003. POLITICAL SUBDIVISION

16 Sec. 1019.004. DISTRICT TERRITORY

17 Sec. 1019.005. CORRECTION OF INVALID PROCEDURES

18 [Sections 1019.006-1019.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1019.051. BOARD ELECTION; TERM

21 Sec. 1019.052. BOARD VACANCY

22 Sec. 1019.053. OFFICERS

23 Sec. 1019.054. COMPENSATION; EXPENSES

24 Sec. 1019.055. EMPLOYEES

25 Sec. 1019.056. MAINTENANCE OF RECORDS; PUBLIC

26 INSPECTION

27 Sec. 1019.057. SEAL

1 [Sections 1019.058-1019.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1019.101. DISTRICT RESPONSIBILITY

4 Sec. 1019.102. RESTRICTION ON TAXATION AND DEBT BY

5 OTHER ENTITY

6 Sec. 1019.103. MANAGEMENT AND CONTROL

7 Sec. 1019.104. HOSPITAL SYSTEM

8 Sec. 1019.105. RULES

9 Sec. 1019.106. PURCHASING AND ACCOUNTING PROCEDURES

10 Sec. 1019.107. EMINENT DOMAIN

11 Sec. 1019.108. GIFTS AND ENDOWMENTS

12 Sec. 1019.109. PAYMENT FOR TREATMENT; PROCEDURES

13 Sec. 1019.110. AUTHORITY TO SUE AND BE SUED

14 [Sections 1019.111-1019.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1019.151. BUDGET

17 Sec. 1019.152. PROPOSED BUDGET: NOTICE AND HEARING

18 Sec. 1019.153. FISCAL YEAR

19 Sec. 1019.154. ANNUAL AUDIT

20 Sec. 1019.155. DEPOSITORY OR TREASURER

21 [Sections 1019.156-1019.200 reserved for expansion]

22 SUBCHAPTER E. BONDS

23 Sec. 1019.201. GENERAL OBLIGATION BONDS

24 Sec. 1019.202. TAX TO PAY GENERAL OBLIGATION BONDS

25 Sec. 1019.203. GENERAL OBLIGATION BOND ELECTION

26 Sec. 1019.204. MATURITY OF GENERAL OBLIGATION BONDS

27 Sec. 1019.205. EXECUTION OF GENERAL OBLIGATION BONDS

1 Sec. 1019.206. REFUNDING BONDS

2 [Sections 1019.207-1019.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1019.251. IMPOSITION OF AD VALOREM TAX

5 Sec. 1019.252. TAX RATE

6 Sec. 1019.253. TAX ASSESSOR-COLLECTOR

7 CHAPTER 1019. DARROUZETT HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1019.001. DEFINITIONS. In this chapter:

10 (1) "Board" means the board of directors of the
11 district.

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

13 (3) "District" means the Darrouzett Hospital
14 District. (New.)

15 Sec. 1019.002. AUTHORITY FOR OPERATION. The district
16 operates in accordance with Section 9, Article IX, Texas
17 Constitution. (Acts 63rd Leg., R.S., Ch. 539, Sec. 1 (part).)

18 Sec. 1019.003. POLITICAL SUBDIVISION. The district is a
19 political subdivision of this state. (Acts 63rd Leg., R.S., Ch.
20 539, Sec. 16 (part).)

21 Sec. 1019.004. DISTRICT TERRITORY. The district is
22 composed of:

23 (1) the territory described by Section 1, Chapter 539,
24 Acts of the 63rd Legislature, Regular Session, 1973; and

25 (2) all territory in the Darrouzett Independent School
26 District as that territory existed on June 14, 1973, except the
27 territory in the Booker Hospital District on that date. (New; Acts

1 63rd Leg., R.S., Ch. 539, Sec. 1 (part).)

2 Sec. 1019.005. CORRECTION OF INVALID PROCEDURES. If a
3 court holds that any procedure under this chapter violates the
4 constitution of this state or of the United States, the district by
5 resolution may provide an alternative procedure that conforms with
6 the constitution. (Acts 63rd Leg., R.S., Ch. 539, Sec. 19 (part).)

7 [Sections 1019.006-1019.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Sec. 1019.051. BOARD ELECTION; TERM. (a) The board
10 consists of six directors elected from the district at large.

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

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

14 (2) an election shall be held on the uniform election
15 date in May of each year to elect the appropriate number of
16 directors. (Acts 63rd Leg., R.S., Ch. 539, Secs. 3(c) (part),
17 3A(a).)

18 Sec. 1019.052. BOARD VACANCY. If a vacancy occurs in the
19 office of director, the remaining directors shall appoint a
20 director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 539,
21 Sec. 3A(b).)

22 Sec. 1019.053. OFFICERS. (a) The board shall elect a
23 president, vice president, and secretary-treasurer from among its
24 members.

25 (b) Each officer of the board serves until the next
26 directors' election. (Acts 63rd Leg., R.S., Ch. 539, Sec. 4
27 (part).)

1 Sec. 1019.054. COMPENSATION; EXPENSES. A director serves
2 without compensation but may be reimbursed for actual expenses
3 incurred in the performance of official duties on approval of the
4 expenses by the entire board. (Acts 63rd Leg., R.S., Ch. 539, Sec.
5 4 (part).)

6 Sec. 1019.055. EMPLOYEES. The board may employ a general
7 manager, attorneys, financial advisors, bookkeepers, and
8 architects as the board considers necessary. (Acts 63rd Leg.,
9 R.S., Ch. 539, Sec. 7 (part).)

10 Sec. 1019.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
11 All district records, including books, accounts, notices, minutes,
12 and all other matters of the district and the operation of its
13 facilities, shall be:

- 14 (1) maintained at the district office; and
15 (2) open to public inspection at reasonable hours.
16 (Acts 63rd Leg., R.S., Ch. 539, Sec. 7 (part).)

17 Sec. 1019.057. SEAL. The board may adopt a seal for the
18 district. (Acts 63rd Leg., R.S., Ch. 539, Sec. 7 (part).)

19 [Sections 1019.058-1019.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1019.101. DISTRICT RESPONSIBILITY. The district has
22 full responsibility for:

- 23 (1) operating all hospital facilities; and
24 (2) providing hospital care for the district's needy
25 inhabitants. (Acts 63rd Leg., R.S., Ch. 539, Sec. 12 (part).)

26 Sec. 1019.102. RESTRICTION ON TAXATION AND DEBT BY OTHER
27 ENTITY. (a) A political subdivision within the district, other

1 than the district, may not impose a tax or issue bonds or other
2 obligations for hospital purposes or to provide medical care for
3 district inhabitants.

4 (b) A governmental or other entity inside or outside the
5 district may not impose a tax or issue bonds or other obligations on
6 property in the district for hospital purposes or to provide
7 medical care for district inhabitants. (Acts 63rd Leg., R.S., Ch.
8 539, Sec. 12 (part).)

9 Sec. 1019.103. MANAGEMENT AND CONTROL. The board has full
10 management and control of all district business, including the
11 power to:

- 12 (1) negotiate and contract with any person;
- 13 (2) purchase or lease land;
- 14 (3) construct and equip a hospital system; and
- 15 (4) operate and maintain the hospital. (Acts 63rd
16 Leg., R.S., Ch. 539, Sec. 4 (part).)

17 Sec. 1019.104. HOSPITAL SYSTEM. The district shall
18 provide for the establishment of a hospital system to provide
19 medical and hospital care to the district's residents. (Acts 63rd
20 Leg., R.S., Ch. 539, Sec. 2 (part).)

21 Sec. 1019.105. RULES. (a) The board may adopt rules
22 governing the operation of the district, including district
23 facilities.

24 (b) On approval by the board, the rules may be published in
25 booklet form at district expense and made available to any resident
26 on request. (Acts 63rd Leg., R.S., Ch. 539, Sec. 7 (part).)

27 Sec. 1019.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)

1 The board may prescribe the method and manner of making purchases
2 and expenditures by and for the district.

3 (b) The board shall prescribe:

4 (1) all accounting and control procedures; and

5 (2) the method of purchasing necessary supplies,
6 materials, and equipment. (Acts 63rd Leg., R.S., Ch. 539, Sec. 7
7 (part).)

8 Sec. 1019.107. EMINENT DOMAIN. (a) The district may
9 exercise the power of eminent domain to acquire a fee simple or
10 other interest in any type of property, real, personal, or mixed,
11 located in district territory, if the interest is necessary or
12 convenient for the district to exercise a right, power, privilege,
13 or function conferred on the district by this chapter.

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

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

20 (1) pay in advance or provide a bond or other security
21 for costs in the trial court;

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

24 (3) provide a bond for costs or a supersedeas bond on
25 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 539, Sec. 9.)

26 Sec. 1019.108. GIFTS AND ENDOWMENTS. The board may accept
27 for the district a gift or endowment to be held in trust and

1 administered by the board for the purposes and under the
2 directions, limitations, or other provisions prescribed in writing
3 by the donor that are not inconsistent with the proper management
4 and objectives of the district. (Acts 63rd Leg., R.S., Ch. 539,
5 Sec. 14.)

6 Sec. 1019.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)
7 When a patient from Lipscomb County is admitted to a district
8 facility, the board shall have an inquiry made into the
9 circumstances of:

10 (1) the patient; and

11 (2) the patient's relatives who are legally liable for
12 the patient's support.

13 (b) If an agent designated by the district to handle the
14 inquiry determines that the patient or those relatives cannot pay
15 all or part of the costs of the care and treatment in the hospital,
16 the amount of the costs that cannot be paid becomes a charge against
17 the district.

18 (c) If an agent designated by the district determines that
19 the patient or those relatives are liable to pay for all or part of
20 the costs of the patient's care and treatment, the patient or those
21 relatives shall be ordered to pay the district's treasurer a
22 specified amount each week for the patient's support. The amount
23 ordered must be proportionate to the person's financial ability and
24 may not exceed the actual per capita cost of maintenance.

25 (d) The district may collect the amount from the patient's
26 estate, or from any relative who is legally liable for the patient's
27 support, in the manner provided by law for the collection of

1 expenses of the last illness of a deceased person.

2 (e) If there is a dispute as to the ability to pay, or doubt
3 in the mind of the designated district agent, the board shall hold a
4 hearing and, after calling witnesses, shall:

5 (1) resolve the dispute or doubt; and

6 (2) issue an appropriate order.

7 (f) Either party to the dispute may appeal the district's
8 determination to the district court. (Acts 63rd Leg., R.S., Ch.
9 539, Sec. 13.)

10 Sec. 1019.110. AUTHORITY TO SUE AND BE SUED. As a
11 governmental agency, the district may sue and be sued in its own
12 name in any court of this state. (Acts 63rd Leg., R.S., Ch. 539,
13 Sec. 16 (part).)

14 [Sections 1019.111-1019.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1019.151. BUDGET. The board annually shall require a
17 budget to be prepared for the next fiscal year that includes:

18 (1) proposed expenditures and disbursements;

19 (2) estimated receipts and collections; and

20 (3) the amount of taxes required to be imposed for the
21 year. (Acts 63rd Leg., R.S., Ch. 539, Sec. 8 (part).)

22 Sec. 1019.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The
23 board shall hold a public hearing on the proposed annual budget.

24 (b) Notice of the hearing must be published at least once in
25 a newspaper of general circulation in the district not later than
26 the 10th day before the date of the hearing.

27 (c) Any district resident is entitled to:

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

3 (2) be heard regarding any item included in the
4 proposed budget. (Acts 63rd Leg., R.S., Ch. 539, Sec. 8 (part).)

5 Sec. 1019.153. FISCAL YEAR. The district operates on a
6 fiscal year that begins on October 1 and ends on September 30.
7 (Acts 63rd Leg., R.S., Ch. 539, Sec. 8 (part).)

8 Sec. 1019.154. ANNUAL AUDIT. (a) The board annually shall
9 have an independent audit made of the district's books and records
10 for the fiscal year.

11 (b) Not later than December 31 each year, the audit shall be
12 filed:

13 (1) with the comptroller; and

14 (2) at the district office. (Acts 63rd Leg., R.S., Ch.
15 539, Sec. 8 (part).)

16 Sec. 1019.155. DEPOSITORY OR TREASURER. (a) The board by
17 resolution shall designate a bank or banks in the district as the
18 district's depository or treasurer. A designated bank serves for
19 two years and until a successor is designated.

20 (b) All income received by the district shall be deposited
21 with the district depository.

22 (c) All district money shall be secured in the manner
23 provided for securing county funds. (Acts 63rd Leg., R.S., Ch. 539,
24 Secs. 5 (part), 10.)

25 [Sections 1019.156-1019.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1019.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith
2 and credit of the district for any purpose relating to:

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

5 (2) equipping buildings or improvements for hospital
6 purposes. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

7 Sec. 1019.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The
8 board shall impose an ad valorem tax at a rate sufficient to create
9 an interest and sinking fund to pay the principal of and interest on
10 general obligation bonds issued by the district under Section
11 1019.201 as the bonds mature.

12 (b) The tax required by this section together with any other
13 ad valorem tax the district imposes may not in any year exceed 75
14 cents on each \$100 valuation of all taxable property in the
15 district. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

16 Sec. 1019.203. GENERAL OBLIGATION BOND ELECTION. (a) The
17 district may issue general obligation bonds only if the bonds are
18 authorized by a majority of the district voters voting at an
19 election held for that purpose.

20 (b) The board may order the election on its own motion.

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

22 (1) the location of the polling places;

23 (2) the presiding election officers;

24 (3) the purpose of the bond issuance;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum interest rate provided by law.

27 (d) Notice of a bond election shall be given by publishing a

1 substantial copy of the order calling the election in a newspaper of
2 general circulation in the district once each week for two
3 consecutive weeks before the date of the election. The first
4 publication must occur at least 20 days before the date of the
5 election. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

6 Sec. 1019.204. MATURITY OF GENERAL OBLIGATION BONDS.
7 District general obligation bonds must mature not later than 40
8 years after the date of issuance. (Acts 63rd Leg., R.S., Ch. 539,
9 Sec. 6 (part).)

10 Sec. 1019.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
11 The board president shall execute the general obligation bonds in
12 the district's name.

13 (b) The board secretary shall countersign the bonds. (Acts
14 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

15 Sec. 1019.206. REFUNDING BONDS. (a) The board may, without
16 an election, issue refunding bonds in the manner provided by this
17 subchapter to refund outstanding bonds issued or assumed by the
18 district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bond
21 applied to the payment of the bonds to be refunded; or

22 (2) exchanged wholly or partly for not less than a
23 similar amount of outstanding bonds and the unpaid matured interest
24 on the bonds. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

25 [Sections 1019.207-1019.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1019.251. IMPOSITION OF AD VALOREM TAX. (a) On final

1 approval of the annual budget, the board shall impose a tax on all
2 property in the district subject to district taxation.

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

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

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

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

10 (4) acquire necessary sites for the hospital system by
11 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 539,
12 Secs. 5 (part), 8 (part).)

13 Sec. 1019.252. TAX RATE. The board may impose the tax at a
14 rate not to exceed 75 cents on each \$100 valuation of all taxable
15 property in the district. (Acts 63rd Leg., R.S., Ch. 539, Sec. 5
16 (part).)

17 Sec. 1019.253. TAX ASSESSOR-COLLECTOR. (a) Except as
18 provided by Subsection (b), the tax assessor-collector of Lipscomb
19 County shall assess and collect taxes imposed by the district.

20 (b) By majority vote the board may appoint a district tax
21 assessor-collector under Section 285.041, Health and Safety Code.
22 (Acts 63rd Leg., R.S., Ch. 539, Secs. 5 (part), 8 (part).)

23 CHAPTER 1020. DEAF SMITH COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1020.001. DEFINITIONS

26 Sec. 1020.002. AUTHORITY FOR OPERATION

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- 23 EMPLOYEES
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- 25 Sec. 1020.064. SENIORITY; RETIREMENT BENEFITS
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- 2 Sec. 1020.101. DISTRICT RESPONSIBILITY
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- 11 EQUIPMENT
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- 16 Sec. 1020.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 17 FOR HOSPITALIZATION
- 18 Sec. 1020.114. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 19 FOR INVESTIGATORY OR OTHER SERVICES
- 20 Sec. 1020.115. PAYMENT FOR TREATMENT; PROCEDURES
- 21 Sec. 1020.116. NONPROFIT CORPORATION
- 22 Sec. 1020.117. AUTHORITY TO SUE AND BE SUED
- 23 [Sections 1020.118-1020.150 reserved for expansion]
- 24 SUBCHAPTER D. CHANGE IN BOUNDARIES
- 25 Sec. 1020.151. TERRITORY THAT MAY BE ANNEXED
- 26 Sec. 1020.152. PETITION TO ANNEX TERRITORY
- 27 Sec. 1020.153. ELECTION ORDER

1 Sec. 1020.154. BALLOT

2 Sec. 1020.155. NOTICE OF ELECTION

3 Sec. 1020.156. ELECTION RESULTS

4 Sec. 1020.157. EFFECT OF ANNEXATION

5 [Sections 1020.158-1020.200 reserved for expansion]

6 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

7 Sec. 1020.201. BUDGET

8 Sec. 1020.202. NOTICE; HEARING; ADOPTION OF BUDGET

9 Sec. 1020.203. AMENDMENTS TO BUDGET

10 Sec. 1020.204. RESTRICTION ON EXPENDITURES

11 Sec. 1020.205. FISCAL YEAR

12 Sec. 1020.206. AUDIT

13 Sec. 1020.207. INSPECTION OF AUDIT AND DISTRICT

14 RECORDS

15 Sec. 1020.208. FINANCIAL REPORT

16 Sec. 1020.209. DEPOSITORY

17 Sec. 1020.210. SPENDING AND INVESTMENT RESTRICTIONS

18 [Sections 1020.211-1020.250 reserved for expansion]

19 SUBCHAPTER F. BONDS

20 Sec. 1020.251. GENERAL OBLIGATION BONDS

21 Sec. 1020.252. TAX TO PAY GENERAL OBLIGATION BONDS

22 Sec. 1020.253. GENERAL OBLIGATION BOND ELECTION

23 Sec. 1020.254. REVENUE BONDS

24 Sec. 1020.255. REFUNDING BONDS

25 Sec. 1020.256. MATURITY OF BONDS

26 Sec. 1020.257. EXECUTION OF BONDS

27 Sec. 1020.258. BONDS EXEMPT FROM TAXATION

1 [Sections 1020.259-1020.300 reserved for expansion]

2 SUBCHAPTER G. TAXES

3 Sec. 1020.301. IMPOSITION OF AD VALOREM TAX

4 Sec. 1020.302. TAX RATE

5 Sec. 1020.303. ELECTION TO INCREASE MAXIMUM TAX RATE

6 Sec. 1020.304. ASSESSMENT AND COLLECTION BY COUNTY TAX

7 ASSESSOR-COLLECTOR

8 Sec. 1020.305. ASSESSMENT AND COLLECTION BY DISTRICT

9 TAX ASSESSOR-COLLECTOR

10 [Sections 1020.306-1020.350 reserved for expansion]

11 SUBCHAPTER H. DISSOLUTION

12 Sec. 1020.351. DISSOLUTION; ELECTION

13 Sec. 1020.352. BALLOT

14 Sec. 1020.353. ELECTION RESULTS

15 Sec. 1020.354. TRANSFER OF DISTRICT ASSETS

16 CHAPTER 1020. DEAF SMITH COUNTY HOSPITAL DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 1020.001. DEFINITIONS. In this chapter:

19 (1) "Board" means the board of directors of the
20 district.

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

22 (3) "District" means the Deaf Smith County Hospital
23 District.

24 (4) "Hospital system" includes medical or other health
25 care facilities. (New.)

26 Sec. 1020.002. AUTHORITY FOR OPERATION. The district
27 operates in accordance with Section 9, Article IX, Texas

1 Constitution, and has the rights, powers, and duties provided by
2 this chapter. (Acts 62nd Leg., R.S., Ch. 59, Sec. 1 (part).)

3 Sec. 1020.003. ESSENTIAL PUBLIC FUNCTION. The district
4 performs an essential public function in carrying out the purposes
5 of this chapter. (Acts 62nd Leg., R.S., Ch. 59, Sec. 21 (part).)

6 Sec. 1020.004. DISTRICT TERRITORY. The boundaries of the
7 district are coextensive with the boundaries of Deaf Smith County,
8 Texas, unless the boundaries are expanded under Subchapter D.
9 (Acts 62nd Leg., R.S., Ch. 59, Secs. 1 (part), 1A (part).)

10 Sec. 1020.005. CORRECTION OF INVALID PROCEDURES. If a
11 court holds that any procedure under this chapter violates the
12 constitution of this state or of the United States, the district by
13 resolution may provide an alternative procedure that conforms with
14 the constitution. (Acts 62nd Leg., R.S., Ch. 59, Sec. 23 (part).)

15 Sec. 1020.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
16 OBLIGATION. The support and maintenance of the district may not
17 become a charge against or obligation of this state. (Acts 62nd
18 Leg., R.S., Ch. 59, Sec. 20 (part).)

19 Sec. 1020.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
20 The legislature may not make a direct appropriation for the
21 construction, maintenance, or improvement of a district facility.
22 (Acts 62nd Leg., R.S., Ch. 59, Sec. 20 (part).)

23 [Sections 1020.008-1020.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1020.051. BOARD ELECTION; TERM. (a) The district is
26 governed by a board of seven directors elected from the district at
27 large.

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

2 (c) An election shall be held on the uniform election date
3 in May of each year to elect the appropriate number of directors.
4 (Acts 62nd Leg., R.S., Ch. 59, Secs. 4(a), (b) (part); Acts 77th
5 Leg., R.S., Ch. 110, Sec. 5(d).)

6 Sec. 1020.052. NOTICE OF ELECTION. At least 35 days before
7 the date of an election of directors, notice of the election shall
8 be published one time in a newspaper of general circulation in the
9 district. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(b) (part).)

10 Sec. 1020.053. BALLOT PETITION. A person who wants to have
11 the person's name printed on the ballot as a candidate for director
12 must file with the board secretary a petition requesting that
13 action. The petition must be:

14 (1) signed by at least 25 registered voters; and

15 (2) filed at least 30 days before the date of the
16 election. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(b) (part).)

17 Sec. 1020.054. QUALIFICATIONS FOR OFFICE. (a) A person may
18 not serve as a director unless the person is:

19 (1) a district resident; and

20 (2) a qualified voter.

21 (b) A person is not eligible to serve as a director if the
22 person is:

23 (1) the district administrator; or

24 (2) a district employee. (Acts 62nd Leg., R.S., Ch.
25 59, Sec. 4(c) (part).)

26 Sec. 1020.055. BOARD VACANCY. If a vacancy occurs in the
27 office of director, the remaining directors by majority vote shall

1 appoint a director for the unexpired term. (Acts 62nd Leg., R.S.,
2 Ch. 59, Sec. 4(b) (part).)

3 Sec. 1020.056. OFFICERS. (a) The board shall elect:

4 (1) a president and a vice president from among its
5 members; and

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

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

8 (c) The board shall fill a vacancy in a board office for the
9 unexpired term. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(d) (part).)

10 Sec. 1020.057. COMPENSATION; EXPENSES. A director or
11 officer serves without compensation but may be reimbursed for
12 actual expenses incurred in the performance of official duties.
13 The expenses must be:

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

15 (2) approved by the board. (Acts 62nd Leg., R.S., Ch.
16 59, Sec. 4(d) (part).)

17 Sec. 1020.058. VOTING REQUIREMENT. A concurrence of four
18 directors is sufficient in any matter relating to district
19 business. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(d) (part).)

20 Sec. 1020.059. DISTRICT ADMINISTRATOR; ASSISTANT
21 ADMINISTRATOR. (a) The board shall appoint a qualified person as
22 district administrator.

23 (b) The board may appoint an assistant administrator.

24 (c) The district administrator and any assistant
25 administrator serve at the will of the board and are entitled to the
26 compensation determined by the board.

27 (d) On assuming the duties of district administrator, the

1 administrator shall execute a bond payable to the district in an
2 amount set by the board of not less than \$5,000 that:

3 (1) is conditioned on the administrator performing the
4 administrator's duties; and

5 (2) contains other conditions the board may require.
6 (Acts 62nd Leg., R.S., Ch. 59, Sec. 5 (part).)

7 Sec. 1020.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
8 Subject to the limitations prescribed by the board, the district
9 administrator shall:

10 (1) supervise the work and activities of the district;
11 and

12 (2) direct the affairs of the district. (Acts 62nd
13 Leg., R.S., Ch. 59, Sec. 5 (part).)

14 Sec. 1020.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
15 board may appoint to the staff any doctors the board considers
16 necessary for the efficient operation of the district and may make
17 temporary appointments as necessary.

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

20 (c) The board may delegate to the district administrator the
21 authority to hire district employees, including technicians and
22 nurses. (Acts 62nd Leg., R.S., Ch. 59, Secs. 5 (part), 16.)

23 Sec. 1020.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

24 (a) The district may spend district money, enter into agreements,
25 or take other action it considers appropriate to recruit
26 physicians, nurses, and other trained medical personnel,
27 including:

- 1 (1) advertising and marketing;
- 2 (2) paying travel, recruitment, and relocation
3 expenses;
- 4 (3) providing and subsidizing office space or other
5 facilities for a health care professional, including a physician
6 who agrees to render services in the district or to serve as a
7 district employee; and
- 8 (4) subsidizing the income of a health care
9 professional, including a physician who agrees to render services
10 in the district.

11 (b) The district may pay the tuition or other expenses of a
12 full-time medical, allied health professional, or nursing student
13 who:

- 14 (1) is enrolled in and is in good standing at an
15 accredited school, college, or university; and
- 16 (2) contractually agrees to render services to the
17 district or become a district employee in return for that
18 assistance. (Acts 62nd Leg., R.S., Ch. 59, Secs. 5A(a), (b).)

19 Sec. 1020.063. CONTINUING EDUCATION; RETRAINING. The board
20 may spend district money for continuing education and retraining of
21 employees. (Acts 62nd Leg., R.S., Ch. 59, Sec. 5A(c).)

22 Sec. 1020.064. SENIORITY; RETIREMENT BENEFITS. The board
23 may:

- 24 (1) adopt rules related to the seniority of district
25 employees, including rules for a retirement plan based on
26 seniority; and
- 27 (2) give effect to previous years of service for

1 district employees continuously employed in the operation or
2 management of the hospital, medical, or other health care
3 facilities:

4 (A) constructed by the district; or

5 (B) acquired by the district, including
6 facilities acquired when the district was created. (Acts 62nd
7 Leg., R.S., Ch. 59, Sec. 5 (part).)

8 [Sections 1020.065-1020.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 1020.101. DISTRICT RESPONSIBILITY. The district has
11 full responsibility for providing hospital care for the district's
12 indigent residents. (Acts 62nd Leg., R.S., Ch. 59, Sec. 19 (part).)

13 Sec. 1020.102. RESTRICTION ON POLITICAL SUBDIVISION
14 TAXATION AND DEBT. A political subdivision located within the
15 district may not impose a tax or issue bonds or other obligations
16 for hospital, medical, or health care purposes or to provide
17 medical care. (Acts 62nd Leg., R.S., Ch. 59, Sec. 19 (part).)

18 Sec. 1020.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
19 The board shall manage, control, and administer the hospital system
20 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.
21 59, Sec. 5 (part).)

22 Sec. 1020.104. HOSPITAL SYSTEM. (a) The district shall
23 provide for the establishment of a hospital system by:

24 (1) purchasing, constructing, acquiring, repairing,
25 or renovating buildings and equipment;

26 (2) equipping the buildings; and

27 (3) administering buildings and equipment for

1 hospital purposes.

2 (b) The hospital system may include:

- 3 (1) facilities for domiciliary care of the sick,
4 injured, or geriatric;
5 (2) facilities for outpatient clinics;
6 (3) physicians' offices;
7 (4) dispensaries;
8 (5) convalescent home facilities;
9 (6) necessary nurses' domiciliaries and training
10 centers;
11 (7) blood banks;
12 (8) research centers or laboratories; and
13 (9) any other facilities the board considers necessary
14 for hospital care. (Acts 62nd Leg., R.S., Ch. 59, Secs. 2 (part), 9
15 (part).)

16 Sec. 1020.105. RULES. The board may adopt rules governing
17 the operation of the hospital, the hospital system, and the
18 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 59, Sec.
19 5 (part).)

20 Sec. 1020.106. PURCHASING AND ACCOUNTING PROCEDURES. The
21 board may prescribe:

- 22 (1) the method and manner of making purchases and
23 expenditures by and for the district; and
24 (2) all accounting and control procedures. (Acts 62nd
25 Leg., R.S., Ch. 59, Sec. 10 (part).)

26 Sec. 1020.107. PROVISION OF CERTAIN HEALTH SERVICES. The
27 district may operate or provide for the operation of:

1 (1) a mobile emergency medical service; or

2 (2) home health services, long-term care, skilled
3 nursing care, intermediate nursing care, or hospice care. (Acts
4 62nd Leg., R.S., Ch. 59, Sec. 9 (part).)

5 Sec. 1020.108. DISTRICT PROPERTY, FACILITIES, AND
6 EQUIPMENT. (a) The board shall determine the type, number, and
7 location of buildings required to maintain an adequate hospital
8 system.

9 (b) The board may lease all or part of the district's
10 buildings and other facilities for hospital, medical, or health
11 care purposes on terms considered to be in the best interest of the
12 district's inhabitants. The term of the lease may not exceed 25
13 years.

14 (c) The district may acquire or lease equipment for use in
15 the district's hospital system and mortgage or pledge acquired
16 equipment as security for the payment of the purchase price. A
17 contract or lease entered into under this subsection must provide
18 that the entire obligation be retired not later than the fifth
19 anniversary of the date of the contract or lease.

20 (d) The district may sell or otherwise dispose of any
21 property, including equipment, on terms the board finds are in the
22 best interest of the district's inhabitants. The board may not sell
23 or dispose of any real property unless the board affirmatively
24 finds that the property is not needed for the operation of the
25 hospital system. (Acts 62nd Leg., R.S., Ch. 59, Secs. 9 (part), 10
26 (part).)

27 Sec. 1020.109. EMINENT DOMAIN. (a) The district may

1 exercise the power of eminent domain to acquire a fee simple or
2 other interest in any type of property located in district
3 territory if the interest is necessary for the district to exercise
4 a power, right, or privilege conferred by this chapter.

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

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

11 (1) pay in advance or provide a bond or other security
12 for costs in the trial court;

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

15 (3) provide a bond for costs or a supersedeas bond on
16 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 59, Sec. 14.)

17 Sec. 1020.110. GIFTS AND ENDOWMENTS. The board may accept
18 for the district a gift or endowment to be held in trust and
19 administered by the board for the purposes and under the
20 directions, limitations, or other provisions prescribed in writing
21 by the donor that are not inconsistent with the proper management
22 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 59, Sec.
23 18 (part).)

24 Sec. 1020.111. CONSTRUCTION CONTRACTS. A construction
25 contract that requires the expenditure of more than the amount
26 provided by Section 271.024, Local Government Code, may be made
27 only after competitive bidding as provided by Subchapter B, Chapter

1 271, Local Government Code. (Acts 62nd Leg., R.S., Ch. 59, Sec. 10
2 (part).)

3 Sec. 1020.112. OPERATING AND MANAGEMENT CONTRACTS. The
4 board may enter into an operating or management contract relating
5 to a district facility. (Acts 62nd Leg., R.S., Ch. 59, Sec. 9
6 (part).)

7 Sec. 1020.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
8 HOSPITALIZATION. (a) The board may contract with a county or
9 municipality located outside the district's boundaries for the
10 hospitalization of a sick or injured person of that county or
11 municipality.

12 (b) The board may contract with this state or a federal
13 agency for the hospitalization of a sick or injured person. (Acts
14 62nd Leg., R.S., Ch. 59, Sec. 5 (part).)

15 Sec. 1020.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
16 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
17 political subdivision or governmental agency for the district to
18 provide investigatory or other services for the hospital or welfare
19 needs of district inhabitants. (Acts 62nd Leg., R.S., Ch. 59, Sec.
20 5 (part).)

21 Sec. 1020.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
22 When a patient who resides in the district is admitted to a district
23 facility, the district administrator may have an inquiry made into
24 the circumstances of:

25 (1) the patient; and

26 (2) the patient's relatives who are legally liable for
27 the patient's support.

1 (b) If the district administrator determines that the
2 patient or those relatives cannot pay all or part of the costs of
3 the care and treatment in the hospital, the amount of the costs that
4 cannot be paid becomes a charge against the district.

5 (c) If the district administrator determines that the
6 patient or those relatives can pay for all or part of the costs of
7 the patient's care and treatment, the patient or those relatives
8 shall be ordered to pay the district a specified amount each week
9 for the patient's care and support. The amount ordered must be
10 proportionate to the person's financial ability.

11 (d) The district administrator may collect the amount from
12 the patient's estate, or from any relative who is legally liable for
13 the patient's support, in the manner provided by law for the
14 collection of expenses of the last illness of a deceased person.

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

18 (1) resolve the dispute or doubt; and

19 (2) issue any appropriate orders.

20 (f) The final order of the board may be appealed to the
21 district court. The substantial evidence rule applies to the
22 appeal. (Acts 62nd Leg., R.S., Ch. 59, Sec. 17.)

23 Sec. 1020.116. NONPROFIT CORPORATION. (a) The district
24 may create and sponsor a nonprofit corporation under the Business
25 Organizations Code and may contribute money to or solicit money for
26 the corporation.

27 (a-1) On or before December 31, 2009, the district may

1 create and sponsor a nonprofit corporation under the Texas
2 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
3 Texas Civil Statutes) or the Business Organizations Code, as
4 applicable, and may contribute money to or solicit money for the
5 corporation.

6 (b) A corporation may use money, other than money the
7 corporation pays to the district, only to provide health care or
8 other services the district is authorized to provide under this
9 chapter.

10 (c) The corporation may invest the corporation's money in
11 any manner in which the district may invest the district's money,
12 including investing money as authorized by Chapter 2256, Government
13 Code.

14 (d) The board shall establish controls to ensure that the
15 corporation uses its money as required by this section.

16 (e) This subsection and Subsection (a-1) expire December
17 31, 2009. (Acts 62nd Leg., R.S., Ch. 59, Sec. 5B.)

18 Sec. 1020.117. AUTHORITY TO SUE AND BE SUED. (a) The
19 district, through the board, may sue and be sued.

20 (b) The district is entitled to all causes of action and
21 defenses to which similar authorities performing only governmental
22 functions are entitled. (Acts 62nd Leg., R.S., Ch. 59, Sec. 5
23 (part).)

24 [Sections 1020.118-1020.150 reserved for expansion]

25 SUBCHAPTER D. CHANGE IN BOUNDARIES

26 Sec. 1020.151. TERRITORY THAT MAY BE ANNEXED. (a) The
27 district may annex territory that is not located in:

- 1 (1) Deaf Smith County;
- 2 (2) the boundaries of another hospital district; or
- 3 (3) the proposed boundaries of another hospital
- 4 district authorized by the legislature under Section 9, Article IX,
- 5 Texas Constitution.

6 (b) Territory may be annexed in one or more tracts. Each

7 tract must be contiguous to:

- 8 (1) the district; or
- 9 (2) territory proposed to be annexed to the district.

10 (Acts 62nd Leg., R.S., Ch. 59, Sec. 1A (part).)

11 Sec. 1020.152. PETITION TO ANNEX TERRITORY. (a) A petition

12 requesting that territory be annexed to the district may be

13 presented to the board. The petition must:

- 14 (1) describe the tract or tracts of land to be annexed;
- 15 and

16 (2) be signed by 100 or a majority of the registered

17 voters who:

- 18 (A) reside in the territory to be annexed; and
- 19 (B) own property that will be subject to district
- 20 taxation if the territory is annexed.

21 (b) This chapter does not prohibit simultaneous action on

22 several petitions for annexation. Each ballot proposition must be

23 submitted for each different territory proposed to be annexed, and

24 an election held in each territory represented by a petition.

25 (c) If the board receives two or more petitions for

26 annexation that include all or part of the same territory to be

27 annexed to the district, the petition filed first with the board

1 shall be considered and another petition that includes any of the
2 same territory has no effect.

3 (d) The board may consider all petitions for annexation
4 presented to it and may approve or reject each petition. The board
5 may not partly approve or partly reject any petition. (Acts 62nd
6 Leg., R.S., Ch. 59, Sec. 1A (part).)

7 Sec. 1020.153. ELECTION ORDER. (a) If, on receipt of a
8 petition, the board finds that annexing the territory is in the
9 district's best interest, the board shall within 90 days of the
10 board's finding:

11 (1) approve the annexation of the territory described
12 in the petition; and

13 (2) order an election on the question of annexing the
14 territory to the district.

15 (b) The election order shall provide for a separate
16 election:

17 (1) in the territory proposed to be annexed; and

18 (2) in the district.

19 (c) The election order shall provide for clerks as in county
20 elections and must specify:

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the form of ballot; and

24 (4) the presiding judge and alternate judge for each
25 polling place.

26 (d) The election order may provide that:

27 (1) the entire district is one election precinct; or

1 (2) the county election precincts be combined for the
2 election. (Acts 62nd Leg., R.S., Ch. 59, Secs. 1A (part), 3(a)
3 (part).)

4 Sec. 1020.154. BALLOT. The ballot for the election shall be
5 printed to permit voting for or against the proposition: "The
6 establishment of the Deaf Smith County Hospital District with
7 extended boundaries and establishment of a hospital district tax at
8 a rate not to exceed 50 cents on the \$100 valuation on all taxable
9 property in the extended boundaries of the hospital district that
10 is subject to hospital district taxation for hospital purposes."
11 (Acts 62nd Leg., R.S., Ch. 59, Sec. 1A (part).)

12 Sec. 1020.155. NOTICE OF ELECTION. (a) Notice of the
13 election shall be given by publishing once a week for two
14 consecutive weeks a substantial copy of the election order in a
15 newspaper or newspapers that individually or collectively have
16 general circulation in the county or district.

17 (b) The first publication must appear at least 30 days
18 before the date of the election. (Acts 62nd Leg., R.S., Ch. 59,
19 Secs. 1A (part), 3(a) (part).)

20 Sec. 1020.156. ELECTION RESULTS. (a) Territory may not be
21 annexed to the district unless:

22 (1) an election is held in accordance with this
23 subchapter; and

24 (2) the annexation is approved by a majority of the
25 voters voting in the election in:

26 (A) the district; and

27 (B) the territory proposed to be annexed.

1 (b) If the territory is annexed to the district, a certified
2 copy of the order canvassing the returns of the election shall be
3 filed and recorded in the deed records of each county in which the
4 district is located following the annexation election.

5 (c) An election may not be held under this subchapter
6 within six months of an election previously held under this
7 subchapter. (Acts 62nd Leg., R.S., Ch. 59, Secs. 1A (part), 3(a)
8 (part).)

9 Sec. 1020.157. EFFECT OF ANNEXATION. (a) Territory
10 annexed to the district is part of the district for all purposes.

11 (b) The annexation of territory to the district does not
12 change the manner in which the board or district officers are
13 selected. (Acts 62nd Leg., R.S., Ch. 59, Sec. 1A (part).)

14 [Sections 1020.158-1020.200 reserved for expansion]

15 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

16 Sec. 1020.201. BUDGET. (a) The district administrator
17 shall prepare an annual budget for approval by the board.

18 (b) The proposed budget must contain a complete financial
19 statement of:

- 20 (1) the outstanding obligations of the district;
- 21 (2) the cash on hand in each district fund;
- 22 (3) the money received by the district from all
23 sources during the previous year;
- 24 (4) the money available to the district from all
25 sources during the ensuing year;
- 26 (5) the balances expected at the end of the year in
27 which the budget is being prepared;

1 (6) the estimated revenue and balances available to
2 cover the proposed budget;

3 (7) the estimated tax rate required; and

4 (8) the proposed expenditures and disbursements and
5 the estimated receipts and collections for the following fiscal
6 year. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

7 Sec. 1020.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
8 The board shall hold a public hearing on the proposed annual budget.

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

13 (c) Any property taxpayer of the district is entitled to be
14 present and participate at the hearing in accordance with the rules
15 of decorum and procedures prescribed by the board.

16 (d) At the conclusion of the hearing, the board shall adopt
17 a budget by acting on the budget proposed by the district
18 administrator. The board may make any changes in the proposed
19 budget that the board judges to be in the interest of the taxpayers
20 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6
21 (part).)

22 Sec. 1020.203. AMENDMENTS TO BUDGET. The budget may be
23 amended as required by circumstances. The board must approve all
24 amendments. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

25 Sec. 1020.204. RESTRICTION ON EXPENDITURES. Money may be
26 spent only for an expense included in the budget or an amendment to
27 the budget. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

1 Sec. 1020.205. FISCAL YEAR. (a) The district operates on a
2 fiscal year established by the board.

3 (b) The fiscal year may not be changed more than once in a
4 24-month period. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

5 Sec. 1020.206. AUDIT. (a) The board shall have an
6 independent audit made of the district's financial condition for
7 the fiscal year.

8 (b) As soon as the audit is completed, the audit shall be
9 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 59, Sec.
10 6 (part).)

11 Sec. 1020.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.
12 The audit and other district records shall be open to inspection at
13 the district's principal office. (Acts 62nd Leg., R.S., Ch. 59,
14 Sec. 6 (part).)

15 Sec. 1020.208. FINANCIAL REPORT. As soon as practicable
16 after the close of each fiscal year, the district administrator
17 shall prepare for the board:

18 (1) a complete sworn statement of all district money;
19 and

20 (2) a complete account of the disbursements of that
21 money. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

22 Sec. 1020.209. DEPOSITORY. (a) The board shall select one
23 or more banks inside or outside the district to serve as a
24 depository for district money.

25 (b) District money, other than money invested as provided by
26 Section 1020.210, and money transmitted to a bank for payment of
27 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on
2 deposit.

3 (c) This chapter, including Subsection (b), does not limit
4 the power of the board to place a part of district money on time
5 deposit or to purchase certificates of deposit. (Acts 62nd Leg.,
6 R.S., Ch. 59, Sec. 11.)

7 Sec. 1020.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)
8 Except as provided by Section 1020.108(c) and Subchapter F, the
9 district may not incur an obligation payable from district revenue
10 other than the revenue on hand or to be on hand in the current and
11 following district fiscal years.

12 (b) The board may invest operating, depreciation, or
13 building reserves only in funds or securities specified by Chapter
14 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 59, Secs. 5
15 (part), 10 (part).)

16 [Sections 1020.211-1020.250 reserved for expansion]

17 SUBCHAPTER F. BONDS

18 Sec. 1020.251. GENERAL OBLIGATION BONDS. The board may
19 issue and sell general obligation bonds in the name and on the faith
20 and credit of the district for any purpose relating to:

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

23 (2) equipping buildings or improvements for hospital,
24 medical, or health care purposes. (Acts 62nd Leg., R.S., Ch. 59,
25 Sec. 7 (part).)

26 Sec. 1020.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
27 the time general obligation bonds are issued by the district under

1 Section 1020.251, the board shall impose an ad valorem tax at a rate
2 sufficient to create an interest and sinking fund to pay the
3 principal of and interest on the bonds as the bonds mature.

4 (b) The tax required by this section together with any other
5 ad valorem tax the district imposes may not in any year exceed the
6 tax rate approved by the voters at the election authorizing the
7 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 59, Sec. 7
8 (part).)

9 Sec. 1020.253. GENERAL OBLIGATION BOND ELECTION. (a) The
10 district may issue general obligation bonds only if the bonds are
11 authorized by a majority of the district voters voting at an
12 election held for that purpose.

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

- 15 (1) the date of the election;
16 (2) the location of the polling places;
17 (3) the presiding and alternate election judges for
18 each polling place;
19 (4) the amount of the bonds to be authorized;
20 (5) the maximum maturity of the bonds; and
21 (6) the maximum interest rate of the bonds.

22 (c) Notice of a bond election shall be given as provided by
23 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 59,
24 Sec. 7 (part).)

25 Sec. 1020.254. REVENUE BONDS. (a) The board may issue
26 revenue bonds to:

- 27 (1) purchase, construct, acquire, repair, renovate,

1 or equip buildings or improvements for hospital, medical, or health
2 care purposes; or

3 (2) acquire sites to be used for hospital, medical, or
4 health care purposes.

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

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

10 (d) The bonds must be issued in the manner and in accordance
11 with the procedures and requirements prescribed by Sections
12 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
13 issuance of revenue bonds by a county hospital authority. (Acts
14 62nd Leg., R.S., Ch. 59, Sec. 8(b) (part).)

15 Sec. 1020.255. REFUNDING BONDS. (a) The board may issue
16 refunding bonds to refund outstanding indebtedness issued or
17 assumed by the district.

18 (b) A refunding bond may be:

19 (1) sold, with the proceeds of the refunding bond
20 applied to the payment of outstanding indebtedness; or

21 (2) exchanged wholly or partly for not less than a
22 similar principal amount of outstanding indebtedness. (Acts 62nd
23 Leg., R.S., Ch. 59, Secs. 8(a) (part), (b) (part).)

24 Sec. 1020.256. MATURITY OF BONDS. District bonds must
25 mature not later than 40 years after the date of issuance. (Acts
26 62nd Leg., R.S., Ch. 59, Sec. 8(c) (part).)

27 Sec. 1020.257. EXECUTION OF BONDS. (a) The board president

1 shall execute district bonds in the district's name.

2 (b) The board secretary shall countersign the bonds in the
3 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,
4 R.S., Ch. 59, Sec. 8(c) (part).)

5 Sec. 1020.258. BONDS EXEMPT FROM TAXATION. The following
6 are exempt from taxation by this state or a political subdivision of
7 this state:

8 (1) bonds issued by the district;

9 (2) the transfer and issuance of the bonds; and

10 (3) profits made in the sale of the bonds. (Acts 62nd
11 Leg., R.S., Ch. 59, Sec. 21 (part).)

12 [Sections 1020.259-1020.300 reserved for expansion]

13 SUBCHAPTER G. TAXES

14 Sec. 1020.301. IMPOSITION OF AD VALOREM TAX. (a) The board
15 shall impose a tax on all property in the district subject to
16 district taxation.

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

18 (1) pay the interest on and create a sinking fund for
19 bonds or other obligations issued or assumed by the district for
20 hospital purposes;

21 (2) provide for the operation and maintenance of the
22 district and hospital system;

23 (3) make improvements and additions to the hospital
24 system; and

25 (4) acquire necessary sites for the hospital system by
26 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 59,
27 Secs. 12 (part), 15(a) (part).)

1 Sec. 1020.302. TAX RATE. (a) The board may impose the tax
2 at a rate not to exceed 50 cents on each \$100 valuation of the
3 taxable property in the district, unless the tax rate is increased
4 as provided by Section 1020.303.

5 (b) In setting the tax rate, the board shall consider the
6 income of the district from sources other than taxation. (Acts 62nd
7 Leg., R.S., Ch. 59, Secs. 3(b) (part), 12 (part).)

8 Sec. 1020.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
9 The board may order an election to increase the district's maximum
10 tax rate to a rate not to exceed 75 cents on each \$100 valuation of
11 taxable property in the district.

12 (b) The maximum tax rate may not be increased unless the
13 increase is approved by a majority of the district voters voting in
14 an election held for that purpose.

15 (c) An election held under this section must be ordered and
16 notice must be given in the manner provided for a bond election
17 under Subchapter F.

18 (d) The election order must specify:

- 19 (1) the ballot proposition;
20 (2) the proposed maximum tax rate;
21 (3) the time of the election;
22 (4) the location of the polling places; and
23 (5) the presiding judge for each polling place. (Acts
24 62nd Leg., R.S., Ch. 59, Sec. 3(d).)

25 Sec. 1020.304. ASSESSMENT AND COLLECTION BY COUNTY TAX
26 ASSESSOR-COLLECTOR. (a) This section applies unless the board
27 elects to have taxes assessed and collected under Section 1020.305.

1 (b) The tax assessor-collector of Deaf Smith County shall
2 assess and collect taxes imposed by the district. (Acts 62nd Leg.,
3 R.S., Ch. 59, Secs. 15(a) (part), (b) (part).)

4 Sec. 1020.305. ASSESSMENT AND COLLECTION BY DISTRICT TAX
5 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
6 assessed and collected by a tax assessor-collector appointed by the
7 board. An election under this subsection must be made by December 1
8 and governs the manner in which taxes are assessed and collected,
9 until changed by a similar resolution.

10 (b) The district tax assessor-collector must:

11 (1) reside in the district; and

12 (2) own real property subject to district taxation.

13 (c) The board shall set for the district tax
14 assessor-collector:

15 (1) the terms of employment; and

16 (2) compensation. (Acts 62nd Leg., R.S., Ch. 59,
17 Secs. 15(a) (part), (c) (part).)

18 [Sections 1020.306-1020.350 reserved for expansion]

19 SUBCHAPTER H. DISSOLUTION

20 Sec. 1020.351. DISSOLUTION; ELECTION. (a) The district
21 may be dissolved as provided by this subchapter.

22 (b) The board may order an election on the question of
23 dissolving the district and transferring the district's assets and
24 obligations to Deaf Smith County.

25 (c) The board shall order an election if the board receives
26 a petition requesting an election that is signed by at least 50
27 registered voters in the district.

1 (d) Section 41.001(a), Election Code, does not apply to an
2 election ordered under this section. (Acts 62nd Leg., R.S., Ch. 59,
3 Secs. 19A(a), (b), (c) (part).)

4 Sec. 1020.352. BALLOT. The ballot for an election under
5 this subchapter must be printed to permit voting for or against the
6 proposition: "The dissolution of the Deaf Smith County Hospital
7 District and the transfer of the existing district assets to and the
8 assumption of debts and bond obligations by Deaf Smith County."
9 (Acts 62nd Leg., R.S., Ch. 59, Sec. 19A(d) (part).)

10 Sec. 1020.353. ELECTION RESULTS. (a) If a majority of the
11 votes in the election favor dissolution and transfer of the
12 district's assets and obligations, the board shall:

13 (1) find that the district is dissolved; and

14 (2) transfer the district's assets and obligations to
15 Deaf Smith County as provided by Section 1020.354.

16 (b) If a majority of the votes in the election do not favor
17 dissolution and transfer of the district's assets and obligations,
18 the board shall continue to administer the district and another
19 election on the question of dissolution may not be held before the
20 first anniversary of the date of the most recent election at which
21 voters disapproved the proposition. (Acts 62nd Leg., R.S., Ch. 59,
22 Sec. 19A(e).)

23 Sec. 1020.354. TRANSFER OF DISTRICT ASSETS. (a) If a
24 majority of the votes in an election held under this subchapter
25 favor dissolution and transfer of the district's assets and
26 obligations, the board shall transfer to Deaf Smith County the
27 land, buildings, improvements, equipment, and other assets that

1 belong to the district.

2 (b) Deaf Smith County assumes all debts and obligations of
3 the district at the time of the transfer. (Acts 62nd Leg., R.S.,
4 Ch. 59, Sec. 19A(f).)

5 CHAPTER 1021. DONLEY COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1021.001. DEFINITIONS

8 Sec. 1021.002. AUTHORITY FOR OPERATION

9 Sec. 1021.003. ESSENTIAL PUBLIC FUNCTION

10 Sec. 1021.004. DISTRICT TERRITORY

11 Sec. 1021.005. CORRECTION OF INVALID PROCEDURES

12 Sec. 1021.006. DISTRICT SUPPORT AND MAINTENANCE NOT

13 STATE OBLIGATION

14 Sec. 1021.007. RESTRICTION ON STATE FINANCIAL

15 ASSISTANCE

16 [Sections 1021.008-1021.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT ADMINISTRATION

18 Sec. 1021.051. BOARD ELECTION; TERM

19 Sec. 1021.052. NOTICE OF RUNOFF ELECTION

20 Sec. 1021.053. QUALIFICATIONS FOR OFFICE

21 Sec. 1021.054. BOND

22 Sec. 1021.055. BOARD VACANCY

23 Sec. 1021.056. OFFICERS

24 Sec. 1021.057. COMPENSATION; EXPENSES

25 Sec. 1021.058. VOTING REQUIREMENT

26 Sec. 1021.059. DISTRICT ADMINISTRATOR; ASSISTANT

27 DISTRICT ADMINISTRATORS

- 1 Sec. 1021.060. GENERAL DUTIES OF DISTRICT
2 ADMINISTRATOR
- 3 Sec. 1021.061. APPOINTMENT AND DISMISSAL OF STAFF AND
4 EMPLOYEES
- 5 Sec. 1021.062. SENIORITY; RETIREMENT BENEFITS
6 [Sections 1021.063-1021.100 reserved for expansion]
- 7 SUBCHAPTER C. POWERS AND DUTIES
- 8 Sec. 1021.101. DISTRICT RESPONSIBILITY
- 9 Sec. 1021.102. RESTRICTION ON POLITICAL SUBDIVISION
10 TAXATION AND DEBT
- 11 Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 12 Sec. 1021.104. HOSPITAL SYSTEM
- 13 Sec. 1021.105. RULES
- 14 Sec. 1021.106. PURCHASING AND ACCOUNTING PROCEDURES
- 15 Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND
16 EQUIPMENT
- 17 Sec. 1021.108. EMINENT DOMAIN
- 18 Sec. 1021.109. GIFTS AND ENDOWMENTS
- 19 Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS
- 20 Sec. 1021.111. OPERATING AND MANAGEMENT CONTRACTS
- 21 Sec. 1021.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
22 FOR HOSPITAL TREATMENT
- 23 Sec. 1021.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
24 FOR INVESTIGATORY OR OTHER SERVICES
- 25 Sec. 1021.114. PAYMENT FOR TREATMENT; PROCEDURES
- 26 Sec. 1021.115. AUTHORITY TO SUE AND BE SUED
27 [Sections 1021.116-1021.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 1021.151. BUDGET

3 Sec. 1021.152. NOTICE; HEARING; ADOPTION OF BUDGET

4 Sec. 1021.153. AMENDMENTS TO BUDGET

5 Sec. 1021.154. RESTRICTION ON EXPENDITURES

6 Sec. 1021.155. FISCAL YEAR

7 Sec. 1021.156. AUDIT

8 Sec. 1021.157. INSPECTION OF AUDIT AND DISTRICT

9 RECORDS

10 Sec. 1021.158. FINANCIAL REPORT

11 Sec. 1021.159. DEPOSITORY

12 Sec. 1021.160. SPENDING AND INVESTMENT RESTRICTIONS

13 [Sections 1021.161-1021.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Sec. 1021.201. GENERAL OBLIGATION BONDS

16 Sec. 1021.202. TAX TO PAY GENERAL OBLIGATION BONDS

17 Sec. 1021.203. GENERAL OBLIGATION BOND ELECTION

18 Sec. 1021.204. MATURITY OF GENERAL OBLIGATION BONDS

19 Sec. 1021.205. EXECUTION OF GENERAL OBLIGATION BONDS

20 Sec. 1021.206. REVENUE BONDS

21 Sec. 1021.207. REFUNDING BONDS

22 Sec. 1021.208. BONDS EXEMPT FROM TAXATION

23 [Sections 1021.209-1021.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1021.251. IMPOSITION OF AD VALOREM TAX

26 Sec. 1021.252. TAX RATE

1 Sec. 1021.253. ASSESSMENT AND COLLECTION BY COUNTY TAX

2 ASSESSOR-COLLECTOR

3 Sec. 1021.254. ASSESSMENT AND COLLECTION BY DISTRICT

4 TAX ASSESSOR-COLLECTOR

5 CHAPTER 1021. DONLEY COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1021.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the board of directors of the
9 district.

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

11 (3) "District" means the Donley County Hospital
12 District. (New.)

13 Sec. 1021.002. AUTHORITY FOR OPERATION. The district
14 operates in accordance with Section 9, Article IX, Texas
15 Constitution. (Acts 61st Leg., R.S., Ch. 699, Sec. 1 (part).)

16 Sec. 1021.003. ESSENTIAL PUBLIC FUNCTION. The district
17 performs an essential public function in carrying out the purposes
18 of this chapter. (Acts 61st Leg., R.S., Ch. 699, Sec. 20 (part).)

19 Sec. 1021.004. DISTRICT TERRITORY. The boundaries of the
20 district are coextensive with the boundaries of Donley County,
21 Texas. (Acts 61st Leg., R.S., Ch. 699, Sec. 1 (part).)

22 Sec. 1021.005. CORRECTION OF INVALID PROCEDURES. If a
23 court holds that any procedure under this chapter violates the
24 constitution of this state or of the United States, the district by
25 resolution may provide an alternative procedure that conforms with
26 the constitution. (Acts 61st Leg., R.S., Ch. 699, Sec. 21 (part).)

27 Sec. 1021.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE

1 OBLIGATION. The support and maintenance of the district may not
2 become a charge against or obligation of this state. (Acts 61st
3 Leg., R.S., Ch. 699, Sec. 19 (part).)

4 Sec. 1021.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
5 The legislature may not make a direct appropriation for the
6 construction, maintenance, or improvement of a district facility.
7 (Acts 61st Leg., R.S., Ch. 699, Sec. 19 (part).)

8 [Sections 1021.008-1021.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT ADMINISTRATION

10 Sec. 1021.051. BOARD ELECTION; TERM. (a) The board
11 consists of seven directors elected from the district by position.
12 To be elected, a candidate must receive a majority of the votes cast
13 in the election for that position.

14 (b) The official ballot must indicate the position number of
15 each office to be voted on at the election.

16 (c) A candidate may run for only one position at each
17 election.

18 (d) Unless four-year terms are established under Section
19 285.081, Health and Safety Code:

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

21 (2) the terms of directors elected to positions 1
22 through 3 expire in odd-numbered years and the terms of directors
23 elected to positions 4 through 7 expire in even-numbered years.
24 (Acts 61st Leg., R.S., Ch. 699, Sec. 3(c) (part).)

25 Sec. 1021.052. NOTICE OF RUNOFF ELECTION. At least seven
26 days before the date of a runoff election of directors, notice of
27 the runoff election shall be published one time in a newspaper of

1 general circulation in Donley County. (Acts 61st Leg., R.S., Ch.
2 699, Sec. 3(c) (part).)

3 Sec. 1021.053. QUALIFICATIONS FOR OFFICE. (a) A person may
4 not be elected or appointed as a director unless the person is:

- 5 (1) a district resident;
- 6 (2) a freeholder; and
- 7 (3) a qualified voter.

8 (b) A person is not eligible to serve as a director if the
9 person is:

- 10 (1) the district administrator;
- 11 (2) a district employee; or
- 12 (3) a hospital staff member. (Acts 61st Leg., R.S.,
13 Ch. 699, Sec. 3(d).)

14 Sec. 1021.054. BOND. (a) Each director shall execute a
15 good and sufficient bond for \$1,000 that is:

- 16 (1) payable to the district; and
- 17 (2) conditioned on the faithful performance of the
18 director's duties.

19 (b) The district shall pay for the directors' bonds. (Acts
20 61st Leg., R.S., Ch. 699, Sec. 3(c) (part).)

21 Sec. 1021.055. BOARD VACANCY. If a vacancy occurs in the
22 office of director, the board shall appoint a director for the
23 unexpired term. (Acts 61st Leg., R.S., Ch. 699, Sec. 3(c) (part).)

24 Sec. 1021.056. OFFICERS. (a) The board shall elect:

- 25 (1) a president and a vice president from among its
26 members; and
- 27 (2) a secretary, who need not be a director.

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

2 (c) The board shall fill a vacancy in a board office for the
3 unexpired term. (Acts 61st Leg., R.S., Ch. 699, Sec. 3(e) (part).)

4 Sec. 1021.057. COMPENSATION; EXPENSES. A director or
5 officer serves without compensation but may be reimbursed for
6 actual expenses incurred in the performance of official duties.
7 The expenses must be:

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

9 (2) approved by the board. (Acts 61st Leg., R.S., Ch.
10 699, Sec. 3(e) (part).)

11 Sec. 1021.058. VOTING REQUIREMENT. A concurrence of four
12 directors is sufficient in any matter relating to district
13 business. (Acts 61st Leg., R.S., Ch. 699, Sec. 3(e) (part).)

14 Sec. 1021.059. DISTRICT ADMINISTRATOR; ASSISTANT DISTRICT
15 ADMINISTRATORS. (a) The board may appoint a qualified person as
16 district administrator.

17 (b) The board may appoint one or more assistant
18 administrators.

19 (c) The district administrator and any assistant
20 administrator serve at the will of the board and are entitled to the
21 compensation determined by the board.

22 (d) On assuming the duties of district administrator, the
23 administrator shall execute a bond payable to the district in an
24 amount set by the board of not less than \$5,000 that:

25 (1) is conditioned on the administrator performing the
26 administrator's duties; and

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

1 (Acts 61st Leg., R.S., Ch. 699, Sec. 4 (part).)

2 Sec. 1021.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

3 Subject to the limitations prescribed by the board, the district
4 administrator shall:

5 (1) supervise the work and activities of the district;
6 and

7 (2) direct the affairs of the district. (Acts 61st
8 Leg., R.S., Ch. 699, Sec. 4 (part).)

9 Sec. 1021.061. APPOINTMENT AND DISMISSAL OF STAFF AND
10 EMPLOYEES. (a) The board may appoint to or dismiss from the staff
11 any doctors the board considers necessary for the efficient
12 operation of the district and may make temporary appointments as
13 necessary.

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

16 (c) The board may delegate to the district administrator the
17 authority to hire district employees, including technicians and
18 nurses. (Acts 61st Leg., R.S., Ch. 699, Secs. 4 (part), 15.)

19 Sec. 1021.062. SENIORITY; RETIREMENT BENEFITS. The board
20 may:

21 (1) adopt rules related to the seniority of district
22 employees, including rules for a retirement plan based on
23 seniority; and

24 (2) give effect to previous years of service for
25 district employees continuously employed in the operation or
26 management of hospital facilities acquired or constructed by the
27 district. (Acts 61st Leg., R.S., Ch. 699, Sec. 4 (part).)

1 [Sections 1021.063-1021.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1021.101. DISTRICT RESPONSIBILITY. The district has
4 full responsibility for operating all hospital facilities for
5 providing medical and hospital care for the district's needy
6 inhabitants. (Acts 61st Leg., R.S., Ch. 699, Sec. 18 (part).)

7 Sec. 1021.102. RESTRICTION ON POLITICAL SUBDIVISION
8 TAXATION AND DEBT. A political subdivision located within the
9 district or that has the same boundaries as the district may not
10 impose a tax or issue bonds or other obligations for hospital
11 purposes or to provide medical care. (Acts 61st Leg., R.S., Ch.
12 699, Sec. 18 (part).)

13 Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
14 The board shall manage, control, and administer the hospital system
15 and the district's money and resources. (Acts 61st Leg., R.S., Ch.
16 699, Sec. 4 (part).)

17 Sec. 1021.104. HOSPITAL SYSTEM. The hospital system, as
18 determined by the board, may include:

19 (1) facilities for domiciliary care of the sick,
20 injured, or geriatric;

21 (2) facilities for outpatient clinics;

22 (3) dispensaries;

23 (4) convalescent home facilities;

24 (5) necessary nurses centers;

25 (6) research centers or laboratories;

26 (7) nursing homes or similar facilities for the care
27 of the elderly; and

1 (8) any other facilities the board considers necessary
2 for hospital care. (Acts 61st Leg., R.S., Ch. 699, Sec. 8 (part).)

3 Sec. 1021.105. RULES. The board may adopt rules governing
4 the operation of the hospital, the hospital system, and the
5 district's staff and employees. (Acts 61st Leg., R.S., Ch. 699,
6 Sec. 4 (part).)

7 Sec. 1021.106. PURCHASING AND ACCOUNTING PROCEDURES. The
8 board may prescribe:

9 (1) the method and manner of making purchases and
10 expenditures by and for the district; and

11 (2) all accounting and control procedures. (Acts 61st
12 Leg., R.S., Ch. 699, Sec. 9 (part).)

13 Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT. (a) The board shall determine the type, number, and
15 location of buildings required to maintain an adequate hospital
16 system.

17 (b) The board may contract with the Health and Human
18 Services Commission to lease all or part of the district's
19 buildings and other facilities on terms considered to be in the best
20 interest of the district's inhabitants. The term of the lease may
21 not exceed 25 years.

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

1 (d) The district may sell or otherwise dispose of any
2 property, including equipment, on terms the board finds are in the
3 best interest of the district's inhabitants. (Acts 61st Leg.,
4 R.S., Ch. 699, Secs. 8 (part), 9 (part).)

5 Sec. 1021.108. EMINENT DOMAIN. (a) The district may
6 exercise the power of eminent domain to acquire a fee simple or
7 other interest in any type of property located in district
8 territory if the interest is necessary for the district to exercise
9 a power, right, or privilege conferred by this chapter.

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

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

16 (1) pay in advance or provide a bond or other security
17 for costs in the trial court;

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

20 (3) provide a bond for costs or a supersedeas bond on
21 an appeal or writ of error. (Acts 61st Leg., R.S., Ch. 699, Sec.
22 13.)

23 Sec. 1021.109. GIFTS AND ENDOWMENTS. The board may accept
24 for the district a gift or endowment to be held in trust and
25 administered by the board for the purposes and under the
26 directions, limitations, or other provisions prescribed in writing
27 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 61st Leg., R.S., Ch. 699,
2 Sec. 17.)

3 Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS. A
4 construction or purchase contract that involves the expenditure of
5 more than \$2,000 may be made only after advertising in the manner
6 provided by Chapter 252 and Subchapter C, Chapter 262, Local
7 Government Code. (Acts 61st Leg., R.S., Ch. 699, Sec. 9 (part).)

8 Sec. 1021.111. OPERATING AND MANAGEMENT CONTRACTS. The
9 board may enter into an operating or management contract relating
10 to a district facility. (Acts 61st Leg., R.S., Ch. 699, Sec. 8
11 (part).)

12 Sec. 1021.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
13 HOSPITAL TREATMENT. (a) The board may contract with a county or
14 municipality located outside the district's boundaries for the
15 hospitalization of a sick or injured person of that county or
16 municipality.

17 (b) The board may contract with this state or a federal
18 agency for the hospital treatment of a sick or injured person.
19 (Acts 61st Leg., R.S., Ch. 699, Sec. 4 (part).)

20 Sec. 1021.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
21 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
22 political subdivision or governmental agency for the district to
23 provide investigatory or other services as to the hospital or
24 welfare needs of district inhabitants. (Acts 61st Leg., R.S., Ch.
25 699, Sec. 4 (part).)

26 Sec. 1021.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
27 When a patient who resides in the district is admitted to a district

1 facility, the district administrator may have an inquiry made into
2 the circumstances of:

3 (1) the patient; and

4 (2) the patient's relatives who are legally liable for
5 the patient's support.

6 (b) If the district administrator determines that the
7 patient or those relatives cannot pay all or part of the costs of
8 the care and treatment in the hospital, the amount of the costs that
9 cannot be paid becomes a charge against the district.

10 (c) If the district administrator determines that the
11 patient or those relatives can pay for all or part of the costs of
12 the patient's care and treatment, the patient or those relatives
13 shall be ordered to pay the district a specified amount each week
14 for the patient's care and support. The amount ordered must be
15 proportionate to the person's financial ability.

16 (d) The district administrator may collect the amount from
17 the patient's estate, or from any relative who is legally liable for
18 the patient's support, in the manner provided by law for the
19 collection of expenses of the last illness of a deceased person.

20 (e) If there is a dispute as to the ability to pay, or doubt
21 in the mind of the district administrator, the board shall hold a
22 hearing and, after calling witnesses, shall:

23 (1) resolve the dispute or doubt; and

24 (2) issue any appropriate orders.

25 (f) The final order of the board may be appealed to the
26 district court. The substantial evidence rule applies to the
27 appeal. (Acts 61st Leg., R.S., Ch. 699, Sec. 16.)

1 Sec. 1021.115. AUTHORITY TO SUE AND BE SUED. (a) The
2 district, through the board, may sue and be sued.

3 (b) The district is entitled to all causes of action and
4 defenses to which similar authorities are entitled. (Acts 61st
5 Leg., R.S., Ch. 699, Sec. 4 (part).)

6 [Sections 1021.116-1021.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 1021.151. BUDGET. (a) The district administrator
9 shall prepare an annual budget for approval by the board.

10 (b) The proposed budget must contain a complete financial
11 statement of:

12 (1) the outstanding obligations of the district;

13 (2) the cash on hand in each district fund;

14 (3) the money received by the district from all
15 sources during the previous year;

16 (4) the money available to the district from all
17 sources during the ensuing year;

18 (5) the balances expected at the end of the year in
19 which the budget is being prepared;

20 (6) the estimated revenue and balances available to
21 cover the proposed budget;

22 (7) the estimated tax rate required; and

23 (8) the proposed expenditures and disbursements and
24 the estimated receipts and collections for the following fiscal
25 year. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

26 Sec. 1021.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
27 The board shall hold a public hearing on the proposed annual budget.

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

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

7 (d) At the conclusion of the hearing, the board shall adopt
8 a budget by acting on the budget proposed by the district
9 administrator. The board may make any changes in the proposed
10 budget that the board judges to be in the interest of the taxpayers
11 and that the law warrants. (Acts 61st Leg., R.S., Ch. 699, Sec. 5
12 (part).)

13 Sec. 1021.153. AMENDMENTS TO BUDGET. The budget may be
14 amended as required by circumstances. The board must approve all
15 amendments. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

16 Sec. 1021.154. RESTRICTION ON EXPENDITURES. Money may be
17 spent only for an expense included in the budget or an amendment to
18 the budget. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

19 Sec. 1021.155. FISCAL YEAR. The district operates on a
20 fiscal year that begins on July 1 and ends on June 30. (Acts 61st
21 Leg., R.S., Ch. 699, Sec. 5 (part).)

22 Sec. 1021.156. AUDIT. (a) The district shall have an
23 independent audit made of the district's financial condition for
24 the fiscal year.

25 (b) As soon as the audit is completed, the audit shall be
26 filed at the district's office. (Acts 61st Leg., R.S., Ch. 699,
27 Sec. 5 (part).)

1 Sec. 1021.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
2 The audit and other district records shall be open to inspection at
3 the district's principal office. (Acts 61st Leg., R.S., Ch. 699,
4 Sec. 5 (part).)

5 Sec. 1021.158. FINANCIAL REPORT. As soon as practicable
6 after the close of each fiscal year, the district administrator
7 shall prepare for the board:

8 (1) a complete sworn statement of all district money;
9 and

10 (2) a complete account of the disbursements of that
11 money. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

12 Sec. 1021.159. DEPOSITORY. (a) The board shall select one
13 or more banks in the district to serve as a depository for district
14 money.

15 (b) District money, other than money invested as provided by
16 Section 1021.160(b) and money transmitted to a bank for payment of
17 bonds or obligations issued by the district, shall be deposited as
18 received with the depository bank and shall remain on deposit.

19 (c) This chapter, including Subsection (b), does not limit
20 the power of the board to place a part of district money on time
21 deposit or to purchase certificates of deposit. (Acts 61st Leg.,
22 R.S., Ch. 699, Sec. 10.)

23 Sec. 1021.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
24 Except as provided by Section 1021.107(c) and by Subchapter E, the
25 district may not incur an obligation payable from district revenue
26 other than the revenue on hand or to be on hand in the current and
27 following district fiscal years.

1 (b) The board may invest operating, depreciation, or
2 building fund reserves only in funds or securities specified by
3 Chapter 2256, Government Code. (Acts 61st Leg., R.S., Ch. 699,
4 Secs. 4 (part), 9 (part).)

5 [Sections 1021.161-1021.200 reserved for expansion]

6 SUBCHAPTER E. BONDS

7 Sec. 1021.201. GENERAL OBLIGATION BONDS. The board may
8 issue and sell general obligation bonds in the name and on the faith
9 and credit of the district for any purpose relating to:

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

12 (2) equipping buildings or improvements for hospital
13 purposes. (Acts 61st Leg., R.S., Ch. 699, Sec. 6(a) (part).)

14 Sec. 1021.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
15 the time general obligation bonds are issued by the district under
16 Section 1021.201, the board shall impose an ad valorem tax at a rate
17 sufficient to create an interest and sinking fund to pay the
18 principal of and interest on the bonds as the bonds mature.

19 (b) The tax required by this section together with any other
20 ad valorem tax the district imposes may not in any year exceed the
21 tax rate approved by the voters at the election authorizing the
22 imposition of the tax. (Acts 61st Leg., R.S., Ch. 699, Sec. 6(a)
23 (part).)

24 Sec. 1021.203. GENERAL OBLIGATION BOND ELECTION. (a) The
25 district may issue general obligation bonds only if the bonds are
26 authorized by a majority of the district voters voting at an
27 election held for that purpose.

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

- 3 (1) the date of the election;
4 (2) the location of the polling places;
5 (3) the presiding and alternate election judges for
6 each polling place;
7 (4) the amount of the bonds to be authorized; and
8 (5) the maximum interest rate of the bonds.

9 (c) Notice of a bond election shall be given as provided by
10 Section 1251.003, Government Code. (Acts 61st Leg., R.S., Ch. 699,
11 Sec. 6(a) (part).)

12 Sec. 1021.204. MATURITY OF GENERAL OBLIGATION BONDS.
13 District general obligation bonds must mature not later than 40
14 years after the date of issuance. (Acts 61st Leg., R.S., Ch. 699,
15 Sec. 6(d) (part).)

16 Sec. 1021.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
17 The board president shall execute the general obligation bonds in
18 the district's name.

19 (b) The board secretary shall countersign the bonds in the
20 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,
21 R.S., Ch. 699, Sec. 6(d) (part).)

22 Sec. 1021.206. REVENUE BONDS. (a) The board may issue
23 revenue bonds to:

24 (1) purchase, construct, acquire, repair, renovate,
25 or equip buildings or improvements for the district's hospital
26 system facilities; or

27 (2) acquire sites to be used for the district's

1 hospital system facilities.

2 (b) The bonds must be payable from and secured by a pledge of
3 all or part of the revenue derived from the operation of the
4 district's hospitals.

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

7 (d) The bonds must be used in the manner and in accordance
8 with the procedures and requirements prescribed by Sections
9 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
10 issuance of revenue bonds by a county hospital authority. (Acts
11 61st Leg., R.S., Ch. 699, Sec. 7 (part).)

12 Sec. 1021.207. REFUNDING BONDS. (a) The board may, without
13 an election, issue refunding bonds to refund outstanding
14 indebtedness issued or assumed by the district.

15 (b) Refunding bonds may be:

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

18 (2) exchanged wholly or partly for not less than a
19 similar principal amount of outstanding indebtedness. (Acts 61st
20 Leg., R.S., Ch. 699, Secs. 6(a) (part), (c) (part), 7 (part).)

21 Sec. 1021.208. BONDS EXEMPT FROM TAXATION. The following
22 are exempt from taxation by this state or a political subdivision of
23 this state:

24 (1) bonds issued by the district;

25 (2) the transfer and issuance of the bonds; and

26 (3) profits made in the sale of the bonds. (Acts 61st
27 Leg., R.S., Ch. 699, Sec. 20 (part).)

1 [Sections 1021.209-1021.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1021.251. IMPOSITION OF AD VALOREM TAX. (a) The board
4 shall impose a tax on all property in the district subject to
5 district taxation.

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

7 (1) pay the interest on and create a sinking fund for
8 bonds and other obligations issued or assumed by the district for
9 hospital purposes;

10 (2) provide for the operation and maintenance of the
11 district and hospital system;

12 (3) make improvements and additions to the hospital
13 system; and

14 (4) acquire necessary sites for the hospital system by
15 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 699,
16 Secs. 2(b) (part), 11 (part).)

17 Sec. 1021.252. TAX RATE. (a) The board may impose the tax
18 at a rate not to exceed 75 cents on each \$100 valuation of taxable
19 property in the district.

20 (b) In setting the tax rate, the board shall consider the
21 income of the district from sources other than taxation. (Acts 61st
22 Leg., R.S., Ch. 699, Secs. 2(b) (part), 11 (part).)

23 Sec. 1021.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
24 ASSESSOR-COLLECTOR. (a) This section applies unless the board
25 elects to have taxes assessed and collected under Section 1021.254.

26 (b) The tax assessor-collector of Donley County shall
27 assess and collect taxes imposed by the district. (Acts 61st Leg.,

1 R.S., Ch. 699, Sec. 14 (part).)

2 Sec. 1021.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
3 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
4 assessed and collected by a tax assessor-collector appointed by the
5 board. An election under this subsection must be made by December 1
6 and governs the manner in which taxes are assessed and collected,
7 until changed by a similar resolution.

8 (b) The district tax assessor-collector must:

9 (1) reside in the district; and

10 (2) own real property subject to district taxation.

11 (c) The board shall set for the district tax
12 assessor-collector:

13 (1) the terms of employment; and

14 (2) compensation. (Acts 61st Leg., R.S., Ch. 699,
15 Sec. 14 (part).)

16 CHAPTER 1022. EAST COKE COUNTY HOSPITAL DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 1022.001. DEFINITIONS

19 Sec. 1022.002. AUTHORITY FOR CREATION

20 Sec. 1022.003. ESSENTIAL PUBLIC FUNCTION

21 Sec. 1022.004. DISTRICT TERRITORY

22 Sec. 1022.005. CORRECTION OF INVALID PROCEDURES

23 Sec. 1022.006. DISTRICT SUPPORT AND MAINTENANCE NOT

24 STATE OBLIGATION

25 Sec. 1022.007. RESTRICTION ON STATE FINANCIAL

26 ASSISTANCE

27 [Sections 1022.008-1022.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Sec. 1022.051. BOARD ELECTION; TERM

3 Sec. 1022.052. NOTICE OF ELECTION

4 Sec. 1022.053. BALLOT PETITION

5 Sec. 1022.054. QUALIFICATIONS FOR OFFICE

6 Sec. 1022.055. BOND

7 Sec. 1022.056. BOARD VACANCY

8 Sec. 1022.057. OFFICERS

9 Sec. 1022.058. COMPENSATION; EXPENSES

10 Sec. 1022.059. VOTING REQUIREMENT

11 Sec. 1022.060. DISTRICT ADMINISTRATOR; ASSISTANT

12 ADMINISTRATOR

13 Sec. 1022.061. GENERAL DUTIES OF DISTRICT

14 ADMINISTRATOR

15 Sec. 1022.062. EMPLOYEES; APPOINTMENT AND DISMISSAL OF

16 STAFF; CONTRACT WITH DOCTORS

17 Sec. 1022.063. INDEPENDENT CONTRACTS

18 Sec. 1022.064. SENIORITY; RETIREMENT BENEFITS

19 [Sections 1022.065-1022.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1022.101. DISTRICT RESPONSIBILITY

22 Sec. 1022.102. RESTRICTION ON POLITICAL SUBDIVISION

23 TAXATION AND DEBT

24 Sec. 1022.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

25 Sec. 1022.104. HOSPITAL SYSTEM

26 Sec. 1022.105. RULES

27 Sec. 1022.106. PURCHASING AND ACCOUNTING PROCEDURES

- 1 Sec. 1022.107. DISTRICT PROPERTY, FACILITIES, AND
- 2 EQUIPMENT
- 3 Sec. 1022.108. EMINENT DOMAIN
- 4 Sec. 1022.109. GIFTS AND ENDOWMENTS
- 5 Sec. 1022.110. CONSTRUCTION OR PURCHASE CONTRACTS
- 6 Sec. 1022.111. OPERATING AND MANAGEMENT CONTRACTS
- 7 Sec. 1022.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 8 FOR CARE AND TREATMENT
- 9 Sec. 1022.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 10 FOR INVESTIGATORY OR OTHER SERVICES
- 11 Sec. 1022.114. PAYMENT FOR TREATMENT; PROCEDURES
- 12 Sec. 1022.115. AUTHORITY TO SUE AND BE SUED
- 13 [Sections 1022.116-1022.150 reserved for expansion]
- 14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 15 Sec. 1022.151. BUDGET
- 16 Sec. 1022.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 17 Sec. 1022.153. AMENDMENTS TO BUDGET
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- 20 Sec. 1022.156. AUDIT
- 21 Sec. 1022.157. INSPECTION OF AUDIT AND DISTRICT
- 22 RECORDS
- 23 Sec. 1022.158. FINANCIAL REPORT
- 24 Sec. 1022.159. DEPOSITORY
- 25 Sec. 1022.160. SPENDING AND INVESTMENT RESTRICTIONS
- 26 [Sections 1022.161-1022.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

- 2 Sec. 1022.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1022.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1022.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1022.204. MATURITY OF GENERAL OBLIGATION BONDS
- 6 Sec. 1022.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 7 Sec. 1022.206. REVENUE BONDS
- 8 Sec. 1022.207. REFUNDING BONDS
- 9 Sec. 1022.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1022.209-1022.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

- 12 Sec. 1022.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1022.252. TAX RATE
- 14 Sec. 1022.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
- 15 ASSESSOR-COLLECTOR
- 16 Sec. 1022.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 17 TAX ASSESSOR-COLLECTOR

18 CHAPTER 1022. EAST COKE COUNTY HOSPITAL DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 1022.001. DEFINITIONS. In this chapter:

- 21 (1) "Board" means the board of directors of the
- 22 district.
- 23 (2) "Director" means a member of the board.
- 24 (3) "District" means the East Coke County Hospital
- 25 District. (New.)

26 Sec. 1022.002. AUTHORITY FOR CREATION. The district is

27 created under the authority of Section 9, Article IX, Texas

1 Constitution. (Acts 61st Leg., R.S., Ch. 444, Sec. 1.)

2 Sec. 1022.003. ESSENTIAL PUBLIC FUNCTION. The district
3 performs an essential public function in carrying out the purposes
4 of this chapter. (Acts 61st Leg., R.S., Ch. 444, Sec. 22 (part).)

5 Sec. 1022.004. DISTRICT TERRITORY. The boundaries of the
6 district are coextensive with the boundaries of County
7 Commissioners Precincts 2 and 4 of Coke County, Texas, as those
8 boundaries existed on April 16, 1969. (Acts 61st Leg., R.S., Ch.
9 444, Sec. 2.)

10 Sec. 1022.005. CORRECTION OF INVALID PROCEDURES. If a
11 court holds that any procedure under this chapter violates the
12 constitution of this state or of the United States, the district by
13 resolution may provide an alternative procedure that conforms with
14 the constitution. (Acts 61st Leg., R.S., Ch. 444, Sec. 23 (part).)

15 Sec. 1022.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
16 OBLIGATION. The support and maintenance of the district may not
17 become a charge against or obligation of this state. (Acts 61st
18 Leg., R.S., Ch. 444, Sec. 21 (part).)

19 Sec. 1022.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
20 The legislature may not make a direct appropriation for the
21 construction, maintenance, or improvement of a district facility.
22 (Acts 61st Leg., R.S., Ch. 444, Sec. 21 (part).)

23 [Sections 1022.008-1022.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1022.051. BOARD ELECTION; TERM. (a) The board
26 consists of five directors elected from the district at large.

27 (b) Directors serve staggered two-year terms unless

1 four-year terms are established under Section 285.081, Health and
2 Safety Code. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

3 Sec. 1022.052. NOTICE OF ELECTION. At least 30 days before
4 the date of an election of directors, notice of the election shall
5 be published one time in a newspaper or newspapers that
6 individually or collectively have general circulation in the
7 district. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

8 Sec. 1022.053. BALLOT PETITION. A person who wants to have
9 the person's name printed on the ballot as a candidate for director
10 must file with the board secretary a petition requesting that
11 action. The petition must be:

12 (1) signed by at least 10 qualified property taxpaying
13 voters; and

14 (2) filed at least 10 days before the date of the
15 election. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

16 Sec. 1022.054. QUALIFICATIONS FOR OFFICE. (a) A person may
17 not be elected or appointed as a director unless the person is:

18 (1) a district resident;

19 (2) a freeholder; and

20 (3) a qualified voter.

21 (b) A person is not eligible to serve as a director if the
22 person is:

23 (1) the district administrator;

24 (2) a district employee; or

25 (3) a hospital staff member. (Acts 61st Leg., R.S.,
26 Ch. 444, Sec. 5(b).)

27 Sec. 1022.055. BOND. (a) Each director shall execute a

1 good and sufficient bond for \$10,000 that is:

2 (1) payable to the district; and

3 (2) conditioned on the faithful performance of the
4 director's duties.

5 (b) The district shall pay for the directors' bonds. (Acts
6 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

7 Sec. 1022.056. BOARD VACANCY. If a vacancy occurs in the
8 office of director, the remaining directors shall appoint a
9 director for the unexpired term. (Acts 61st Leg., R.S., Ch. 444,
10 Sec. 5(a) (part).)

11 Sec. 1022.057. OFFICERS. (a) The board shall elect:

12 (1) a president and a vice president from among its
13 members; and

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

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

16 (c) The board shall fill a vacancy in a board office for the
17 unexpired term. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(c) (part).)

18 Sec. 1022.058. COMPENSATION; EXPENSES. A director or
19 officer serves without compensation but may be reimbursed for
20 actual expenses incurred in the performance of official duties.
21 The expenses must be:

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

23 (2) approved by the board. (Acts 61st Leg., R.S., Ch.
24 444, Sec. 5(c) (part).)

25 Sec. 1022.059. VOTING REQUIREMENT. A concurrence of three
26 directors is sufficient in any matter relating to district
27 business. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(c) (part).)

1 Sec. 1022.060. DISTRICT ADMINISTRATOR; ASSISTANT
2 ADMINISTRATOR. (a) The board may appoint a qualified person as a
3 district administrator.

4 (b) The board may appoint one or more assistant
5 administrators.

6 (c) The district administrator and any assistant
7 administrator serve at the will of the board and are entitled to the
8 compensation determined by the board.

9 (d) On assuming the duties of district administrator, the
10 administrator shall execute a bond payable to the district in an
11 amount set by the board of not less than \$5,000 that:

12 (1) is conditioned on the administrator performing the
13 administrator's duties; and

14 (2) contains other conditions the board may require.
15 (Acts 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

16 Sec. 1022.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
17 Subject to the limitations prescribed by the board, the district
18 administrator shall:

19 (1) supervise the work and activities of the district;
20 and

21 (2) direct the affairs of the district. (Acts 61st
22 Leg., R.S., Ch. 444, Sec. 6 (part).)

23 Sec. 1022.062. EMPLOYEES; APPOINTMENT AND DISMISSAL OF
24 STAFF; CONTRACT WITH DOCTORS. (a) The board may appoint to or
25 dismiss from the staff or contract with any doctors the board
26 considers necessary for the efficient operation of the district and
27 may make temporary appointments as necessary.

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

3 (c) The board may delegate to the district administrator the
4 authority to hire district employees, including technicians and
5 nurses. (Acts 61st Leg., R.S., Ch. 444, Secs. 6 (part), 17.)

6 Sec. 1022.063. INDEPENDENT CONTRACTS. For any purpose
7 permitted by applicable state law, the board may enter into an
8 independent contract with:

9 (1) a person licensed to practice medicine in this
10 state;

11 (2) a professional association that is organized under
12 the Texas Professional Association Act (Article 1528f, Vernon's
13 Texas Civil Statutes); or

14 (3) a nonprofit organization that is organized under
15 and in compliance with Subchapter A, Chapter 162, Occupations Code.
16 (Acts 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

17 Sec. 1022.064. SENIORITY; RETIREMENT BENEFITS. The board
18 may adopt rules relating to the seniority of district employees,
19 including rules for a retirement plan based on seniority. (Acts
20 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

21 [Sections 1022.065-1022.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1022.101. DISTRICT RESPONSIBILITY. (a) The district
24 has full responsibility for providing hospital care for the
25 district's indigent residents.

26 (b) The district shall provide all necessary hospital and
27 medical care for the district's needy inhabitants. (Acts 61st

1 Leg., R.S., Ch. 444, Secs. 3 (part), 20 (part).)

2 Sec. 1022.102. RESTRICTION ON POLITICAL SUBDIVISION
3 TAXATION AND DEBT. A political subdivision of this state, other
4 than the district, may not impose a tax or issue bonds or other
5 obligations for hospital purposes or to provide medical care.
6 (Acts 61st Leg., R.S., Ch. 444, Secs. 3 (part), 20 (part).)

7 Sec. 1022.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
8 The board shall manage, control, and administer the hospital system
9 and the district's money and resources. (Acts 61st Leg., R.S., Ch.
10 444, Sec. 6 (part).)

11 Sec. 1022.104. HOSPITAL SYSTEM. (a) The district has the
12 responsibility to establish a hospital or hospital system within
13 its boundaries to provide hospital and medical care to the
14 district's residents.

15 (b) The hospital system may include:

16 (1) facilities for domiciliary care of the sick,
17 injured, or geriatric;

18 (2) facilities for outpatient clinics;

19 (3) dispensaries;

20 (4) convalescent home facilities;

21 (5) necessary nurses' domiciliaries and training
22 centers;

23 (6) blood banks;

24 (7) community mental health centers;

25 (8) research centers or laboratories; and

26 (9) any other facilities the board considers necessary
27 for hospital care. (Acts 61st Leg., R.S., Ch. 444, Secs. 3 (part),

1 10 (part).)

2 Sec. 1022.105. RULES. The board may adopt rules governing
3 the operation of the hospital, the hospital system, and the
4 district's staff and employees. (Acts 61st Leg., R.S., Ch. 444,
5 Sec. 6 (part).)

6 Sec. 1022.106. PURCHASING AND ACCOUNTING PROCEDURES. The
7 board may prescribe:

8 (1) the method and manner of making purchases and
9 expenditures by and for the district; and

10 (2) all accounting and control procedures. (Acts 61st
11 Leg., R.S., Ch. 444, Sec. 11 (part).)

12 Sec. 1022.107. DISTRICT PROPERTY, FACILITIES, AND
13 EQUIPMENT. (a) The board shall determine the type, number, and
14 location of buildings required to maintain an adequate hospital
15 system.

16 (b) The board may lease all or part of the district's
17 buildings or other facilities on terms considered to be in the best
18 interest of the district's inhabitants. The term of the lease may
19 not exceed 25 years.

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

26 (d) The district may sell or otherwise dispose of any
27 property, including equipment, on terms the board finds are in the

1 best interest of the district's inhabitants. (Acts 61st Leg.,
2 R.S., Ch. 444, Secs. 10 (part), 11 (part).)

3 Sec. 1022.108. EMINENT DOMAIN. (a) The district may
4 exercise the power of eminent domain to acquire a fee simple or
5 other interest in any type of property located in district
6 territory if the interest is necessary for the district to exercise
7 a power, right, or privilege conferred by this chapter.

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

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

14 (1) pay in advance or provide a bond or other security
15 for costs in the trial court;

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

18 (3) provide a bond for costs or a supersedeas bond on
19 an appeal or writ of error. (Acts 61st Leg., R.S., Ch. 444, Sec.
20 15.)

21 Sec. 1022.109. GIFTS AND ENDOWMENTS. The board may accept
22 for the district a gift or endowment to be held in trust and
23 administered by the board for the purposes and under the
24 directions, limitations, or other provisions prescribed in writing
25 by the donor that are not inconsistent with the proper management
26 and objectives of the district. (Acts 61st Leg., R.S., Ch. 444,
27 Sec. 19.)

1 Sec. 1022.110. CONSTRUCTION OR PURCHASE CONTRACTS. A
2 construction or purchase contract that involves the expenditure of
3 more than \$2,000 may be made only after advertising in the manner
4 provided by Chapter 252 and Subchapter C, Chapter 262, Local
5 Government Code. (Acts 61st Leg., R.S., Ch. 444, Sec. 11 (part).)

6 Sec. 1022.111. OPERATING AND MANAGEMENT CONTRACTS. The
7 board may enter into an operating or management contract relating
8 to a district facility. (Acts 61st Leg., R.S., Ch. 444, Sec. 10
9 (part).)

10 Sec. 1022.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
11 CARE AND TREATMENT. (a) The board may contract with a county or
12 municipality located outside the district's boundaries for the
13 hospitalization of a sick or injured person of that county or
14 municipality.

15 (b) The board may contract with this state or a federal
16 agency for the hospital treatment of a sick or injured person.
17 (Acts 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

18 Sec. 1022.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
19 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
20 political subdivision or governmental agency for the district to
21 provide investigatory or other services for the hospital or welfare
22 needs of district inhabitants. (Acts 61st Leg., R.S., Ch. 444, Sec.
23 6 (part).)

24 Sec. 1022.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
25 When a patient who resides in the district is admitted to a district
26 facility, the district administrator may have an inquiry made into
27 the circumstances of:

1 (1) the patient; and

2 (2) the patient's relatives who are legally liable for
3 the patient's support.

4 (b) If the district administrator determines that the
5 patient or those relatives cannot pay all or part of the costs of
6 the care and treatment in the hospital, the amount of the costs that
7 cannot be paid becomes a charge against the district.

8 (c) If the district administrator determines that the
9 patient or those relatives can pay for all or part of the costs of
10 the patient's care and treatment, the patient or those relatives
11 shall be ordered to pay the district a specified amount each week
12 for the patient's care and support. The amount ordered must be
13 proportionate to the person's financial ability.

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

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

21 (1) resolve the dispute or doubt; and

22 (2) issue any appropriate orders.

23 (f) A final order of the board may be appealed to the
24 district court. The substantial evidence rule applies to the
25 appeal. (Acts 61st Leg., R.S., Ch. 444, Sec. 18.)

26 Sec. 1022.115. AUTHORITY TO SUE AND BE SUED. (a) The
27 district, through the board, may sue and be sued.

1 (b) The district is entitled to all causes of action and
2 defenses to which similar authorities are entitled. (Acts 61st
3 Leg., R.S., Ch. 444, Sec. 6 (part).)

4 [Sections 1022.116-1022.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1022.151. BUDGET. (a) The district administrator
7 shall prepare an annual budget for approval by the board.

8 (b) The proposed budget must contain a complete financial
9 statement of:

- 10 (1) the outstanding obligations of the district;
- 11 (2) the cash on hand in each district fund;
- 12 (3) the money received by the district from all
13 sources during the previous year;
- 14 (4) the money available to the district from all
15 sources during the ensuing year;
- 16 (5) the balances expected at the end of the year in
17 which the budget is being prepared;
- 18 (6) the estimated revenue and balances available to
19 cover the proposed budget;
- 20 (7) the estimated tax rate required; and
- 21 (8) the proposed expenditures and disbursements and
22 the estimated receipts and collections for the following fiscal
23 year. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

24 Sec. 1022.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
25 The board shall hold a public hearing on the proposed annual budget.

26 (b) At least 10 days before the date of the hearing, notice
27 of the hearing shall be published one time in a newspaper or

1 newspapers that individually or collectively have general
2 circulation in the district.

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

5 (d) At the conclusion of the hearing, the board shall adopt
6 a budget by acting on the budget proposed by the district
7 administrator. The board may make any changes in the proposed
8 budget that the board judges to be in the interests of the taxpayers
9 and that the law warrants. (Acts 61st Leg., R.S., Ch. 444, Sec. 7
10 (part).)

11 Sec. 1022.153. AMENDMENTS TO BUDGET. The budget may be
12 amended as required by circumstances. The board must approve all
13 amendments. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

14 Sec. 1022.154. RESTRICTION ON EXPENDITURES. Money may be
15 spent only for an expense included in the budget or an amendment to
16 the budget. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

17 Sec. 1022.155. FISCAL YEAR. The district operates on a
18 fiscal year that begins on July 1 and ends on June 30. (Acts 61st
19 Leg., R.S., Ch. 444, Sec. 7 (part).)

20 Sec. 1022.156. AUDIT. (a) The district shall have an
21 independent audit made of the district's financial condition for
22 the fiscal year.

23 (b) As soon as the audit is completed, the audit shall be
24 filed at the district's office. (Acts 61st Leg., R.S., Ch. 444,
25 Sec. 7 (part).)

26 Sec. 1022.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
27 The audit and other district records shall be open to inspection at

1 the district's principal office. (Acts 61st Leg., R.S., Ch. 444,
2 Sec. 7 (part).)

3 Sec. 1022.158. FINANCIAL REPORT. As soon as practicable
4 after the close of each fiscal year, the district administrator
5 shall prepare for the board:

6 (1) a complete sworn statement of all district money;
7 and

8 (2) a complete account of the disbursements of that
9 money. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

10 Sec. 1022.159. DEPOSITORY. (a) The board shall select one
11 or more banks in the district to serve as a depository for district
12 money.

13 (b) District money, other than money invested as provided by
14 Section 1022.160(b), and money transmitted to a bank for payment of
15 bonds or obligations issued by the district, shall be deposited as
16 received with the depository bank and shall remain on deposit.

17 (c) This chapter, including Subsection (b), does not limit
18 the power of the board to place a part of district money on time
19 deposit or to purchase certificates of deposit. (Acts 61st Leg.,
20 R.S., Ch. 444, Sec. 12.)

21 Sec. 1022.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
22 Except as otherwise provided by Section 1022.107(c) and by
23 Subchapter E, the district may not incur an obligation payable from
24 district revenue other than the revenue on hand or to be on hand in
25 the current and following district fiscal years.

26 (b) The board may invest operating, depreciation, or
27 building reserves only in funds or securities specified by Chapter

1 2256, Government Code. (Acts 61st Leg., R.S., Ch. 444, Secs. 6
2 (part), 11 (part).)

3 [Sections 1022.161-1022.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1022.201. GENERAL OBLIGATION BONDS. The board may
6 issue and sell general obligation bonds in the name and on the faith
7 and credit of the district for any purpose relating to:

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

10 (2) equipping buildings or improvements for hospital
11 purposes. (Acts 61st Leg., R.S., Ch. 444, Sec. 8(a) (part).)

12 Sec. 1022.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
13 the time general obligation bonds are issued under Section
14 1022.201, the board shall impose an ad valorem tax at a rate
15 sufficient to create an interest and sinking fund to pay the
16 principal of and interest on the bonds as the bonds mature.

17 (b) The tax required by this section together with any other
18 ad valorem tax the district imposes may not in any year exceed the
19 tax rate approved by the voters at the election authorizing the
20 imposition of the tax. (Acts 61st Leg., R.S., Ch. 444, Sec. 8(a)
21 (part).)

22 Sec. 1022.203. GENERAL OBLIGATION BOND ELECTION. (a) The
23 district may issue general obligation bonds only if the bonds are
24 authorized by a majority of the district voters voting at an
25 election held for that purpose.

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

- 1 (1) the date of the election;
- 2 (2) the location of the polling places;
- 3 (3) the presiding and alternate election judges for
4 each polling place;
- 5 (4) the amount of the bonds to be authorized; and
- 6 (5) the maximum interest rate of the bonds.

7 (c) Notice of a bond election shall be given as provided by
8 Section 1251.003, Government Code. (Acts 61st Leg., R.S., Ch. 444,
9 Sec. 8(a) (part).)

10 Sec. 1022.204. MATURITY OF GENERAL OBLIGATION BONDS.
11 District general obligation bonds must mature not later than 40
12 years after the date of issuance. (Acts 61st Leg., R.S., Ch. 444,
13 Sec. 8(d) (part).)

14 Sec. 1022.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
15 The board president shall execute the general obligation bonds in
16 the district's name.

17 (b) The board secretary shall countersign the bonds in the
18 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,
19 R.S., Ch. 444, Sec. 8(d) (part).)

20 Sec. 1022.206. REVENUE BONDS. (a) The board may issue
21 revenue bonds to:

- 22 (1) purchase, construct, acquire, repair, renovate,
23 or equip buildings or improvements for hospital purposes; or
- 24 (2) acquire sites to be used for hospital purposes.

25 (b) The bonds must be payable from and secured by a pledge of
26 all or part of the revenue derived from the operation of the
27 district's hospitals.

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

3 (d) The bonds must be issued in the manner and in accordance
4 with the procedures and requirements prescribed by Sections
5 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
6 issuance of revenue bonds by a county hospital authority. (Acts
7 61st Leg., R.S., Ch. 444, Sec. 9 (part).)

8 Sec. 1022.207. REFUNDING BONDS. (a) The board may, without
9 an election, issue refunding bonds to refund outstanding
10 indebtedness issued or assumed by the district.

11 (b) A refunding bond may be:

12 (1) sold, with the proceeds of the refunding bond
13 applied to the payment of the indebtedness to be refunded; or

14 (2) exchanged wholly or partly for not less than a
15 similar principal amount of outstanding indebtedness. (Acts 61st
16 Leg., R.S., Ch. 444, Secs. 8(a) (part), (c) (part), 9 (part).)

17 Sec. 1022.208. BONDS EXEMPT FROM TAXATION. The following
18 are exempt from taxation by this state or a political subdivision of
19 this state:

20 (1) bonds issued by the district;

21 (2) the transfer and issuance of the bonds; and

22 (3) profits made in the sale of the bonds. (Acts 61st
23 Leg., R.S., Ch. 444, Sec. 22 (part).)

24 [Sections 1022.209-1022.250 reserved for expansion]

25 SUBCHAPTER F. TAXES

26 Sec. 1022.251. IMPOSITION OF AD VALOREM TAX. (a) The board
27 shall impose a tax on all property in the district subject to

1 district taxation.

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

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

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

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

10 (4) acquire necessary sites for the hospital system by
11 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 444,
12 Secs. 4(b) (part), 13 (part).)

13 Sec. 1022.252. TAX RATE. (a) The board may impose the tax
14 at a rate not to exceed 75 cents on each \$100 valuation of taxable
15 property in the district.

16 (b) In setting the tax rate, the board shall consider the
17 income of the district from sources other than taxation. (Acts 61st
18 Leg., R.S., Ch. 444, Secs. 4(b) (part), 13 (part).)

19 Sec. 1022.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
20 ASSESSOR-COLLECTOR. (a) This section applies unless the board
21 elects to have taxes assessed and collected under Section 1022.254.

22 (b) The tax assessor-collector of Coke County shall assess
23 and collect taxes imposed by the district. (Acts 61st Leg., R.S.,
24 Ch. 444, Sec. 16 (part).)

25 Sec. 1022.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
26 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
27 assessed and collected by a tax assessor-collector appointed by the

1 board. An election under this subsection must be made by December 1
2 and governs the manner in which taxes are assessed and collected,
3 until changed by a similar resolution.

4 (b) The district tax assessor-collector must:

5 (1) reside in the district; and

6 (2) own real property subject to district taxation.

7 (c) The board shall set for the district tax
8 assessor-collector:

9 (1) the terms of employment; and

10 (2) compensation. (Acts 61st Leg., R.S., Ch. 444,
11 Sec. 16 (part).)

12 CHAPTER 1023. EASTLAND MEMORIAL HOSPITAL DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 1023.001. DEFINITIONS

15 Sec. 1023.002. AUTHORITY FOR OPERATION

16 Sec. 1023.003. ESSENTIAL PUBLIC FUNCTION

17 Sec. 1023.004. DISTRICT TERRITORY

18 Sec. 1023.005. DISTRICT SUPPORT AND MAINTENANCE NOT

19 STATE OBLIGATION

20 Sec. 1023.006. RESTRICTION ON STATE FINANCIAL

21 ASSISTANCE

22 [Sections 1023.007-1023.050 reserved for expansion]

23 SUBCHAPTER B. DISTRICT ADMINISTRATION

24 Sec. 1023.051. BOARD ELECTION; TERMS

25 Sec. 1023.052. NOTICE OF ELECTION

26 Sec. 1023.053. QUALIFICATIONS FOR OFFICE

27 Sec. 1023.054. BOARD VACANCY

- 1 Sec. 1023.055. OFFICERS
- 2 Sec. 1023.056. COMPENSATION; EXPENSES
- 3 Sec. 1023.057. VOTING REQUIREMENT
- 4 Sec. 1023.058. DISTRICT ADMINISTRATOR
- 5 Sec. 1023.059. GENERAL DUTIES OF DISTRICT
- 6 ADMINISTRATOR
- 7 Sec. 1023.060. ASSISTANT DISTRICT ADMINISTRATOR;
- 8 ATTORNEY
- 9 Sec. 1023.061. EMPLOYEES; APPOINTMENT AND RECRUITMENT OF
- 10 STAFF
- 11 Sec. 1023.062. PERSONNEL CONTRACTS
- 12 Sec. 1023.063. RETIREMENT BENEFITS
- 13 [Sections 1023.064-1023.100 reserved for expansion]
- 14 SUBCHAPTER C. POWERS AND DUTIES
- 15 Sec. 1023.101. DISTRICT RESPONSIBILITY
- 16 Sec. 1023.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 17 Sec. 1023.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 18 Sec. 1023.104. RULES
- 19 Sec. 1023.105. PURCHASING AND ACCOUNTING PROCEDURES
- 20 Sec. 1023.106. DISTRICT PROPERTY, FACILITIES, AND
- 21 EQUIPMENT
- 22 Sec. 1023.107. EMINENT DOMAIN
- 23 Sec. 1023.108. COST OF RELOCATING OR ALTERING PROPERTY
- 24 Sec. 1023.109. GIFTS AND ENDOWMENTS
- 25 Sec. 1023.110. CONSTRUCTION CONTRACTS
- 26 Sec. 1023.111. OPERATING AND MANAGEMENT CONTRACTS

1 Sec. 1023.112. CONTRACTS WITH GOVERNMENTAL ENTITIES

2 FOR SERVICES

3 Sec. 1023.113. PROVISION OF CERTAIN HEALTH SERVICES

4 Sec. 1023.114. PAYMENT FOR TREATMENT; PROCEDURES

5 Sec. 1023.115. REIMBURSEMENT FOR SERVICES

6 Sec. 1023.116. AUTHORITY TO SUE AND BE SUED

7 [Sections 1023.117-1023.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 1023.151. BUDGET

10 Sec. 1023.152. NOTICE; HEARING; ADOPTION OF BUDGET

11 Sec. 1023.153. AMENDMENTS TO BUDGET

12 Sec. 1023.154. RESTRICTION ON EXPENDITURES

13 Sec. 1023.155. FISCAL YEAR

14 Sec. 1023.156. ANNUAL AUDIT

15 Sec. 1023.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

16 RECORDS

17 Sec. 1023.158. FINANCIAL REPORT

18 Sec. 1023.159. DEPOSITORY

19 Sec. 1023.160. SPENDING AND INVESTMENT RESTRICTIONS

20 Sec. 1023.161. GENERAL AUTHORITY TO BORROW MONEY;

21 SECURITY

22 Sec. 1023.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;

23 SECURITY

24 [Sections 1023.163-1023.200 reserved for expansion]

25 SUBCHAPTER E. BONDS

26 Sec. 1023.201. GENERAL OBLIGATION BONDS

27 Sec. 1023.202. TAX TO PAY GENERAL OBLIGATION BONDS

1 Sec. 1023.203. GENERAL OBLIGATION BOND ELECTION

2 Sec. 1023.204. REVENUE BONDS

3 Sec. 1023.205. REFUNDING BONDS

4 Sec. 1023.206. MATURITY OF BONDS

5 Sec. 1023.207. EXECUTION OF BONDS

6 Sec. 1023.208. BONDS EXEMPT FROM TAXATION

7 [Sections 1023.209-1023.250 reserved for expansion]

8 SUBCHAPTER F. TAXES

9 Sec. 1023.251. IMPOSITION OF AD VALOREM TAX

10 Sec. 1023.252. TAX RATE

11 Sec. 1023.253. TAX ASSESSOR-COLLECTOR

12 [Sections 1023.254-1023.300 reserved for expansion]

13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1023.301. DISSOLUTION; ELECTION

15 Sec. 1023.302. NOTICE OF ELECTION

16 Sec. 1023.303. BALLOT

17 Sec. 1023.304. ELECTION RESULTS

18 Sec. 1023.305. TRANSFER OR ADMINISTRATION OF ASSETS

19 Sec. 1023.306. SALE OR TRANSFER OF ASSETS AND

20 LIABILITIES

21 Sec. 1023.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

22 TAXES

23 Sec. 1023.308. REPORT; DISSOLUTION ORDER

24 CHAPTER 1023. EASTLAND MEMORIAL HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1023.001. DEFINITIONS. In this chapter:

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

1 district.

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

3 (3) "District" means the Eastland Memorial Hospital
4 District. (Acts 71st Leg., R.S., Ch. 221, Sec. 1.01.)

5 Sec. 1023.002. AUTHORITY FOR OPERATION. The district
6 operates and is financed as provided by Section 9, Article IX, Texas
7 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 221,
8 Sec. 1.02.)

9 Sec. 1023.003. ESSENTIAL PUBLIC FUNCTION. The district is
10 a public entity performing an essential public function. (Acts
11 71st Leg., R.S., Ch. 221, Sec. 7.11 (part).)

12 Sec. 1023.004. DISTRICT TERRITORY. The district is
13 composed of the territory described by Section 1.03, Chapter 221,
14 Acts of the 71st Legislature, Regular Session, 1989. (New.)

15 Sec. 1023.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
16 OBLIGATION. The state may not be obligated for the support or
17 maintenance of the district. (Acts 71st Leg., R.S., Ch. 221, Sec.
18 10.01 (part).)

19 Sec. 1023.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
20 The legislature may not make a direct appropriation for the
21 construction, maintenance, or improvement of a district facility.
22 (Acts 71st Leg., R.S., Ch. 221, Sec. 10.01 (part).)

23 [Sections 1023.007-1023.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1023.051. BOARD ELECTION; TERMS. (a) The district is
26 governed by a board of nine directors elected from the district at
27 large.

1 (b) Unless four-year terms are established under Section
2 285.081, Health and Safety Code:

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

4 (2) an election shall be held on the uniform election
5 date in May of each year to elect the appropriate number of
6 directors. (Acts 71st Leg., R.S., Ch. 221, Secs. 4.01(a), 4.03(a),
7 (c) (part).)

8 Sec. 1023.052. NOTICE OF ELECTION. Not earlier than 30 days
9 or later than 10 days before the date of an election of directors,
10 notice of the election shall be published one time in a newspaper
11 with general circulation in the district. (Acts 71st Leg., R.S.,
12 Ch. 221, Sec. 4.04.)

13 Sec. 1023.053. QUALIFICATIONS FOR OFFICE. To be eligible
14 to be a candidate for or to serve as a director, a person must be:

15 (1) a district resident; and

16 (2) a qualified voter. (Acts 71st Leg., R.S., Ch. 221,
17 Sec. 4.06.)

18 Sec. 1023.054. BOARD VACANCY. (a) A vacancy in the office
19 of director shall be filled for the unexpired term at the next
20 regular election.

21 (b) If at least five director positions become vacant, the
22 remaining directors may call a special election to fill the
23 vacancies for the unexpired terms. (Acts 71st Leg., R.S., Ch. 221,
24 Sec. 4.07.)

25 Sec. 1023.055. OFFICERS. (a) The board shall elect a
26 president and a vice president from among its members.

27 (b) The board shall appoint a secretary.

1 (c) Each officer of the board serves for a term of one year.

2 (d) The board shall fill a vacancy in a board office for the
3 unexpired term. (Acts 71st Leg., R.S., Ch. 221, Secs. 4.08, 4.09.)

4 Sec. 1023.056. COMPENSATION; EXPENSES. A director or
5 officer serves without compensation but may be reimbursed for
6 actual expenses incurred in the performance of official duties.
7 The expenses must be:

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

9 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
10 221, Sec. 4.10.)

11 Sec. 1023.057. VOTING REQUIREMENT. A concurrence of a
12 majority of the directors voting is necessary in any matter
13 relating to district business. (Acts 71st Leg., R.S., Ch. 221, Sec.
14 4.11.)

15 Sec. 1023.058. DISTRICT ADMINISTRATOR. (a) The board may
16 appoint a qualified person as district administrator.

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

19 (c) Before assuming the duties of district administrator,
20 the board may require the administrator to execute a bond in an
21 amount determined by the board of not less than \$5,000 that is:

22 (1) payable to the district; and

23 (2) conditioned on the faithful performance of the
24 administrator's duties under this chapter.

25 (d) The board may pay for the bond with district money.
26 (Acts 71st Leg., R.S., Ch. 221, Secs. 4.12(a) (part), (b) (part),
27 (c) (part), (d).)

1 Sec. 1023.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

2 Subject to the limitations prescribed by the board, the district
3 administrator shall:

4 (1) supervise the work and activities of the district;
5 and

6 (2) direct the general affairs of the district. (Acts
7 71st Leg., R.S., Ch. 221, Sec. 4.15.)

8 Sec. 1023.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

9 (a) The board may appoint qualified persons as:

10 (1) the assistant district administrator; and

11 (2) the attorney for the district.

12 (b) The assistant district administrator and attorney for
13 the district serve at the will of the board and are entitled to the
14 compensation determined by the board. (Acts 71st Leg., R.S., Ch.
15 221, Secs. 4.12(a) (part), (b) (part), (c) (part).)

16 Sec. 1023.061. EMPLOYEES; APPOINTMENT AND RECRUITMENT OF
17 STAFF. (a) The district may employ technicians, nurses, fiscal
18 agents, accountants, architects, additional attorneys, and other
19 necessary employees.

20 (b) The board may appoint to the staff any doctors the board
21 considers necessary for the efficient operation of the district and
22 may make temporary appointments as necessary.

23 (c) The board may delegate to the district administrator the
24 authority to employ persons for the district.

25 (d) The board may recruit physicians and other health care
26 professionals or persons. (Acts 71st Leg., R.S., Ch. 221, Secs.
27 4.13, 4.14, 5.02 (part).)

1 Sec. 1023.062. PERSONNEL CONTRACTS. (a) The board may
2 contract to provide administrative or other personnel for the
3 operation of the hospital facilities.

4 (b) The term of the contract may not exceed 25 years. (Acts
5 71st Leg., R.S., Ch. 221, Sec. 5.02 (part).)

6 Sec. 1023.063. RETIREMENT BENEFITS. The board may provide
7 retirement benefits for district employees by:

8 (1) establishing or administering a retirement
9 program; or

10 (2) participating in:

11 (A) the Texas County and District Retirement
12 System; or

13 (B) another statewide retirement system in which
14 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
15 221, Sec. 4.16.)

16 [Sections 1023.064-1023.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1023.101. DISTRICT RESPONSIBILITY. The district has
19 full responsibility for:

20 (1) operating hospital facilities; and

21 (2) providing medical and hospital care for the
22 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 221, Sec.
23 5.02 (part).)

24 Sec. 1023.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
25 Eastland County may not impose a tax or issue bonds or other
26 obligations to provide hospital or medical care for district
27 residents. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.01(b).)

1 Sec. 1023.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
2 The board shall manage, control, and administer the hospital system
3 and the district's money and resources. (Acts 71st Leg., R.S., Ch.
4 221, Sec. 5.03.)

5 Sec. 1023.104. RULES. The board may adopt rules governing:
6 (1) the operation of the hospital and hospital system;
7 and
8 (2) the duties, functions, and responsibilities of
9 district staff and employees. (Acts 71st Leg., R.S., Ch. 221, Sec.
10 5.04.)

11 Sec. 1023.105. PURCHASING AND ACCOUNTING PROCEDURES. The
12 board may prescribe:
13 (1) the method of making purchases and expenditures by
14 and for the district; and
15 (2) accounting and control procedures for the
16 district. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.05.)

17 Sec. 1023.106. DISTRICT PROPERTY, FACILITIES, AND
18 EQUIPMENT. (a) The board shall determine:
19 (1) the type, number, and location of buildings
20 required to maintain an adequate hospital system; and
21 (2) the type of equipment necessary for hospital care.
22 (b) The board may:
23 (1) acquire property, including facilities and
24 equipment, for the district for use in the hospital system; and
25 (2) mortgage or pledge the property as security for
26 payment of the purchase price.

27 (c) The board may lease hospital facilities for the district

1 to individuals, corporations, or other legal entities.

2 (d) The board may sell or otherwise dispose of property,
3 including facilities or equipment, for the district. The board
4 shall give notice of intent to sell land or buildings by publishing
5 a notice of intent in a newspaper with general circulation in
6 Eastland County not later than the 30th day before the date of sale.
7 (Acts 71st Leg., R.S., Ch. 221, Sec. 5.06.)

8 Sec. 1023.107. EMINENT DOMAIN. (a) The district may
9 exercise the power of eminent domain to acquire a fee simple or
10 other interest in property located in district territory if the
11 interest is necessary for the district to exercise a right or
12 authority conferred by this chapter.

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

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

19 (1) pay in advance or provide a bond or other security
20 for costs in the trial court;

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

23 (3) provide a bond for costs or a supersedeas bond on
24 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 221, Sec.
25 5.09.)

26 Sec. 1023.108. COST OF RELOCATING OR ALTERING PROPERTY. In
27 exercising the power of eminent domain, if the board requires

1 relocating, raising, lowering, rerouting, changing the grade of, or
2 altering the construction of any railroad, highway, pipeline, or
3 electric transmission and electric distribution, telegraph, or
4 telephone line, conduit, pole, or facility, the district shall pay
5 the actual cost of relocating, raising, lowering, rerouting,
6 changing the grade of, or altering the construction to provide
7 comparable replacement, without enhancement of facilities, after
8 deducting the net salvage value derived from the old facility.
9 (Acts 71st Leg., R.S., Ch. 221, Sec. 5.10.)

10 Sec. 1023.109. GIFTS AND ENDOWMENTS. The board may accept
11 for the district a gift or endowment to be held in trust for any
12 purpose and under any direction, limitation, or other provision
13 prescribed in writing by the donor that is consistent with the
14 proper management of the district. (Acts 71st Leg., R.S., Ch. 221,
15 Sec. 5.14.)

16 Sec. 1023.110. CONSTRUCTION CONTRACTS. (a) The board may
17 enter into construction contracts for the district.

18 (b) The board may enter into a construction contract that
19 involves the expenditure of more than the amount provided by
20 Section 271.024, Local Government Code, only after competitive
21 bidding as provided by Subchapter B, Chapter 271, Local Government
22 Code. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.07(a).)

23 Sec. 1023.111. OPERATING AND MANAGEMENT CONTRACTS. The
24 board may enter into an operating or management contract relating
25 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.
26 221, Sec. 5.08.)

27 Sec. 1023.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR

1 SERVICES. The board may contract with a political subdivision of
2 the state or a state or federal agency for the district to:

- 3 (1) furnish a mobile emergency medical service; or
4 (2) provide for the investigatory or welfare needs of
5 district inhabitants. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.13.)

6 Sec. 1023.113. PROVISION OF CERTAIN HEALTH SERVICES. The
7 district may:

8 (1) operate or provide for the operation of a mobile
9 emergency medical service; and

10 (2) establish and operate a home health service.
11 (Acts 71st Leg., R.S., Ch. 221, Sec. 5.02 (part).)

12 Sec. 1023.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
13 When a patient who resides in the district is admitted to a district
14 facility, the district administrator may have an inquiry made into
15 the financial circumstances of:

16 (1) the patient; and

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

19 (b) The district without charge shall provide to a patient
20 who resides in the district the care and treatment that the patient
21 or a relative of the patient who is legally responsible for the
22 patient's support cannot pay.

23 (c) On determining that the patient or a relative legally
24 responsible for the patient's support can pay for all or part of the
25 care and treatment provided by the district, the district
26 administrator shall report that determination to the board, and the
27 board shall issue an order directing the patient or the relative to

1 pay the district a specified amount each week. The amount must be
2 based on the individual's ability to pay.

3 (d) The district administrator may collect money owed to the
4 district from the patient's estate or from that of a relative who
5 was legally responsible for the patient's support in the manner
6 provided by law for the collection of expenses in the last illness
7 of a deceased person.

8 (e) If there is a dispute relating to an individual's
9 ability to pay or if the district administrator has any doubt
10 concerning an individual's ability to pay, the board shall:

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

14 (f) A final order of the board may be appealed to a district
15 court in Eastland County. The substantial evidence rule applies to
16 the appeal. (Acts 71st Leg., R.S., Ch. 221, Secs. 5.11(a), (c),
17 (d), (e), (f).)

18 Sec. 1023.115. REIMBURSEMENT FOR SERVICES. (a) The board
19 shall require a county, municipality, or public hospital located
20 outside the district to reimburse the district for the district's
21 care and treatment of a sick or injured person of that county,
22 municipality, or hospital, as provided by Chapter 61, Health and
23 Safety Code.

24 (b) The board shall require the sheriff of Eastland County
25 or the police chief of the City of Eastland to reimburse the
26 district for the district's care and treatment of a person who is
27 confined in a jail facility of Eastland County or the City of

1 Eastland and is not a district resident.

2 (c) On behalf of the district, the board may contract with
3 the state or federal government for that government to reimburse
4 the district for treatment of a sick or injured person. (Acts 71st
5 Leg., R.S., Ch. 221, Sec. 5.12.)

6 Sec. 1023.116. AUTHORITY TO SUE AND BE SUED. The board may
7 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
8 Ch. 221, Sec. 5.15.)

9 [Sections 1023.117-1023.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1023.151. BUDGET. (a) The district administrator
12 shall prepare a proposed annual budget for the district.

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

15 (1) the outstanding obligations of the district;

16 (2) the amount of cash on hand in each district fund;

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

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

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

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

25 (7) the estimated tax rate required. (Acts 71st Leg.,
26 R.S., Ch. 221, Sec. 6.04.)

27 Sec. 1023.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

2 (b) The board shall publish notice of the hearing in a
3 newspaper with general circulation in the district not later than
4 the 10th day before the date of the hearing.

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

7 (d) At the conclusion of the hearing, the board shall adopt
8 a budget by acting on the budget proposed by the district
9 administrator. The board may make any changes in the proposed
10 budget that the board judges to be in the interests of the
11 taxpayers.

12 (e) The budget is effective only after adoption by the
13 board. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.05.)

14 Sec. 1023.153. AMENDMENTS TO BUDGET. After adoption, the
15 annual budget may be amended on the board's approval. (Acts 71st
16 Leg., R.S., Ch. 221, Sec. 6.06.)

17 Sec. 1023.154. RESTRICTION ON EXPENDITURES. Money may be
18 spent only for an expense included in the budget or an amendment to
19 the budget. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.07.)

20 Sec. 1023.155. FISCAL YEAR. (a) The district operates on
21 the fiscal year established by the board.

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

23 (1) when revenue bonds of the district are
24 outstanding; or

25 (2) more than once in a 24-month period. (Acts 71st
26 Leg., R.S., Ch. 221, Sec. 6.01.)

27 Sec. 1023.156. ANNUAL AUDIT. The board annually shall have

1 an audit made of the district's financial condition. (Acts 71st
2 Leg., R.S., Ch. 221, Sec. 6.02.)

3 Sec. 1023.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
4 RECORDS. The annual audit and other district records are open to
5 inspection during regular business hours at the district's
6 principal office. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.03.)

7 Sec. 1023.158. FINANCIAL REPORT. As soon as practicable
8 after the close of the fiscal year, the district administrator
9 shall prepare for the board:

10 (1) a sworn statement of the amount of district money;
11 and

12 (2) an account of the disbursements of that money.
13 (Acts 71st Leg., R.S., Ch. 221, Sec. 6.08.)

14 Sec. 1023.159. DEPOSITORY. (a) The board shall select at
15 least one bank to serve as a depository for district money.

16 (b) District money, other than money invested as provided by
17 Section 1023.160(b) and money transmitted to a bank for payment of
18 bonds or obligations issued or assumed by the district, shall be
19 deposited as received with the depository bank and shall remain on
20 deposit. This subsection does not limit the power of the board to
21 place a portion of district money on time deposit or to purchase
22 certificates of deposit.

23 (c) The district may not deposit money with a bank in an
24 amount that exceeds the maximum amount secured by the Federal
25 Deposit Insurance Corporation unless the bank first executes a bond
26 or other security in an amount sufficient to secure from loss the
27 district money that exceeds the amount secured by the Federal

1 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 221,
2 Sec. 6.10.)

3 Sec. 1023.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
4 Except as provided by Sections 1023.110, 1023.161, 1023.162,
5 1023.201, 1023.204, and 1023.205, the district may not incur a debt
6 payable from district revenue other than revenue on hand or to be on
7 hand in the current and immediately following district fiscal
8 years.

9 (b) The board may invest operating, depreciation, or
10 building reserves only in funds or securities specified by Chapter
11 2256, Government Code. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.09.)

12 Sec. 1023.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.
13 (a) The board may borrow money at a rate of interest not to exceed
14 the maximum annual percentage rate allowed by law for district
15 obligations at the time the loan is made.

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

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

19 (2) tax revenue to be collected by the district in the
20 next 12-month period that is not pledged to pay the principal of or
21 interest on district bonds; or

22 (3) district bonds that have been authorized but not
23 sold.

24 (c) A loan for which tax revenue or bonds are pledged must
25 mature not later than the first anniversary of the date the loan is
26 made. A loan for which other district revenue is pledged must
27 mature not later than the fifth anniversary of the date the loan is

1 made. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.17.)

2 Sec. 1023.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;
3 SECURITY. (a) The board may borrow money at a rate not to exceed the
4 maximum annual percentage rate allowed by law for district
5 obligations at the time the loan is made if the board determines
6 that:

7 (1) money is not available to meet lawful obligations
8 of the district; and

9 (2) an emergency exists.

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

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

13 (2) tax revenue to be collected by the district in the
14 next 12-month period that is not pledged to pay the principal of or
15 interest on district bonds; or

16 (3) district bonds that have been authorized but not
17 sold.

18 (c) A loan for which tax revenue or bonds are pledged must
19 mature not later than the first anniversary of the date the loan is
20 made. A loan for which other district revenue is pledged must
21 mature not later than the fifth anniversary of the date the loan is
22 made.

23 (d) The board may not spend money obtained from a loan under
24 this section for any purpose other than:

25 (1) the purpose for which the board declared an
26 emergency; and

27 (2) if district tax revenue or bonds are pledged to pay

1 the loan, the purpose for which the pledged taxes were imposed or
2 the pledged bonds were authorized. (Acts 71st Leg., R.S., Ch. 221,
3 Sec. 5.16.)

4 [Sections 1023.163-1023.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1023.201. GENERAL OBLIGATION BONDS. The board may
7 issue and sell general obligation bonds authorized by an election
8 in the name and on the faith and credit of the district to:

9 (1) purchase, construct, acquire, repair, or renovate
10 buildings or improvements; or

11 (2) equip buildings or improvements for hospital
12 purposes. (Acts 71st Leg., R.S., Ch. 221, Sec. 7.01.)

13 Sec. 1023.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
14 the time general obligation bonds are issued by the district under
15 Section 1023.201, the board shall impose an ad valorem tax at a rate
16 sufficient to create an interest and sinking fund to pay the
17 principal of and interest on the bonds as the bonds mature.

18 (b) The tax required by this section together with any other
19 ad valorem tax the district imposes may not in any year exceed the
20 limit approved by the voters at the election authorizing the
21 imposition of the tax. (Acts 71st Leg., R.S., Ch. 221, Sec. 7.02.)

22 Sec. 1023.203. GENERAL OBLIGATION BOND ELECTION. (a) The
23 district may issue general obligation bonds only if the bonds are
24 authorized by a majority of the district voters voting at an
25 election held for that purpose.

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

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

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

6 (d) Notice of a bond election must be given as provided by
7 Section 1251.003, Government Code.

8 (e) The board shall declare the results of the election.
9 (Acts 71st Leg., R.S., Ch. 221, Sec. 7.03.)

10 Sec. 1023.204. REVENUE BONDS. (a) The board may issue
11 revenue bonds to:

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

14 (2) acquire sites to be used for hospital purposes.

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

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

20 (d) The bonds must be issued in the manner provided by
21 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
22 Code, for issuance of revenue bonds by a county hospital authority.
23 (Acts 71st Leg., R.S., Ch. 221, Sec. 7.04.)

24 Sec. 1023.205. REFUNDING BONDS. (a) The board may issue
25 refunding bonds to refund outstanding indebtedness issued or
26 assumed by the district.

27 (b) A refunding bond may be:

1 (1) sold, with the proceeds of the refunding bond
2 applied to the payment of the outstanding indebtedness; or

3 (2) exchanged wholly or partly for not less than a
4 similar principal amount of outstanding indebtedness. (Acts 71st
5 Leg., R.S., Ch. 221, Secs. 7.05(a), (c) (part).)

6 Sec. 1023.206. MATURITY OF BONDS. District bonds must
7 mature not later than 50 years after the date of issuance. (Acts
8 71st Leg., R.S., Ch. 221, Sec. 7.06 (part).)

9 Sec. 1023.207. EXECUTION OF BONDS. (a) The board president
10 shall execute the district's bonds in the district's name.

11 (b) The board secretary shall countersign the bonds in the
12 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,
13 R.S., Ch. 221, Sec. 7.07.)

14 Sec. 1023.208. BONDS EXEMPT FROM TAXATION. The following
15 are exempt from taxation by this state or by a political subdivision
16 of this state:

17 (1) bonds issued by the district;

18 (2) any transaction relating to the bonds; and

19 (3) profits made in the sale of the bonds. (Acts 71st
20 Leg., R.S., Ch. 221, Sec. 7.11 (part).)

21 [Sections 1023.209-1023.250 reserved for expansion]

22 SUBCHAPTER F. TAXES

23 Sec. 1023.251. IMPOSITION OF AD VALOREM TAX. (a) The board
24 may impose a tax on all property in the district subject to district
25 taxation.

26 (b) The tax may be used to pay:

27 (1) indebtedness issued or assumed by the district;

1 and

2 (2) the maintenance and operating expenses of the
3 district.

4 (c) The district may not impose a tax to pay the principal of
5 or interest on revenue bonds issued under this chapter. (Acts 71st
6 Leg., R.S., Ch. 221, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

7 Sec. 1023.252. TAX RATE. (a) The board may impose the tax
8 at a rate not to exceed the limit approved by the voters at the
9 election authorizing the imposition of a tax.

10 (b) The tax rate for all purposes may not exceed 37.5 cents
11 on each \$100 valuation of all taxable property in the district.

12 (c) In setting the tax rate, the board shall consider the
13 income of the district from sources other than taxation. (Acts 71st
14 Leg., R.S., Ch. 221, Secs. 8.01(a) (part), (b), 8.03 (part).)

15 Sec. 1023.253. TAX ASSESSOR-COLLECTOR. The board may
16 provide for the appointment of a tax assessor-collector for the
17 district or may contract for the assessment and collection of taxes
18 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 221, Sec.
19 8.04(b).)

20 [Sections 1023.254-1023.300 reserved for expansion]

21 SUBCHAPTER G. DISSOLUTION

22 Sec. 1023.301. DISSOLUTION; ELECTION. (a) The district
23 may be dissolved and the district's assets and liabilities sold or
24 transferred to another person only on approval of a majority of the
25 district voters voting at an election held for that purpose.

26 (b) A majority of the directors may order an election to
27 dissolve the district and transfer its assets and liabilities.

1 (c) The board shall order an election if the board receives
2 a petition requesting an election that is signed by at least 15
3 percent of the registered voters in the district, according to the
4 most recent official list of registered voters.

5 (d) The order calling the election must state:

6 (1) the nature of the election, including the
7 proposition to appear on the ballot;

8 (2) the date of the election;

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

10 (4) the location of the polling places.

11 (e) Section 41.001(a), Election Code, does not apply to an
12 election ordered under this section. (Acts 71st Leg., R.S., Ch.
13 221, Secs. 9.01, 9.02(a), (b) (part), 9.03, 9.05(b).)

14 Sec. 1023.302. NOTICE OF ELECTION. (a) The board shall
15 give notice of an election under this subchapter by publishing once
16 a week for two consecutive weeks a substantial copy of the election
17 order in a newspaper with general circulation in the district.

18 (b) The first publication must appear at least 35 days
19 before the date set for the election. (Acts 71st Leg., R.S., Ch.
20 221, Sec. 9.04.)

21 Sec. 1023.303. BALLOT. The ballot for an election under
22 this subchapter must be printed to permit voting for or against the
23 proposition: "The dissolution of the Eastland Memorial Hospital
24 District and the transfer of its assets and liabilities in the
25 following manner: _____ (insert provisions for transfer)."
26 (Acts 71st Leg., R.S., Ch. 221, Sec. 9.06.)

27 Sec. 1023.304. ELECTION RESULTS. (a) If the board finds

1 the election results favor the proposition to dissolve the
2 district, the board shall:

3 (1) issue an order declaring the district dissolved;
4 and

5 (2) proceed with the sale or transfer of the district's
6 assets and liabilities according to the plan proposed on the
7 ballot.

8 (b) If the board finds the election results do not favor the
9 proposition to dissolve the district, another dissolution election
10 may not be held before the first anniversary of the date of the
11 election in which voters disapproved the proposition. (Acts 71st
12 Leg., R.S., Ch. 221, Sec. 9.07.)

13 Sec. 1023.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
14 If a majority of the votes in an election under this subchapter
15 favor dissolution, the board shall:

16 (1) transfer the district's assets to Eastland County
17 or another governmental entity in Eastland County; or

18 (2) administer the district's assets and debts until
19 all assets have been disposed of and all district debts have been
20 paid or settled.

21 (b) If the board makes the transfer under Subsection (a)(1),
22 Eastland County or the governmental entity assumes all debts and
23 obligations of the district at the time of the transfer, and the
24 district is dissolved. (Acts 71st Leg., R.S., Ch. 221, Secs.
25 9.08(a), (b).)

26 Sec. 1023.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

27 (a) The district may not be dissolved unless the board provides for

1 the sale or transfer of the district's assets and liabilities to
2 another person.

3 (b) The dissolution of the district and the sale or transfer
4 of the district's assets and liabilities may not:

5 (1) contravene a trust indenture or bond resolution
6 relating to the outstanding bonds of the district; or

7 (2) diminish or impair the rights of the holders of any
8 outstanding bonds, warrants, or other obligations of the district.

9 (c) The sale or transfer of the district's assets and
10 liabilities must satisfy the debt and bond obligations of the
11 district in a manner that protects the interests of citizens in the
12 district, including the citizens' collective property rights in the
13 district's assets.

14 (d) The district may not transfer or dispose of the
15 district's assets except for due compensation unless:

16 (1) the transfer is made to another governmental
17 agency embracing the district; and

18 (2) the transferred assets are used for the benefit of
19 the citizens formerly in the district.

20 (e) A grant from federal funds is an obligation to be repaid
21 in satisfaction. (Acts 71st Leg., R.S., Ch. 221, Secs. 9.08(h),
22 (i).)

23 Sec. 1023.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
24 TAXES. (a) If a majority of the votes in an election to dissolve
25 the district favor dissolution, the board shall:

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

27 (2) impose a tax on the taxable property in the

1 district at a rate that will raise sufficient revenue to pay the
2 debt owed by the district.

3 (b) On the payment of all outstanding debts and obligations
4 of the district, the board shall order the secretary to return to
5 each district taxpayer the taxpayer's pro rata share of all unused
6 tax money.

7 (c) A taxpayer may request that the taxpayer's share of
8 surplus tax money be credited to the taxpayer's county taxes. If a
9 taxpayer requests the credit, the board shall direct the secretary
10 to transmit the funds to the county tax assessor-collector. (Acts
11 71st Leg., R.S., Ch. 221, Secs. 9.08(c), (d), (e).)

12 Sec. 1023.308. REPORT; DISSOLUTION ORDER. (a) After the
13 district has paid all district debts and has disposed of all
14 district assets as prescribed by this subchapter, the board shall
15 file a written report with the Commissioners Court of Eastland
16 County summarizing the board's actions in dissolving the district.

17 (b) Not later than the 10th day after the date the
18 Commissioners Court of Eastland County receives the report and
19 determines that the requirements of this subchapter have been
20 fulfilled, the commissioners court shall enter an order dissolving
21 the district and releasing the board from any further duty or
22 obligation. (Acts 71st Leg., R.S., Ch. 221, Secs. 9.08(f), (g).)

23 CHAPTER 1024. ECTOR COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1024.001. DEFINITIONS

26 Sec. 1024.002. AUTHORITY FOR OPERATION

27 Sec. 1024.003. ESSENTIAL PUBLIC FUNCTION

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3 STATE OBLIGATION

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5 ASSISTANCE

6 [Sections 1024.007-1024.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1024.051. BOARD ELECTION; TERMS

9 Sec. 1024.052. NOTICE OF ELECTION

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15 Sec. 1024.058. COMPENSATION; EXPENSES

16 Sec. 1024.059. VOTING REQUIREMENT

17 Sec. 1024.060. DISTRICT ADMINISTRATOR

18 Sec. 1024.061. GENERAL DUTIES OF DISTRICT
19 ADMINISTRATOR

20 Sec. 1024.062. ASSISTANT DISTRICT ADMINISTRATORS

21 Sec. 1024.063. ATTORNEY

22 Sec. 1024.064. APPOINTMENT OF STAFF

23 Sec. 1024.065. EMPLOYEES

24 Sec. 1024.066. RETIREMENT BENEFITS

25 [Sections 1024.067-1024.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1024.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1024.102. RESTRICTION ON COUNTY TAXATION AND DEBT
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- 13 Sec. 1024.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
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- 15 Sec. 1024.114. PAYMENT FOR TREATMENT; PROCEDURES
- 16 Sec. 1024.115. REIMBURSEMENT FOR SERVICES
- 17 Sec. 1024.116. AUTHORITY TO SUE AND BE SUED; VENUE;
- 18 NONWAIVER OF IMMUNITY
- 19 [Sections 1024.117-1024.150 reserved for expansion]
- 20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 21 Sec. 1024.151. BUDGET
- 22 Sec. 1024.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 23 Sec. 1024.153. AMENDMENTS TO BUDGET
- 24 Sec. 1024.154. RESTRICTION ON EXPENDITURES
- 25 Sec. 1024.155. FISCAL YEAR
- 26 Sec. 1024.156. ANNUAL AUDIT

1 Sec. 1024.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
2 RECORDS

3 Sec. 1024.158. FINANCIAL REPORT

4 Sec. 1024.159. DEPOSITORY

5 Sec. 1024.160. SPENDING AND INVESTMENT RESTRICTIONS

6 [Sections 1024.161-1024.200 reserved for expansion]

7 SUBCHAPTER E. BONDS

8 Sec. 1024.201. GENERAL OBLIGATION BONDS

9 Sec. 1024.202. TAX TO PAY GENERAL OBLIGATION BONDS

10 Sec. 1024.203. GENERAL OBLIGATION BOND ELECTION

11 Sec. 1024.204. REVENUE BONDS

12 Sec. 1024.205. REFUNDING BONDS

13 Sec. 1024.206. MATURITY OF BONDS

14 Sec. 1024.207. EXECUTION OF BONDS

15 Sec. 1024.208. BONDS EXEMPT FROM TAXATION

16 [Sections 1024.209-1024.250 reserved for expansion]

17 SUBCHAPTER F. TAXES

18 Sec. 1024.251. IMPOSITION OF AD VALOREM TAX

19 Sec. 1024.252. TAX RATE

20 Sec. 1024.253. ELECTION TO INCREASE MAXIMUM TAX RATE

21 Sec. 1024.254. TAX ASSESSOR-COLLECTOR

22 CHAPTER 1024. ECTOR COUNTY HOSPITAL DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1024.001. DEFINITIONS. In this chapter:

25 (1) "Board" means the board of directors of the
26 district.

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

1 (3) "District" means the Ector County Hospital
2 District. (Acts 71st Leg., R.S., Ch. 550, Sec. 1.01.)

3 Sec. 1024.002. AUTHORITY FOR OPERATION. The district
4 operates and is financed as provided by Section 9, Article IX, Texas
5 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 550,
6 Sec. 1.02.)

7 Sec. 1024.003. ESSENTIAL PUBLIC FUNCTION. The district is
8 a public entity performing an essential public function. (Acts
9 71st Leg., R.S., Ch. 550, Sec. 7.11 (part).)

10 Sec. 1024.004. DISTRICT TERRITORY. The boundaries of the
11 district are coextensive with the boundaries of Ector County,
12 Texas. (Acts 71st Leg., R.S., Ch. 550, Sec. 1.03.)

13 Sec. 1024.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
14 OBLIGATION. The state may not become obligated for the support or
15 maintenance of the district. (Acts 71st Leg., R.S., Ch. 550, Sec.
16 9.01 (part).)

17 Sec. 1024.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
18 The legislature may not make a direct appropriation for the
19 construction, maintenance, or improvement of a district facility.
20 (Acts 71st Leg., R.S., Ch. 550, Sec. 9.01 (part).)

21 [Sections 1024.007-1024.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 1024.051. BOARD ELECTION; TERMS. (a) The district is
24 governed by a board of seven directors.

25 (b) Except as provided by court order, one director is
26 elected from each commissioners precinct and three directors are
27 elected from the district at large. At an election for directors in

1 which two directors are to be elected at large, the candidates
2 receiving the highest and second highest number of votes are
3 elected.

4 (c) Directors serve staggered four-year terms.

5 (d) An election shall be held on the uniform election date
6 in May of each even-numbered year to elect the appropriate number of
7 directors. (Acts 71st Leg., R.S., Ch. 550, Secs. 4.01(a), 4.03(a),
8 (c) (part), and (d).)

9 Sec. 1024.052. NOTICE OF ELECTION. At least 35 days before
10 the date of an election of directors, notice of the election shall
11 be published one time in a newspaper with general circulation in the
12 district. (Acts 71st Leg., R.S., Ch. 550, Sec. 4.04.)

13 Sec. 1024.053. BALLOT PETITION. A person who wants to have
14 the person's name printed on the ballot as a candidate for director
15 must file with the board secretary a petition requesting that
16 action. The petition must:

17 (1) be signed by at least 50 registered voters of the
18 district as determined by the most recent official list of
19 registered voters;

20 (2) be filed not later than 5 p.m. on the 45th day
21 before the date of the election; and

22 (3) specify the commissioners precinct the candidate
23 wants to represent or specify that the candidate wants to represent
24 the district at large. (Acts 71st Leg., R.S., Ch. 550, Sec. 4.05.)

25 Sec. 1024.054. QUALIFICATIONS FOR OFFICE. (a) To be
26 eligible to be a candidate for or to serve as a director, a person
27 must be:

1 (1) a district resident; and

2 (2) a qualified voter.

3 (b) In addition to Subsection (a), a person who is elected
4 from a commissioners precinct or who is appointed to fill a vacancy
5 for a commissioners precinct must be a resident of that
6 commissioners precinct.

7 (c) A district employee may not serve as a director. (Acts
8 71st Leg., R.S., Ch. 550, Sec. 4.06.)

9 Sec. 1024.055. BOND OR INSURANCE. (a) Before assuming the
10 duties of office, each director must execute a bond payable to the
11 district or purchase an appropriate insurance policy that names the
12 district as its sole beneficiary, conditioned on the faithful
13 performance of the director's duties.

14 (b) For each director, the board shall determine the
15 appropriate type and value of the bond or insurance policy.

16 (c) The board may pay for a director's bond or pay for a
17 director's insurance policy and premiums with district money.

18 (d) Each director's bond or insurance policy shall be kept
19 in the district's permanent records. (Acts 71st Leg., R.S., Ch.
20 550, Sec. 4.07.)

21 Sec. 1024.056. BOARD VACANCY. If a vacancy occurs in the
22 office of director, the remaining directors shall appoint a
23 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 550,
24 Sec. 4.08.)

25 Sec. 1024.057. OFFICERS. (a) The board shall elect a
26 president and a vice president from among its members.

27 (b) The board shall appoint a secretary, who need not be a

1 director.

2 (c) Each officer of the board serves for a term of one year.

3 (d) The board shall fill a vacancy in a board office for the
4 unexpired term. (Acts 71st Leg., R.S., Ch. 550, Secs. 4.09, 4.10.)

5 Sec. 1024.058. COMPENSATION; EXPENSES. A director or
6 officer serves without compensation but may be reimbursed for
7 actual expenses incurred in the performance of official duties.
8 The expenses must be:

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

10 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
11 550, Sec. 4.11.)

12 Sec. 1024.059. VOTING REQUIREMENT. A concurrence of a
13 majority of the directors voting is necessary in any matter
14 relating to district business. (Acts 71st Leg., R.S., Ch. 550, Sec.
15 4.12.)

16 Sec. 1024.060. DISTRICT ADMINISTRATOR. (a) The board may
17 appoint a qualified person as district administrator.

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

20 (c) Before assuming the duties of district administrator,
21 the administrator must execute a bond in the amount determined by
22 the board of not less than \$5,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the
25 administrator's duties under this chapter.

26 (d) The board may pay for the bond with district money.
27 (Acts 71st Leg., R.S., Ch. 550, Secs. 4.13(a) (part), (c) (part),

1 (d).)

2 Sec. 1024.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
3 Subject to the limitations prescribed by the board, the district
4 administrator shall:

5 (1) supervise the work and activities of the district;
6 and

7 (2) direct the general affairs of the district. (Acts
8 71st Leg., R.S., Ch. 550, Sec. 4.16.)

9 Sec. 1024.062. ASSISTANT DISTRICT ADMINISTRATORS. (a) The
10 district administrator may appoint one or more qualified persons as
11 assistant district administrators for the district.

12 (b) An assistant district administrator:

13 (1) serves at the will of the district administrator;
14 and

15 (2) is entitled to the compensation determined by the
16 board. (Acts 71st Leg., R.S., Ch. 550, Secs. 4.13(b), (c) (part).)

17 Sec. 1024.063. ATTORNEY. (a) The board may appoint a
18 qualified person as the attorney for the district.

19 (b) The attorney for the district serves at the will of the
20 board and is entitled to the compensation determined by the board.
21 (Acts 71st Leg., R.S., Ch. 550, Secs. 4.13(a) (part), (c) (part).)

22 Sec. 1024.064. APPOINTMENT OF STAFF. The board may appoint
23 to the staff any doctors the board considers necessary for the
24 efficient operation of the district and may make temporary
25 appointments as necessary. (Acts 71st Leg., R.S., Ch. 550, Sec.
26 4.14.)

27 Sec. 1024.065. EMPLOYEES. (a) The district may employ

1 technicians, nurses, fiscal agents, accountants, architects,
2 additional attorneys, and other necessary employees.

3 (b) The board may delegate to the district administrator the
4 authority to employ persons for the district. (Acts 71st Leg.,
5 R.S., Ch. 550, Sec. 4.15.)

6 Sec. 1024.066. RETIREMENT BENEFITS. The board may provide
7 retirement benefits for district employees by:

8 (1) establishing or administering a retirement
9 program; or

10 (2) participating in:

11 (A) the Texas County and District Retirement
12 System; or

13 (B) another statewide retirement system in which
14 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
15 550, Sec. 4.17.)

16 [Sections 1024.067-1024.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1024.101. DISTRICT RESPONSIBILITY. The district has
19 full responsibility for:

20 (1) operating hospital facilities; and

21 (2) providing medical and hospital care for the
22 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 550, Sec.
23 5.02 (part).)

24 Sec. 1024.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
25 Ector County may not impose a tax or issue bonds or other
26 obligations for hospital purposes or to provide medical care for
27 district residents. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.01(b).)

1 Sec. 1024.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
2 The board shall manage, control, and administer the district's
3 hospital system and the district's money and resources. (Acts 71st
4 Leg., R.S., Ch. 550, Sec. 5.03.)

5 Sec. 1024.104. RULES. The board may adopt rules governing:

6 (1) the operation of the hospital and hospital system;
7 and

8 (2) the duties, functions, and responsibilities of
9 district staff and employees. (Acts 71st Leg., R.S., Ch. 550, Sec.
10 5.04.)

11 Sec. 1024.105. PURCHASING AND ACCOUNTING PROCEDURES. The
12 board may prescribe:

13 (1) the method of making purchases and expenditures by
14 and for the district; and

15 (2) accounting and control procedures for the
16 district. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.05.)

17 Sec. 1024.106. MOBILE EMERGENCY MEDICAL SERVICE. The
18 district may operate or provide for the operation of a mobile
19 emergency medical service. (Acts 71st Leg., R.S., Ch. 550, Sec.
20 5.02 (part).)

21 Sec. 1024.107. DISTRICT PROPERTY, FACILITIES, AND
22 EQUIPMENT. (a) The board shall determine:

23 (1) the type, number, and location of buildings
24 required to maintain an adequate hospital system; and

25 (2) the type of equipment necessary for hospital care.

26 (b) The board may:

27 (1) acquire property, including facilities and

1 equipment, for the district for use in the hospital system; and

2 (2) mortgage or pledge the property as security for
3 the payment of the purchase price.

4 (c) The board may lease hospital facilities for the
5 district.

6 (d) The board may sell or otherwise dispose of property,
7 including facilities or equipment, for the district. (Acts 71st
8 Leg., R.S., Ch. 550, Sec. 5.06.)

9 Sec. 1024.108. EMINENT DOMAIN. (a) The district may
10 exercise the power of eminent domain to acquire a fee simple or
11 other interest in property located in district territory if the
12 interest is necessary to exercise a right or authority conferred by
13 this chapter.

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

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

20 (1) pay in advance or provide a bond or other security
21 for costs in the trial court;

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

24 (3) provide a bond for costs or a supersedeas bond on
25 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 550, Sec.
26 5.09.)

27 Sec. 1024.109. COST OF RELOCATING OR ALTERING PROPERTY. In

1 exercising the power of eminent domain, if the board requires
2 relocating, raising, lowering, rerouting, changing the grade of, or
3 altering the construction of any railroad, highway, pipeline, or
4 electric transmission and electric distribution, telegraph, or
5 telephone line, conduit, pole, or facility, the district must bear
6 the actual cost of relocating, raising, lowering, rerouting,
7 changing the grade, or altering the construction to provide
8 comparable replacement without enhancement of facilities, after
9 deducting the net salvage value derived from the old facility.
10 (Acts 71st Leg., R.S., Ch. 550, Sec. 5.10.)

11 Sec. 1024.110. GIFTS AND ENDOWMENTS. The board may accept
12 for the district a gift or endowment to be held in trust for any
13 purpose and under any direction, limitation, or other provision
14 prescribed in writing by the donor that is consistent with the
15 proper management of the district. (Acts 71st Leg., R.S., Ch. 550,
16 Sec. 5.14.)

17 Sec. 1024.111. CONSTRUCTION CONTRACTS. (a) The board may
18 enter into construction contracts for the district.

19 (b) The board may enter into a construction contract that
20 involves the expenditure of more than the amount provided by
21 Section 271.024, Local Government Code, only after competitive
22 bidding as provided by Subchapter B, Chapter 271, Local Government
23 Code. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.07(a).)

24 Sec. 1024.112. OPERATING AND MANAGEMENT CONTRACTS. The
25 board may enter into an operating or management contract relating
26 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.
27 550, Sec. 5.08.)

1 Sec. 1024.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
2 SERVICES. The board may contract with a political subdivision of
3 this state or with a state or federal agency for the district to:

- 4 (1) furnish a mobile emergency medical service; or
5 (2) provide for the investigatory or welfare needs of
6 district inhabitants. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.13.)

7 Sec. 1024.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
8 When a patient who resides in the district is admitted to a district
9 facility, the district administrator may have an inquiry made into
10 the financial circumstances of:

- 11 (1) the patient; or
12 (2) a relative of the patient who is legally
13 responsible for the patient's support.

14 (b) The district without charge shall provide to a patient
15 who resides in the district the care and treatment that the patient
16 or a relative of the patient who is legally responsible for the
17 patient's support cannot pay.

18 (c) On determining that the patient or a relative legally
19 responsible for the patient's support can pay for all or part of the
20 care and treatment provided by the district, the district
21 administrator shall report that determination to the board, and the
22 board shall issue an order directing the patient or the relative to
23 pay the district a specified amount each week. The amount must be
24 based on the individual's ability to pay.

25 (d) The district administrator may collect money owed to the
26 district from the patient's estate or from that of a relative who
27 was legally responsible for the patient's support in the manner

1 provided by law for collection of expenses of the last illness of a
2 deceased person.

3 (e) If there is a dispute relating to an individual's
4 ability to pay or if the district administrator has any doubt
5 concerning an individual's ability to pay, the board shall:

- 6 (1) call witnesses;
- 7 (2) hear and resolve the question; and
- 8 (3) issue a final order.

9 (f) A final order of the board may be appealed to a district
10 court in Ector County. The substantial evidence rule applies to the
11 appeal. (Acts 71st Leg., R.S., Ch. 550, Secs. 5.11(a), (c), (d),
12 (e), (f).)

13 Sec. 1024.115. REIMBURSEMENT FOR SERVICES. (a) The board
14 shall require a county, municipality, or public hospital located
15 outside the district to reimburse the district for the district's
16 care and treatment of a sick or injured person of that county,
17 municipality, or public hospital as provided by Chapter 61, Health
18 and Safety Code.

19 (b) The board shall require the sheriff of Ector County or
20 the police chief of the City of Odessa to reimburse the district for
21 the district's care and treatment of a person who is confined in a
22 jail facility of Ector County or the City of Odessa and is not a
23 district resident.

24 (c) The board may contract with the state or federal
25 government for that government to reimburse the district for
26 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
27 550, Sec. 5.12.)

1 Sec. 1024.116. AUTHORITY TO SUE AND BE SUED; VENUE;
2 NONWAIVER OF IMMUNITY. (a) The board may sue and be sued on behalf
3 of the district.

4 (b) An action against the board, the district, or the
5 district's hospital system must be brought in Ector County.

6 (c) This chapter may not be construed to waive the
7 district's sovereign or governmental immunity. (Acts 71st Leg.,
8 R.S., Ch. 550, Sec. 5.15.)

9 [Sections 1024.117-1024.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1024.151. BUDGET. (a) The district administrator
12 shall prepare a proposed annual budget for the district.

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

- 15 (1) the outstanding obligations of the district;
- 16 (2) the amount of cash on hand in each district fund;
- 17 (3) the amount of money received by the district from
18 all sources during the previous year;
- 19 (4) the amount of money available to the district from
20 all sources during the ensuing year;
- 21 (5) the amount of the balances expected at the end of
22 the year in which the budget is being prepared;
- 23 (6) the estimated amount of revenue and balances
24 available to cover the proposed budget; and
- 25 (7) the estimated tax rate required. (Acts 71st Leg.,
26 R.S., Ch. 550, Sec. 6.04.)

27 Sec. 1024.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

2 (b) The board shall publish notice of the hearing in a
3 newspaper with general circulation in the district not later than
4 the 10th day before the date of the hearing.

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

7 (d) At the conclusion of the hearing, the board shall adopt
8 a budget by acting on the budget proposed by the district
9 administrator. The board may make any changes in the proposed
10 budget that the board judges to be in the interests of the
11 taxpayers.

12 (e) The budget is effective only after adoption by the
13 board. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.05.)

14 Sec. 1024.153. AMENDMENTS TO BUDGET. After adoption, the
15 annual budget may be amended on the board's approval. (Acts 71st
16 Leg., R.S., Ch. 550, Sec. 6.06.)

17 Sec. 1024.154. RESTRICTION ON EXPENDITURES. Money may be
18 spent only for an expense included in the budget or an amendment to
19 the budget. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.07.)

20 Sec. 1024.155. FISCAL YEAR. (a) The district operates on a
21 fiscal year established by the board.

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

23 (1) when revenue bonds of the district are
24 outstanding; or

25 (2) more than once in a 24-month period. (Acts 71st
26 Leg., R.S., Ch. 550, Sec. 6.01.)

27 Sec. 1024.156. ANNUAL AUDIT. The board annually shall have

1 an audit made of the district's financial condition. (Acts 71st
2 Leg., R.S., Ch. 550, Sec. 6.02.)

3 Sec. 1024.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
4 RECORDS. The annual audit and other district records are open to
5 inspection during regular business hours at the district's
6 principal office. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.03.)

7 Sec. 1024.158. FINANCIAL REPORT. As soon as practicable
8 after the close of the fiscal year, the district administrator
9 shall prepare for the board:

10 (1) a sworn statement of the amount of district money;
11 and

12 (2) an account of the disbursements of that money.
13 (Acts 71st Leg., R.S., Ch. 550, Sec. 6.08.)

14 Sec. 1024.159. DEPOSITORY. (a) The board shall select at
15 least one bank in Ector County to serve as a depository for district
16 money.

17 (b) District money, other than money invested as provided by
18 Section 1024.160(c) and money transmitted to a bank for payment of
19 bonds or obligations issued or assumed by the district, shall be
20 deposited as received with the depository bank and must remain on
21 deposit. This subsection does not limit the power of the board to
22 place a part of district money on time deposit or to purchase
23 certificates of deposit.

24 (c) The district may not deposit money with a bank in an
25 amount that exceeds the maximum amount secured by the Federal
26 Deposit Insurance Corporation unless the bank first executes a bond
27 or other security in an amount sufficient to secure from loss the

1 district money that exceeds the amount secured by the Federal
2 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 550,
3 Sec. 6.10.)

4 Sec. 1024.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
5 The district may acquire, sell, lease, or contract for personal
6 property in accordance with Subchapter A, Chapter 271, Local
7 Government Code.

8 (b) Except as provided by Subsection (a) and Sections
9 1024.111, 1024.201, 1024.204, and 1024.205, the district may not
10 incur a debt payable from district revenue other than the revenue on
11 hand or to be on hand in the current and immediately following
12 district fiscal years.

13 (c) The board may invest operating, depreciation, or
14 building reserves only in funds or securities specified by Chapter
15 2256, Government Code. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.09.)

16 [Sections 1024.161-1024.200 reserved for expansion]

17 SUBCHAPTER E. BONDS

18 Sec. 1024.201. GENERAL OBLIGATION BONDS. The board may
19 issue and sell general obligation bonds authorized by an election
20 in the name and on the faith and credit of the district to:

21 (1) purchase, construct, acquire, repair, or renovate
22 buildings or improvements;

23 (2) equip buildings or improvements for hospital
24 purposes; or

25 (3) acquire and operate a mobile emergency medical
26 service. (Acts 71st Leg., R.S., Ch. 550, Sec. 7.01.)

27 Sec. 1024.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At

1 the time general obligation bonds are issued by the district under
2 Section 1024.201, the board shall impose an ad valorem tax at a rate
3 sufficient to create an interest and sinking fund to pay the
4 principal of and interest on the bonds as the bonds mature.

5 (b) The tax required by this section together with any other
6 ad valorem tax the district imposes may not in any year exceed the
7 limit approved by the voters at the election authorizing the
8 imposition of the tax. (Acts 71st Leg., R.S., Ch. 550, Sec. 7.02.)

9 Sec. 1024.203. GENERAL OBLIGATION BOND ELECTION. (a) The
10 district may issue general obligation bonds only if the bonds are
11 authorized by a majority of the district voters voting at an
12 election held for that purpose.

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

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

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

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

22 (e) The board shall declare the results of the election.
23 (Acts 71st Leg., R.S., Ch. 550, Sec. 7.03.)

24 Sec. 1024.204. REVENUE BONDS. (a) The board may issue
25 revenue bonds to:

- 26 (1) purchase, construct, acquire, repair, renovate,
27 or equip buildings or improvements for hospital purposes;

1 (2) acquire sites to be used for hospital purposes; or
2 (3) acquire and operate a mobile emergency medical
3 service to assist the district in carrying out its hospital
4 purposes.

5 (b) The bonds must be payable from and secured by a pledge of
6 all or part of the revenue received by the district, other than ad
7 valorem taxes.

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

10 (d) The bonds must be issued in the manner provided by
11 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
12 Code, for issuance of revenue bonds by a county hospital authority.
13 (Acts 71st Leg., R.S., Ch. 550, Sec. 7.04.)

14 Sec. 1024.205. REFUNDING BONDS. (a) The board may issue
15 refunding bonds to refund outstanding indebtedness issued or
16 assumed by the district.

17 (b) Refunding bonds may be:

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

20 (2) exchanged wholly or partly for not less than a
21 similar principal amount of outstanding indebtedness. (Acts 71st
22 Leg., R.S., Ch. 550, Secs. 7.05(a), (c) (part).)

23 Sec. 1024.206. MATURITY OF BONDS. District bonds must
24 mature not later than 50 years after the date of issuance. (Acts
25 71st Leg., R.S., Ch. 550, Sec. 7.06 (part).)

26 Sec. 1024.207. EXECUTION OF BONDS. (a) The board president
27 shall execute the district's bonds in the district's name.

1 (b) The board secretary shall countersign the bonds in the
2 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,
3 R.S., Ch. 550, Sec. 7.07.)

4 Sec. 1024.208. BONDS EXEMPT FROM TAXATION. The following
5 are exempt from taxation by this state or a political subdivision of
6 this state:

- 7 (1) bonds issued by the district;
8 (2) any transaction relating to the bonds; and
9 (3) profits made in the sale of the bonds. (Acts 71st
10 Leg., R.S., Ch. 550, Sec. 7.11 (part).)

11 [Sections 1024.209-1024.250 reserved for expansion]

12 SUBCHAPTER F. TAXES

13 Sec. 1024.251. IMPOSITION OF AD VALOREM TAX. (a) The board
14 may impose a tax on all property in the district subject to district
15 taxation.

16 (b) The tax may be used to pay:

- 17 (1) indebtedness issued or assumed by the district;
18 and
19 (2) the maintenance and operating expenses of the
20 district.

21 (c) The district may not impose a tax to pay the principal of
22 or interest on revenue bonds issued under this chapter. (Acts 71st
23 Leg., R.S., Ch. 550, Secs. 8.01 (a) (part), (c), (d), 8.03(b).)

24 Sec. 1024.252. TAX RATE. (a) The board may impose the tax
25 at a rate not to exceed the limit approved by the voters at the
26 election authorizing the imposition of the tax.

27 (b) The tax rate for all purposes may not exceed 75 cents on

1 each \$100 valuation of all taxable property in the district.

2 (c) In setting the tax rate, the board shall consider the
3 income of the district from sources other than taxation. (Acts 71st
4 Leg., R.S., Ch. 550, Secs. 8.01(a) (part), (b), 8.04 (part).)

5 Sec. 1024.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
6 The board may order an election to increase the district's maximum
7 ad valorem tax rate. The board shall order the election if the
8 board receives a petition requesting an election that is signed by
9 at least 50 registered voters in the district.

10 (b) The ballot for the election shall be printed to permit
11 voting for or against the proposition: "The imposition of annual
12 taxes by the district for hospital purposes at a rate not to exceed
13 _____ (insert amount) cents on the \$100 valuation of all taxable
14 property in the district."

15 (c) If the board finds that the election results favor the
16 proposition, the board may impose taxes as authorized by the
17 proposition. If the board finds that the election results do not
18 favor the proposition, another election on the question of raising
19 the district's maximum tax rate may not be held before the first
20 anniversary of the date of the most recent election at which voters
21 disapproved the proposition.

22 (d) Section 41.001(a), Election Code, does not apply to an
23 election ordered under this section. (Acts 71st Leg., R.S., Ch.
24 550, Secs. 8.02(a), (b) (part), (c) (part), (d) (part).)

25 Sec. 1024.254. TAX ASSESSOR-COLLECTOR. The board may
26 provide for the appointment of a tax assessor-collector for the
27 district or may contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 550, Sec.
2 8.05(b).)

3 CHAPTER 1025. ELECTRA HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1025.001. DEFINITIONS

6 Sec. 1025.002. AUTHORITY FOR OPERATION

7 Sec. 1025.003. ESSENTIAL PUBLIC FUNCTION

8 Sec. 1025.004. DISTRICT TERRITORY

9 Sec. 1025.005. CORRECTION OF INVALID PROCEDURES

10 Sec. 1025.006. DISTRICT SUPPORT AND MAINTENANCE NOT

11 STATE OBLIGATION

12 Sec. 1025.007. RESTRICTION ON STATE FINANCIAL

13 ASSISTANCE

14 [Sections 1025.008-1025.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1025.051. BOARD ELECTION; TERM

17 Sec. 1025.052. NOTICE OF ELECTION

18 Sec. 1025.053. BALLOT PETITION

19 Sec. 1025.054. QUALIFICATIONS FOR OFFICE

20 Sec. 1025.055. BOARD VACANCY

21 Sec. 1025.056. OFFICERS

22 Sec. 1025.057. COMPENSATION; EXPENSES

23 Sec. 1025.058. QUORUM

24 Sec. 1025.059. VOTING REQUIREMENT

25 Sec. 1025.060. DISTRICT ADMINISTRATOR; ASSISTANT

26 ADMINISTRATOR

- 1 Sec. 1025.061. GENERAL DUTIES OF DISTRICT
2 ADMINISTRATOR
- 3 Sec. 1025.062. EMPLOYEES; APPOINTMENT OF STAFF
4 [Sections 1025.063-1025.100 reserved for expansion]
- 5 SUBCHAPTER C. POWERS AND DUTIES
- 6 Sec. 1025.101. DISTRICT RESPONSIBILITY
- 7 Sec. 1025.102. RESTRICTION ON POLITICAL SUBDIVISION
8 TAXATION AND DEBT
- 9 Sec. 1025.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 10 Sec. 1025.104. HOSPITAL SYSTEM
- 11 Sec. 1025.105. RULES
- 12 Sec. 1025.106. PURCHASING AND ACCOUNTING PROCEDURES
- 13 Sec. 1025.107. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT
- 15 Sec. 1025.108. EMINENT DOMAIN
- 16 Sec. 1025.109. GIFTS AND ENDOWMENTS
- 17 Sec. 1025.110. CONSTRUCTION CONTRACTS
- 18 Sec. 1025.111. OPERATING AND MANAGEMENT CONTRACTS
- 19 Sec. 1025.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
20 FOR CARE AND TREATMENT
- 21 Sec. 1025.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
22 FOR INVESTIGATORY OR OTHER SERVICES
- 23 Sec. 1025.114. PAYMENT FOR TREATMENT; PROCEDURES
- 24 Sec. 1025.115. AUTHORITY TO SUE AND BE SUED
25 [Sections 1025.116-1025.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1025.151. BUDGET

- 1 Sec. 1025.152. NOTICE; HEARING; ADOPTION OF BUDGET
2 Sec. 1025.153. AMENDMENTS TO BUDGET
3 Sec. 1025.154. RESTRICTION ON EXPENDITURES
4 Sec. 1025.155. FISCAL YEAR
5 Sec. 1025.156. AUDIT
6 Sec. 1025.157. INSPECTION OF AUDIT AND DISTRICT
7 RECORDS
8 Sec. 1025.158. FINANCIAL REPORT
9 Sec. 1025.159. DEPOSITORY
10 Sec. 1025.160. SPENDING AND INVESTMENT RESTRICTIONS
11 [Sections 1025.161-1025.200 reserved for expansion]
12 SUBCHAPTER E. BONDS
13 Sec. 1025.201. GENERAL OBLIGATION BONDS
14 Sec. 1025.202. TAX TO PAY GENERAL OBLIGATION BONDS
15 Sec. 1025.203. GENERAL OBLIGATION BOND ELECTION
16 Sec. 1025.204. MATURITY OF GENERAL OBLIGATION BONDS
17 Sec. 1025.205. EXECUTION OF GENERAL OBLIGATION BONDS
18 Sec. 1025.206. REVENUE BONDS
19 Sec. 1025.207. REFUNDING BONDS
20 Sec. 1025.208. BONDS EXEMPT FROM TAXATION
21 [Sections 1025.209-1025.250 reserved for expansion]
22 SUBCHAPTER F. TAXES
23 Sec. 1025.251. IMPOSITION OF AD VALOREM TAX
24 Sec. 1025.252. TAX RATE
25 Sec. 1025.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
26 ASSESSOR-COLLECTOR

1 Sec. 1025.254. ASSESSMENT AND COLLECTION BY DISTRICT

2 TAX ASSESSOR-COLLECTOR

3 CHAPTER 1025. ELECTRA HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1025.001. DEFINITIONS. In this chapter:

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

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

9 (3) "District" means the Electra Hospital District.

10 (New.)

11 Sec. 1025.002. AUTHORITY FOR OPERATION. The district
12 operates and is administered and financed in accordance with
13 Section 9, Article IX, Texas Constitution, and has the rights,
14 powers, and duties provided by this chapter. (Acts 63rd Leg., R.S.,
15 Ch. 513, Sec. 1 (part).)

16 Sec. 1025.003. ESSENTIAL PUBLIC FUNCTION. The district
17 performs an essential public function in carrying out the purposes
18 of this chapter. (Acts 63rd Leg., R.S., Ch. 513, Sec. 21 (part).)

19 Sec. 1025.004. DISTRICT TERRITORY. The boundaries of the
20 district are coextensive with the boundaries of Justice of the
21 Peace Precinct No. 4 of Wichita County, Texas, as those boundaries
22 existed on June 14, 1973. (Acts 63rd Leg., R.S., Ch. 513, Sec. 1
23 (part).)

24 Sec. 1025.005. CORRECTION OF INVALID PROCEDURES. If a
25 court holds that any procedure under this chapter violates the
26 constitution of this state or of the United States, the district by
27 resolution may provide an alternative procedure that conforms with

1 the constitution. (Acts 63rd Leg., R.S., Ch. 513, Sec. 23 (part).)

2 Sec. 1025.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
3 OBLIGATION. The support and maintenance of the district may not
4 become a charge against or obligation of this state. (Acts 63rd
5 Leg., R.S., Ch. 513, Sec. 20 (part).)

6 Sec. 1025.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
7 The legislature may not make a direct appropriation for the
8 construction, maintenance, or improvement of a district facility.
9 (Acts 63rd Leg., R.S., Ch. 513, Sec. 20 (part).)

10 [Sections 1025.008-1025.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 1025.051. BOARD ELECTION; TERM. (a) The board
13 consists of seven directors elected from the district at large.

14 (b) Directors serve staggered two-year terms unless
15 four-year terms are established under Section 285.081, Health and
16 Safety Code. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(c) (part).)

17 Sec. 1025.052. NOTICE OF ELECTION. At least 30 days before
18 the date of an election of directors, notice of the election shall
19 be published one time in a newspaper or newspapers that
20 individually or collectively have general circulation in the
21 district. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(c) (part).)

22 Sec. 1025.053. BALLOT PETITION. A person who wants to have
23 the person's name printed on the ballot as a candidate for director
24 must file with the board secretary a petition requesting that
25 action. The petition must be:

26 (1) signed by at least 10 voters; and

27 (2) filed at least 30 days before the date of the

1 election. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(c) (part).)

2 Sec. 1025.054. QUALIFICATIONS FOR OFFICE. (a) A person may
3 not be elected or appointed as a director unless the person is:

- 4 (1) a district resident;
- 5 (2) a qualified voter; and
- 6 (3) a freeholder.

7 (b) A person is not eligible to serve as a director if the
8 person is:

- 9 (1) the district administrator; or
- 10 (2) a district employee. (Acts 63rd Leg., R.S., Ch.
11 513, Sec. 4(d).)

12 Sec. 1025.055. BOARD VACANCY. If a vacancy occurs in the
13 office of director, the remaining directors shall appoint a
14 director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 513,
15 Sec. 4(c) (part).)

16 Sec. 1025.056. OFFICERS. (a) The board shall elect:

- 17 (1) a president and a vice president from among its
18 members; and
- 19 (2) a secretary, who need not be a director.

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

21 (c) The board shall fill a vacancy in a board office for the
22 unexpired term. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(e) (part).)

23 Sec. 1025.057. COMPENSATION; EXPENSES. A director or
24 officer serves without compensation but may be reimbursed for
25 actual expenses incurred in the performance of official duties.
26 The expenses must be:

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

1 (2) approved by the board. (Acts 63rd Leg., R.S., Ch.
2 513, Sec. 4(e) (part).)

3 Sec. 1025.058. QUORUM. Any five directors constitute a
4 quorum. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(e) (part).)

5 Sec. 1025.059. VOTING REQUIREMENT. A concurrence of five
6 directors is sufficient in any matter relating to district
7 business. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(e) (part).)

8 Sec. 1025.060. DISTRICT ADMINISTRATOR; ASSISTANT
9 ADMINISTRATOR. (a) The board shall appoint a qualified person as
10 district administrator.

11 (b) The board may appoint an assistant administrator.

12 (c) The district administrator and any assistant
13 administrator serve at the will of the board and are entitled to the
14 compensation determined by the board.

15 (d) On assuming the duties of district administrator, the
16 administrator shall execute a bond payable to the district in an
17 amount set by the board of not less than \$5,000 that:

18 (1) is conditioned on the administrator performing the
19 administrator's duties; and

20 (2) contains other conditions the board may require.
21 (Acts 63rd Leg., R.S., Ch. 513, Sec. 5 (part).)

22 Sec. 1025.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
23 Subject to the limitations prescribed by the board, the district
24 administrator shall:

25 (1) supervise the work and activities of the district;
26 and

27 (2) direct the affairs of the district. (Acts 63rd

1 Leg., R.S., Ch. 513, Sec. 5 (part).)

2 Sec. 1025.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
3 board may appoint to the staff any doctors the board considers
4 necessary for the efficient operation of the district and may make
5 temporary appointments as necessary.

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

8 (c) The board may delegate to the district administrator the
9 authority to hire district employees, including technicians and
10 nurses. (Acts 63rd Leg., R.S., Ch. 513, Secs. 5 (part), 16.)

11 [Sections 1025.063-1025.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1025.101. DISTRICT RESPONSIBILITY. The district has
14 full responsibility for operating all hospital facilities for
15 providing medical and hospital care for the district's needy
16 inhabitants. (Acts 63rd Leg., R.S., Ch. 513, Sec. 19 (part).)

17 Sec. 1025.102. RESTRICTION ON POLITICAL SUBDIVISION
18 TAXATION AND DEBT. A political subdivision located wholly or
19 partly within the district may not impose a tax on district
20 residents or issue bonds or other obligations for hospital purposes
21 or to provide medical care for district residents. (Acts 63rd Leg.,
22 R.S., Ch. 513, Sec. 19 (part).)

23 Sec. 1025.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
24 The board shall manage, control, and administer the hospital system
25 and the district's money and resources. (Acts 63rd Leg., R.S., Ch.
26 513, Sec. 5 (part).)

27 Sec. 1025.104. HOSPITAL SYSTEM. (a) The district shall

1 provide for the establishment of a hospital system by:

2 (1) purchasing, constructing, acquiring, repairing,
3 or renovating buildings and equipment;

4 (2) equipping the buildings; and

5 (3) administering the buildings and equipment for
6 hospital purposes.

7 (b) The hospital system may include:

8 (1) domiciliary care and treatment of the sick,
9 injured, or geriatric;

10 (2) outpatient clinics;

11 (3) dispensaries;

12 (4) convalescent home facilities;

13 (5) necessary nurses;

14 (6) domiciliaries and training centers;

15 (7) blood banks;

16 (8) community mental health centers;

17 (9) research centers or laboratories; and

18 (10) any other facilities the board considers
19 necessary for hospital care. (Acts 63rd Leg., R.S., Ch. 513, Secs.
20 2 (part), 10(a) (part).)

21 Sec. 1025.105. RULES. The board may adopt rules governing
22 the operation of the hospital, the hospital system, and the
23 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 513,
24 Sec. 5 (part).)

25 Sec. 1025.106. PURCHASING AND ACCOUNTING PROCEDURES. The
26 board may prescribe:

27 (1) the method and manner of making purchases and

1 expenditures by and for the district; and

2 (2) all accounting and control procedures. (Acts 63rd
3 Leg., R.S., Ch. 513, Sec. 10(b) (part).)

4 Sec. 1025.107. DISTRICT PROPERTY, FACILITIES, AND
5 EQUIPMENT. (a) The board shall determine the type, number, and
6 location of buildings required to maintain an adequate hospital
7 system.

8 (b) The board may lease all or part of the district's
9 buildings and other facilities on terms considered to be in the best
10 interest of the district's inhabitants. The term of the lease may
11 not exceed 25 years.

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

18 (d) The district may sell or otherwise dispose of any
19 property, including equipment, on terms the board finds are in the
20 best interest of the district's inhabitants. (Acts 63rd Leg.,
21 R.S., Ch. 513, Secs. 10(a) (part), (b) (part).)

22 Sec. 1025.108. EMINENT DOMAIN. (a) The district may
23 exercise the power of eminent domain to acquire a fee simple or
24 other interest in any type of property located in district
25 territory if the interest is necessary or convenient for the
26 district to exercise a power, right, or privilege conferred by this
27 chapter.

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

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

7 (1) pay in advance or provide a bond or other security
8 for costs in the trial court;

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

11 (3) provide a bond for costs or a supersedeas bond on
12 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 513, Sec.
13 14.)

14 Sec. 1025.109. GIFTS AND ENDOWMENTS. The board may accept
15 for the district a gift or endowment to be held in trust and
16 administered by the board for the purposes and under the
17 directions, limitations, or other provisions prescribed in writing
18 by the donor that are not inconsistent with the proper management
19 and objectives of the district. (Acts 63rd Leg., R.S., Ch. 513,
20 Sec. 18.)

21 Sec. 1025.110. CONSTRUCTION CONTRACTS. A construction
22 contract that involves the expenditure of more than \$10,000 may be
23 made only after advertising in the manner provided by Chapter 252
24 and Subchapter C, Chapter 262, Local Government Code. (Acts 63rd
25 Leg., R.S., Ch. 513, Sec. 10(b) (part).)

26 Sec. 1025.111. OPERATING AND MANAGEMENT CONTRACTS. The
27 board may enter into an operating or management contract relating

1 to a district facility. (Acts 63rd Leg., R.S., Ch. 513, Sec. 10(a)
2 (part).)

3 Sec. 1025.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
4 CARE AND TREATMENT. (a) The board may contract with a county or
5 municipality located outside the district's boundaries for the care
6 and treatment of a sick or injured person of that county or
7 municipality.

8 (b) The board may contract with this state or a federal
9 agency for the treatment of a sick or injured person. (Acts 63rd
10 Leg., R.S., Ch. 513, Sec. 5 (part).)

11 Sec. 1025.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
12 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
13 political subdivision or governmental agency for the district
14 to provide investigatory or other services as to the medical,
15 hospital, or welfare needs of district inhabitants. (Acts 63rd
16 Leg., R.S., Ch. 513, Sec. 5 (part).)

17 Sec. 1025.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
18 When a patient who resides in the district is admitted to a district
19 facility, the district administrator may have an inquiry made into
20 the circumstances of:

21 (1) the patient; and

22 (2) the patient's relatives who are legally liable for
23 the patient's support.

24 (b) If the district administrator determines that the
25 patient or those relatives cannot pay all or part of the costs of
26 the care and treatment in the hospital, the amount of the costs that
27 cannot be paid becomes a charge against the district.

1 (c) If the district administrator determines that the
2 patient or those relatives can pay for all or part of the costs of
3 the patient's care and treatment, the patient or those relatives
4 shall be ordered to pay the district a specified amount each week
5 for the patient's care and support. The amount ordered must be
6 proportionate to the person's financial ability.

7 (d) The district administrator may collect the amount from
8 the patient's estate, or from any relative who is legally liable for
9 the patient's support, in the manner provided by law for the
10 collection of expenses of the last illness of a deceased person.

11 (e) If there is a dispute as to the ability to pay, or doubt
12 in the mind of the district administrator, the board shall hold a
13 hearing and, after calling witnesses, shall:

14 (1) resolve the dispute or doubt; and

15 (2) issue any appropriate orders.

16 (f) A final order of the board may be appealed to the
17 district court. The substantial evidence rule applies to the
18 appeal. (Acts 63rd Leg., R.S., Ch. 513, Sec. 17.)

19 Sec. 1025.115. AUTHORITY TO SUE AND BE SUED. The district,
20 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.
21 513, Sec. 5 (part).)

22 [Sections 1025.116-1025.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1025.151. BUDGET. (a) The district administrator
25 shall prepare an annual budget for approval by the board.

26 (b) The proposed budget must contain a complete financial
27 statement of:

- 1 (1) the outstanding obligations of the district;
- 2 (2) the cash on hand in each district fund;
- 3 (3) the money received by the district from all
4 sources during the previous year;
- 5 (4) the money available to the district from all
6 sources during the ensuing year;
- 7 (5) the balances expected at the end of the year in
8 which the budget is being prepared;
- 9 (6) the estimated revenue and balances available to
10 cover the proposed budget; and
- 11 (7) the estimated tax rate required. (Acts 63rd Leg.,
12 R.S., Ch. 513, Sec. 6 (part).)

13 Sec. 1025.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
14 The board shall hold a public hearing on the proposed annual budget.

15 (b) Notice of the hearing must be published one time at
16 least 10 days before the date of the hearing.

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

19 (d) At the conclusion of the hearing, the board shall adopt
20 a budget by acting on the budget proposed by the district
21 administrator. The board may make any changes in the proposed
22 budget that the board judges to be in the interests of the taxpayers
23 and that the law warrants. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6
24 (part).)

25 Sec. 1025.153. AMENDMENTS TO BUDGET. The budget may be
26 amended as required by circumstances. The board must approve all
27 amendments. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6 (part).)

1 Sec. 1025.154. RESTRICTION ON EXPENDITURES. Money may be
2 spent only for an expense included in the budget or an amendment to
3 the budget. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6 (part).)

4 Sec. 1025.155. FISCAL YEAR. (a) The district operates on a
5 fiscal year established by the board.

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

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

9 (2) more than once in a 24-month period. (Acts 63rd
10 Leg., R.S., Ch. 513, Sec. 6 (part).)

11 Sec. 1025.156. AUDIT. The board shall have an audit made of
12 the district's financial condition. (Acts 63rd Leg., R.S., Ch.
13 513, Sec. 6 (part).)

14 Sec. 1025.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
15 The audit and other district records shall be open to inspection at
16 the district's principal office. (Acts 63rd Leg., R.S., Ch. 513,
17 Sec. 6 (part).)

18 Sec. 1025.158. FINANCIAL REPORT. As soon as practicable
19 after the close of each fiscal year, the district administrator
20 shall prepare for the board:

21 (1) a complete sworn statement of all district money;
22 and

23 (2) a complete account of the disbursements of that
24 money. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6 (part).)

25 Sec. 1025.159. DEPOSITORY. (a) The board shall select one
26 or more banks in the district to serve as a depository for district
27 money.

1 (b) District money, other than money invested as provided by
2 Section 1025.160(b), and money transmitted to a bank for payment of
3 bonds or obligations issued or assumed by the district, shall be
4 deposited as received with the depository bank and shall remain on
5 deposit.

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

9 (d) The district may not deposit money with a bank in an
10 amount that exceeds the maximum amount secured by the Federal
11 Deposit Insurance Corporation unless the bank first executes a bond
12 or other security in an amount sufficient to secure from loss the
13 district money that exceeds the amount secured by the Federal
14 Deposit Insurance Corporation. (Acts 63rd Leg., R.S., Ch. 513,
15 Sec. 11.)

16 Sec. 1025.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
17 Except as otherwise provided by Section 1025.107(c) and by
18 Subchapter E, the district may not incur an obligation payable from
19 district revenue other than the revenue on hand or to be on hand in
20 the current and following district fiscal years.

21 (b) The board may invest operating, depreciation, or
22 building reserves only in funds or securities specified by Chapter
23 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 513, Secs. 5
24 (part), 10(b) (part).)

25 [Sections 1025.161-1025.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1025.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith
2 and credit of the district for any purpose relating to:

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

5 (2) equipping buildings or improvements for hospital
6 purposes. (Acts 63rd Leg., R.S., Ch. 513, Sec. 7(a) (part).)

7 Sec. 1025.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
8 the time general obligation bonds are issued by the district under
9 Section 1025.201, the board shall impose an ad valorem tax at a rate
10 sufficient to create an interest and sinking fund to pay the
11 principal of and interest on the bonds as the bonds mature.

12 (b) The tax required by this section together with any other
13 ad valorem tax the district imposes may not in any year exceed 75
14 cents on each \$100 valuation of all taxable property in the
15 district. (Acts 63rd Leg., R.S., Ch. 513, Sec. 7(a) (part).)

16 Sec. 1025.203. GENERAL OBLIGATION BOND ELECTION. (a) The
17 district may issue general obligation bonds only if the bonds are
18 authorized by a majority of the district voters.

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

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the presiding and alternate election judges for
24 each polling place;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum maturity of the bonds.

27 (c) Notice of a bond election shall be given as provided by

1 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 513,
2 Sec. 7(a) (part).)

3 Sec. 1025.204. MATURITY OF GENERAL OBLIGATION BONDS.
4 District general obligation bonds must mature not later than 40
5 years after the date of issuance. (Acts 63rd Leg., R.S., Ch. 513,
6 Sec. 7(c) (part).)

7 Sec. 1025.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
8 The board president shall execute the general obligation bonds in
9 the district's name.

10 (b) The board secretary shall countersign the bonds in the
11 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,
12 R.S., Ch. 513, Sec. 7(c) (part).)

13 Sec. 1025.206. REVENUE BONDS. (a) The board may issue
14 revenue bonds to:

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

17 (2) acquire sites to be used for hospital purposes.

18 (b) The bonds must be payable from and secured by a pledge of
19 all or part of the revenue derived from the operation of the
20 district's hospitals.

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

23 (d) The bonds must be issued in the manner and in accordance
24 with the procedures and requirements prescribed by Sections
25 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
26 issuance of revenue bonds by a county hospital authority. (Acts
27 63rd Leg., R.S., Ch. 513, Sec. 9 (part).)

1 Sec. 1025.207. REFUNDING BONDS. (a) The board may, without
2 an election, issue refunding bonds to refund outstanding
3 indebtedness issued or assumed by the district.

4 (b) A refunding bond may be:

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

7 (2) exchanged wholly or partly for not less than a
8 similar principal amount of outstanding indebtedness. (Acts 63rd
9 Leg., R.S., Ch. 513, Secs. 7(a) (part), 7(b) (part), 9 (part).)

10 Sec. 1025.208. BONDS EXEMPT FROM TAXATION. The following
11 are exempt from taxation by this state or a political subdivision of
12 this state:

13 (1) bonds issued by the district;

14 (2) the transfer and issuance of the bonds; and

15 (3) profits made in the sale of the bonds. (Acts 63rd
16 Leg., R.S., Ch. 513, Sec. 21 (part).)

17 [Sections 1025.209-1025.250 reserved for expansion]

18 SUBCHAPTER F. TAXES

19 Sec. 1025.251. IMPOSITION OF AD VALOREM TAX. (a) The board
20 shall impose a tax on all property in the district subject to
21 district taxation.

22 (b) The board shall impose the tax to pay:

23 (1) indebtedness issued or assumed by the district;

24 and

25 (2) the maintenance and operating expenses of the
26 district.

27 (c) The board may not impose a tax to pay the principal of or

1 interest on revenue bonds issued under this chapter. (Acts 63rd
2 Leg., R.S., Ch. 513, Secs. 12 (part), 15(a) (part).)

3 Sec. 1025.252. TAX RATE. (a) The board may impose the tax
4 at a rate not to exceed 75 cents on each \$100 valuation of taxable
5 property in the district.

6 (b) In setting the tax rate, the board shall consider the
7 income of the district from sources other than taxation. (Acts 63rd
8 Leg., R.S., Ch. 513, Secs. 3(b) (part), 12 (part).)

9 Sec. 1025.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
10 ASSESSOR-COLLECTOR. (a) This section applies unless the board
11 elects to have taxes assessed and collected under Section 1025.254.

12 (b) The tax assessor-collector of Wichita County shall
13 assess and collect taxes imposed by the district. (Acts 63rd Leg.,
14 R.S., Ch. 513, Secs. 15(a) (part), (b) (part).)

15 Sec. 1025.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
16 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
17 assessed and collected by a tax assessor-collector appointed by the
18 board. An election under this subsection must be made by December 1
19 and governs the manner in which taxes are assessed and collected,
20 until changed by a similar resolution.

21 (b) The district tax assessor-collector must:

22 (1) reside in the district; and

23 (2) own real property subject to district taxation.

24 (c) The board shall set for the district tax
25 assessor-collector:

26 (1) the term of employment; and

27 (2) compensation. (Acts 63rd Leg., R.S., Ch. 513,

1 Secs. 15(a) (part), (c) (part).)

2 CHAPTER 1026. FARWELL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1026.001. DEFINITIONS

5 Sec. 1026.002. AUTHORITY FOR OPERATION

6 Sec. 1026.003. ESSENTIAL PUBLIC FUNCTION

7 Sec. 1026.004. DISTRICT TERRITORY

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9 Sec. 1026.006. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 Sec. 1026.007. RESTRICTION ON STATE FINANCIAL

12 ASSISTANCE

13 [Sections 1026.008-1026.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1026.051. BOARD ELECTION; TERMS

16 Sec. 1026.052. NOTICE OF ELECTION

17 Sec. 1026.053. BALLOT PETITION

18 Sec. 1026.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1026.055. BOARD VACANCY

20 Sec. 1026.056. OFFICERS

21 Sec. 1026.057. COMPENSATION; EXPENSES

22 Sec. 1026.058. PETITION TO CHANGE NUMBER OF DIRECTORS

23 Sec. 1026.059. VOTING REQUIREMENT

24 Sec. 1026.060. DISTRICT ADMINISTRATOR; ASSISTANT

25 ADMINISTRATOR

26 Sec. 1026.061. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1026.062. EMPLOYEES; APPOINTMENT OF STAFF
2 [Sections 1026.063-1026.100 reserved for expansion]
3 SUBCHAPTER C. POWERS AND DUTIES
4 Sec. 1026.101. DISTRICT RESPONSIBILITY
5 Sec. 1026.102. RESTRICTION ON POLITICAL SUBDIVISION
6 TAXATION AND DEBT
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8 Sec. 1026.104. HOSPITAL SYSTEM
9 Sec. 1026.105. RULES
10 Sec. 1026.106. PURCHASING AND ACCOUNTING PROCEDURES
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12 EQUIPMENT
13 Sec. 1026.108. EMINENT DOMAIN
14 Sec. 1026.109. GIFTS AND ENDOWMENTS
15 Sec. 1026.110. CONSTRUCTION CONTRACTS
16 Sec. 1026.111. OPERATING AND MANAGEMENT CONTRACTS
17 Sec. 1026.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
18 FOR CARE AND TREATMENT
19 Sec. 1026.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
20 FOR INVESTIGATORY OR OTHER SERVICES
21 Sec. 1026.114. PAYMENT FOR TREATMENT; PROCEDURES
22 Sec. 1026.115. REIMBURSEMENT FOR SERVICES
23 Sec. 1026.116. AUTHORITY TO SUE AND BE SUED
24 [Sections 1026.117-1026.150 reserved for expansion]
25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
26 Sec. 1026.151. BUDGET
27 Sec. 1026.152. NOTICE; HEARING; ADOPTION OF BUDGET

- 1 Sec. 1026.153. AMENDMENTS TO BUDGET
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- 7 Sec. 1026.158. FINANCIAL REPORT
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- 9 Sec. 1026.160. SPENDING AND INVESTMENT RESTRICTIONS
- 10 [Sections 1026.161-1026.200 reserved for expansion]
- 11 SUBCHAPTER E. BONDS
- 12 Sec. 1026.201. GENERAL OBLIGATION BONDS
- 13 Sec. 1026.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 14 Sec. 1026.203. GENERAL OBLIGATION BOND ELECTION
- 15 Sec. 1026.204. MATURITY OF GENERAL OBLIGATION BONDS
- 16 Sec. 1026.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 17 Sec. 1026.206. REVENUE BONDS
- 18 Sec. 1026.207. REFUNDING BONDS
- 19 Sec. 1026.208. BONDS EXEMPT FROM TAXATION
- 20 [Sections 1026.209-1026.250 reserved for expansion]
- 21 SUBCHAPTER F. TAXES
- 22 Sec. 1026.251. IMPOSITION OF AD VALOREM TAX
- 23 Sec. 1026.252. TAX RATE
- 24 Sec. 1026.253. ASSESSMENT AND COLLECTION BY SCHOOL
- 25 DISTRICT ASSESSOR-COLLECTOR
- 26 Sec. 1026.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 27 TAX ASSESSOR-COLLECTOR

1 Sec. 1026.255. ASSESSMENT AND COLLECTION BY TAX

2 ASSESSOR-COLLECTOR OF ANOTHER

3 POLITICAL SUBDIVISION

4 CHAPTER 1026. FARWELL HOSPITAL DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1026.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the
8 district.

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

10 (3) "District" means the Farwell Hospital District.

11 (New.)

12 Sec. 1026.002. AUTHORITY FOR OPERATION. The district
13 operates in accordance with Section 9, Article IX, Texas
14 Constitution, and has the rights, powers, and duties provided by
15 this chapter. (Acts 64th Leg., R.S., Ch. 73, Sec. 1 (part).)

16 Sec. 1026.003. ESSENTIAL PUBLIC FUNCTION. The district
17 performs an essential public function in carrying out the purposes
18 of this chapter. (Acts 64th Leg., R.S., Ch. 73, Sec. 21 (part).)

19 Sec. 1026.004. DISTRICT TERRITORY. The boundaries of the
20 district are coextensive with the boundaries of the Farwell
21 Independent School District in Parmer County, Texas, as those
22 boundaries existed on January 1, 1975. (Acts 64th Leg., R.S., Ch.
23 73, Sec. 1 (part).)

24 Sec. 1026.005. CORRECTION OF INVALID PROCEDURES. If a court
25 holds that any procedure under this chapter violates the
26 constitution of this state or of the United States, the district by
27 resolution may provide an alternative procedure that conforms with

1 the constitution. (Acts 64th Leg., R.S., Ch. 73, Sec. 23 (part).)

2 Sec. 1026.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
3 OBLIGATION. The support and maintenance of the district may not
4 become a charge against or obligation of this state. (Acts 64th
5 Leg., R.S., Ch. 73, Sec. 20 (part).)

6 Sec. 1026.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
7 The legislature may not make a direct appropriation for the
8 construction, maintenance, or improvement of a district facility.
9 (Acts 64th Leg., R.S., Ch. 73, Sec. 20 (part).)

10 [Sections 1026.008-1026.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 1026.051. BOARD ELECTION; TERMS. (a) The board
13 consists of nine directors elected from the district at large.

14 (b) Directors serve staggered two-year terms unless
15 four-year terms are established under Section 285.081, Health and
16 Safety Code. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(c) (part).)

17 Sec. 1026.052. NOTICE OF ELECTION. At least 30 days before
18 the date of an election of directors, notice of the election shall
19 be published one time in a newspaper or newspapers that
20 individually or collectively have general circulation in the
21 district. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(c) (part).)

22 Sec. 1026.053. BALLOT PETITION. A person who wants to have
23 the person's name printed on the ballot as a candidate for director
24 must file with the board secretary a petition requesting that
25 action. The petition must be:

26 (1) signed by at least 10 qualified taxpaying voters;

27 and

1 (2) filed at least 30 days before the date of the
2 election. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(c) (part).)

3 Sec. 1026.054. QUALIFICATIONS FOR OFFICE. (a) A person may
4 not be appointed or elected as a director unless the person is:

5 (1) a district resident; and

6 (2) a qualified voter.

7 (b) A person is not eligible to serve as a director if the
8 person is:

9 (1) the district administrator;

10 (2) a district employee; or

11 (3) a member of the staff of the hospital. (Acts 64th
12 Leg., R.S., Ch. 73, Sec. 4(d).)

13 Sec. 1026.055. BOARD VACANCY. If a vacancy occurs in the
14 office of director, the remaining directors shall appoint a
15 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 73, Sec.
16 4(c) (part).)

17 Sec. 1026.056. OFFICERS. (a) The board shall elect:

18 (1) a president and a vice president from among its
19 members; and

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

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

22 (c) The board shall fill a vacancy in a board office for the
23 unexpired term. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(e) (part).)

24 Sec. 1026.057. COMPENSATION; EXPENSES. A director or
25 officer serves without compensation but may be reimbursed for
26 actual expenses incurred in the performance of official duties.
27 The expenses must be:

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

2 (2) approved by the board. (Acts 64th Leg., R.S., Ch.
3 73, Sec. 4(e) (part).)

4 Sec. 1026.058. PETITION TO CHANGE NUMBER OF DIRECTORS. (a)
5 A petition to increase or decrease the number of directors by one or
6 two directors may be presented to the board at any time.

7 (b) A petition to increase or decrease the number of
8 directors must:

9 (1) be executed by at least 100 registered voters of
10 the district; and

11 (2) suggest the number of directors the petitioners
12 believe are required for the orderly administration of district
13 affairs.

14 (c) Not later than the 90th day after the date a proper
15 petition is presented to the board, the board shall order an
16 election on the question of changing the number of directors to a
17 number not to exceed the number suggested by the petition.

18 (d) The order calling the election shall provide for
19 election officials as in county elections and must specify:

20 (1) the date of the election; and

21 (2) the location of the polling places.

22 (e) Notice of the election shall be published as provided by
23 Section 1251.003, Government Code.

24 (f) The ballot for the election shall be printed to permit
25 voting for or against the proposition: "Providing for an increase
26 (decrease) in the number of directors of the Farwell Hospital
27 District."

1 (g) If a proposition to increase the number of directors is
2 approved by a majority of the voters participating in the election:

3 (1) each director in office shall continue to serve
4 for the term for which the director was elected or appointed; and

5 (2) the board shall appoint any additional directors
6 to serve until the next regular election of directors, at which time
7 a successor shall be elected.

8 (h) If a proposition to decrease the number of directors is
9 approved by a majority of the voters participating in the election:

10 (1) the reduction takes effect at the next regular
11 election or election of directors; and

12 (2) not more than one position may be deleted at each
13 election.

14 (i) Another election for the same purpose may not be held
15 before the third anniversary of the date of an election under this
16 section. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(f) (part).)

17 Sec. 1026.059. VOTING REQUIREMENT. A concurrence of five
18 directors is sufficient in any matter relating to district
19 business. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(e) (part).)

20 Sec. 1026.060. DISTRICT ADMINISTRATOR; ASSISTANT
21 ADMINISTRATOR. (a) The board shall appoint a qualified person as
22 district administrator.

23 (b) The board may appoint an assistant administrator.

24 (c) The district administrator and any assistant
25 administrator serve at the will of the board and are entitled to the
26 compensation determined by the board.

27 (d) On assuming the duties of district administrator, the

1 administrator shall execute a bond payable to the district in an
2 amount set by the board of not less than \$5,000 that:

3 (1) is conditioned on the administrator performing the
4 administrator's duties; and

5 (2) contains other conditions the board may require.
6 (Acts 64th Leg., R.S., Ch. 73, Sec. 5 (part).)

7 Sec. 1026.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
8 Subject to the limitations prescribed by the board, the district
9 administrator shall:

10 (1) supervise the work and activities of the district;
11 and

12 (2) direct the affairs of the district. (Acts 64th
13 Leg., R.S., Ch. 73, Sec. 5 (part).)

14 Sec. 1026.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
15 board may appoint to the staff any doctors the board considers
16 necessary for the efficient operation of the district and may make
17 temporary appointments as necessary.

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

20 (c) The board may delegate to the district administrator the
21 authority to hire district employees, including technicians and
22 nurses. (Acts 64th Leg., R.S., Ch. 73, Secs. 5 (part), 16.)

23 [Sections 1026.063-1026.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1026.101. DISTRICT RESPONSIBILITY. The district has
26 full responsibility for operating all hospital facilities for
27 providing hospital care for the district's needy inhabitants. (Acts

1 64th Leg., R.S., Ch. 73, Sec. 19 (part).)

2 Sec. 1026.102. RESTRICTION ON POLITICAL SUBDIVISION
3 TAXATION AND DEBT. A political subdivision located within the
4 district may not impose a tax or issue bonds or other obligations
5 for hospital purposes or to provide medical care for district
6 inhabitants. (Acts 64th Leg., R.S., Ch. 73, Sec. 19 (part).)

7 Sec. 1026.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
8 The board shall manage, control, and administer the hospital system
9 and the district's money and resources. (Acts 64th Leg., R.S., Ch.
10 73, Sec. 5 (part).)

11 Sec. 1026.104. HOSPITAL SYSTEM. (a) The district shall
12 provide for the establishment of a hospital system by:

13 (1) purchasing, constructing, acquiring, repairing,
14 or renovating buildings and equipment;

15 (2) equipping the buildings; and

16 (3) administering the buildings and equipment for
17 hospital purposes.

18 (b) The hospital system may include:

19 (1) domiciliary care and treatment of the sick,
20 injured, or geriatric;

21 (2) outpatient clinics;

22 (3) dispensaries;

23 (4) convalescent home facilities;

24 (5) necessary nurses;

25 (6) domiciliaries and training centers;

26 (7) blood banks;

27 (8) community mental health centers;

1 (9) research centers or laboratories; and

2 (10) any other facilities the board considers
3 necessary for hospital or extended medical care. (Acts 64th Leg.,
4 R.S., Ch. 73, Secs. 2 (part), 10 (part).)

5 Sec. 1026.105. RULES. The board may adopt rules governing
6 the operation of the hospital, the hospital system, and the
7 district's staff and employees. (Acts 64th Leg., R.S., Ch. 73, Sec.
8 5 (part).)

9 Sec. 1026.106. PURCHASING AND ACCOUNTING PROCEDURES. The
10 board may prescribe:

11 (1) the method and manner of making purchases and
12 expenditures by and for the district; and

13 (2) all accounting and control procedures. (Acts 64th
14 Leg., R.S., Ch. 73, Sec. 10 (part).)

15 Sec. 1026.107. DISTRICT PROPERTY, FACILITIES, AND
16 EQUIPMENT. (a) The board shall determine the type, number, and
17 location of buildings required to maintain an adequate hospital
18 system.

19 (b) The board may lease all or part of the district's
20 buildings and other facilities on terms considered to be in the best
21 interest of the district's inhabitants. The term of the lease may
22 not exceed 25 years.

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

1 contract.

2 (d) The board may sell or otherwise dispose of any property,
3 including equipment, on terms the board finds are in the best
4 interest of the district's inhabitants. (Acts 64th Leg., R.S., Ch.
5 73, Sec. 10 (part).)

6 Sec. 1026.108. EMINENT DOMAIN. (a) The district may
7 exercise the power of eminent domain to acquire a fee simple or
8 other interest in any type of property located in district
9 territory if the interest is necessary or convenient for the
10 district to exercise a power, right, or privilege conferred by this
11 chapter.

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

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

18 (1) pay in advance or provide a bond or other security
19 for costs in the trial court;

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

22 (3) provide a bond for costs or a supersedeas bond on
23 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 73, Sec. 14.)

24 Sec. 1026.109. GIFTS AND ENDOWMENTS. The board may accept
25 for the district a gift or endowment to be held in trust and
26 administered by the board for the purposes and under the directors,
27 limitations, or other provisions prescribed in writing by the donor

1 that are not inconsistent with the proper management and objectives
2 of the district. (Acts 64th Leg., R.S., Ch. 73, Sec. 18.)

3 Sec. 1026.110. CONSTRUCTION CONTRACTS. A construction
4 contract that involves the expenditure of more than \$10,000 may be
5 made only after advertising in the manner provided by Chapter 252
6 and Subchapter C, Chapter 262, Local Government Code. (Acts 64th
7 Leg., R.S., Ch. 73, Sec. 10 (part).)

8 Sec. 1026.111. OPERATING AND MANAGEMENT CONTRACTS. The
9 board may enter into an operating or management contract relating
10 to a district facility. (Acts 64th Leg., R.S., Ch. 73, Sec. 10
11 (part).)

12 Sec. 1026.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
13 CARE AND TREATMENT. (a) The board may contract with a county or
14 municipality located outside the district's boundaries for the care
15 and treatment of a sick or injured person of that county or
16 municipality.

17 (b) The board may contract with this state or a federal
18 agency for the treatment of a sick or injured person. (Acts 64th
19 Leg., R.S., Ch. 73, Sec. 5 (part).)

20 Sec. 1026.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
21 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
22 political subdivision or governmental agency for the district to
23 provide investigatory or other services as to the medical,
24 hospital, or welfare needs of district inhabitants. (Acts 64th
25 Leg., R.S., Ch. 73, Sec. 5 (part).)

26 Sec. 1026.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
27 When a patient is admitted to a district facility, the district

1 administrator may have an inquiry made into the circumstances of:

2 (1) the patient; and

3 (2) the patient's relatives who are legally liable for
4 the patient's support.

5 (b) Except as otherwise provided by this chapter, if the
6 district administrator determines that the patient or those
7 relatives cannot pay all or part of the costs of the care and
8 treatment in the hospital, the amount of the costs that cannot be
9 paid becomes a charge against the district.

10 (c) If the district administrator determines that the
11 patient or those relatives can pay for all or part of the costs of
12 the patient's care and treatment, the patient or those relatives
13 shall be ordered to pay the district a specified amount each week
14 for the patient's care and support. The amount ordered must be
15 proportionate to the person's financial ability.

16 (d) The district administrator may collect the amount from
17 the patient's estate, or from any relative who is legally liable for
18 the patient's support, in the manner provided by law for the
19 collection of expenses of the last illness of a deceased person.

20 (e) If there is a dispute as to the ability to pay, or doubt
21 in the mind of the district administrator, the board shall hold a
22 hearing and, after calling witnesses, shall:

23 (1) resolve the dispute or doubt; and

24 (2) issue any appropriate orders.

25 (f) A final order of the board may be appealed to the
26 district court. The substantial evidence rule applies to the
27 appeal. (Acts 64th Leg., R.S., Ch. 73, Sec. 17.)

1 Sec. 1026.115. REIMBURSEMENT FOR SERVICES. If the district
2 provides care or treatment for a sick or injured person who is not a
3 district resident, the district may collect the reasonable value of
4 the hospital care from a political subdivision responsible for that
5 care. Venue in any court proceeding is in Parmer County. (Acts
6 64th Leg., R.S., Ch. 73, Sec. 5 (part).)

7 Sec. 1026.116. AUTHORITY TO SUE AND BE SUED. The district,
8 through the board, may sue and be sued. (Acts 64th Leg., R.S., Ch.
9 73, Sec. 5 (part).)

10 [Sections 1026.117-1026.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 1026.151. BUDGET. (a) The district administrator or,
13 if there is none, the president of the board shall prepare an annual
14 budget for approval by the board.

15 (b) The proposed budget must contain a complete financial
16 statement of:

- 17 (1) the outstanding obligations of the district;
- 18 (2) the cash on hand in each district fund;
- 19 (3) the money received by the district from all
20 sources during the previous year;
- 21 (4) the money available to the district from all
22 sources during the ensuing year;
- 23 (5) the balances expected at the end of the year in
24 which the budget is being prepared;
- 25 (6) the estimated revenue and balances available to
26 cover the proposed budget; and
- 27 (7) the estimated tax rate required. (Acts 64th Leg.,

1 R.S., Ch. 73, Sec. 6 (part).)

2 Sec. 1026.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
3 The board shall hold a public hearing on the proposed annual budget.

4 (b) Notice of the hearing must be published one time at
5 least 10 days before the date of the hearing.

6 (c) Any district taxpayer is entitled to be present and
7 participate in the hearing.

8 (d) At the conclusion of the hearing, the board shall adopt
9 a budget by acting on the proposed budget. The board may make
10 changes in the proposed budget that the board judges to be in the
11 interest of the taxpayers and that the law warrants. (Acts 64th
12 Leg., R.S., Ch. 73, Sec. 6 (part).)

13 Sec. 1026.153. AMENDMENTS TO BUDGET. The budget may be
14 amended as required by circumstances. The board must approve all
15 amendments. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

16 Sec. 1026.154. RESTRICTION ON EXPENDITURES. Money may be
17 spent only for an expense included in the budget or an amendment to
18 the budget. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

19 Sec. 1026.155. FISCAL YEAR. (a) The district operates on a
20 fiscal year established by the board.

21 (b) The fiscal year may not be changed more than once in a
22 24-month period. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

23 Sec. 1026.156. AUDIT. The board shall have an audit made of
24 the district's financial condition. (Acts 64th Leg., R.S., Ch. 73,
25 Sec. 6 (part).)

26 Sec. 1026.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
27 The audit and other district records shall be open to inspection at

1 the district's principal office. (Acts 64th Leg., R.S., Ch. 73,
2 Sec. 6 (part).)

3 Sec. 1026.158. FINANCIAL REPORT. As soon as practicable
4 after the close of each fiscal year, the district administrator
5 shall prepare for the board:

6 (1) a complete sworn statement of all district money;
7 and

8 (2) a complete account of the disbursements of that
9 money. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

10 Sec. 1026.159. DEPOSITORY. (a) The board shall select one
11 or more banks inside or outside the district to serve as a
12 depository for district money.

13 (b) District money, other than money invested as provided by
14 Section 1026.160(b) and money transmitted to a bank for payment of
15 bonds or obligations issued by the district, shall be deposited as
16 received with the depository bank and shall remain on deposit.

17 (c) This chapter, including Subsection (b), does not limit
18 the power of the board to place a part of district money on time
19 deposit or to purchase certificates of deposit. (Acts 64th Leg.,
20 R.S., Ch. 73, Sec. 11.)

21 Sec. 1026.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
22 Except as otherwise provided by Section 1026.107(c) and by
23 Subchapter E, the district may not incur an obligation payable from
24 district revenue other than the revenue on hand or to be on hand in
25 the current and following district fiscal years.

26 (b) The board may invest operating, depreciation, or
27 building reserves only in funds or securities specified by Chapter

1 2256, Government Code. (Acts 64th Leg., R.S., Ch. 73, Secs. 5
2 (part), 10 (part).)

3 [Sections 1026.161-1026.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1026.201. GENERAL OBLIGATION BONDS. The board may
6 issue and sell general obligation bonds in the name and on the faith
7 and credit of the district for any purpose relating to:

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

10 (2) equipping buildings or improvements for hospital
11 purposes. (Acts 64th Leg., R.S., Ch. 73, Sec. 7 (part).)

12 Sec. 1026.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
13 the time general obligation bonds are issued by the district under
14 Section 1026.201, the board shall impose an ad valorem tax at a rate
15 sufficient to create an interest and sinking fund to pay the
16 principal of and interest on the bonds as the bonds mature.

17 (b) The tax required by this section may not in any year
18 exceed 75 cents on each \$100 valuation of all taxable property in
19 the district. (Acts 64th Leg., R.S., Ch. 73, Sec. 7 (part).)

20 Sec. 1026.203. GENERAL OBLIGATION BOND ELECTION. (a) The
21 district may issue general obligation bonds only if the bonds are
22 authorized by a majority of the district voters voting at an
23 election held for that purpose.

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

26 (1) the date of the election;

27 (2) the location of the polling places;

1 (3) the presiding and alternate election judge for
2 each polling place;

3 (4) the amount of the bonds to be authorized; and

4 (5) the maximum maturity of the bonds.

5 (c) Notice of a bond election shall be published in a
6 newspaper as provided by Section 1251.003, Government Code. (Acts
7 64th Leg., R.S., Ch. 73, Sec. 7 (part).)

8 Sec. 1026.204. MATURITY OF GENERAL OBLIGATION BONDS.
9 District general obligation bonds must mature not later than 40
10 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 73,
11 Sec. 7 (part).)

12 Sec. 1026.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
13 The board president shall execute the general obligation bonds in
14 the district's name.

15 (b) The board secretary shall countersign the bonds in the
16 manner provided by Chapter 618, Government Code. (Acts 64th Leg.,
17 R.S., Ch. 73, Sec. 7 (part).)

18 Sec. 1026.206. REVENUE BONDS. (a) The board may issue
19 revenue bonds to:

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

22 (2) acquire sites to be used for hospital purposes.

23 (b) The bonds must be payable from and secured by a pledge of
24 all or part of the revenue derived from the operation of the
25 district's hospitals.

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

1 (d) The bonds must be issued in the manner and in accordance
2 with the procedures and requirements prescribed by Sections
3 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
4 issuance of revenue bonds by a county hospital authority. (Acts
5 64th Leg., R.S., Ch. 73, Sec. 9 (part).)

6 Sec. 1026.207. REFUNDING BONDS. (a) The board may, without
7 an election, issue refunding bonds to refund outstanding
8 indebtedness issued or assumed by the district.

9 (b) A refunding bond may be:

10 (1) sold, with the proceeds of the refunding bond
11 applied to the payment of outstanding indebtedness; or

12 (2) exchanged wholly or partly for not less than a
13 similar principal amount of outstanding indebtedness. (Acts 64th
14 Leg., R.S., Ch. 73, Secs. 7 (part), 9 (part).)

15 Sec. 1026.208. BONDS EXEMPT FROM TAXATION. The following
16 are exempt from taxation by this state or a political subdivision of
17 this state:

18 (1) bonds issued by the district;

19 (2) the transfer and issuance of the bonds; and

20 (3) profits made in the sale of the bonds. (Acts 64th
21 Leg., R.S., Ch. 73, Sec. 21 (part).)

22 [Sections 1026.209-1026.250 reserved for expansion]

23 SUBCHAPTER F. TAXES

24 Sec. 1026.251. IMPOSITION OF AD VALOREM TAX. (a) The board
25 shall impose a tax on all property in the district subject to
26 district taxation.

27 (b) The board shall impose the tax to pay:

- 1 (1) indebtedness issued by the district; and
2 (2) the maintenance and operating expenses of the
3 district.

4 (c) The district may not impose a tax to pay the principal of
5 or interest on revenue bonds issued under this chapter. (Acts 64th
6 Leg., R.S., Ch. 73, Secs. 12 (part), 15(a) (part).)

7 Sec. 1026.252. TAX RATE. (a) The board may impose the tax
8 at a rate not to exceed 75 cents on each \$100 valuation of taxable
9 property in the district.

10 (b) In setting the tax rate, the board shall consider the
11 income of the district from sources other than taxation. (Acts 64th
12 Leg., R.S., Ch. 73, Secs. 3 (part), 12 (part).)

13 Sec. 1026.253. ASSESSMENT AND COLLECTION BY SCHOOL DISTRICT
14 ASSESSOR-COLLECTOR. (a) This section applies unless the board
15 elects to have taxes assessed and collected under Section 1026.254
16 or 1026.255.

17 (b) The tax assessor-collector of the Farwell Independent
18 School District shall assess and collect taxes imposed by the
19 district. (Acts 64th Leg., R.S., Ch. 73, Secs. 15(a) (part), (b)
20 (part).)

21 Sec. 1026.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
22 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
23 assessed and collected by a tax assessor-collector appointed by the
24 board. An election under this subsection must be made by December 1
25 and governs the manner in which taxes are assessed and collected,
26 until changed by a similar resolution.

27 (b) The district tax assessor-collector must:

- 1 (1) reside in the district; and
- 2 (2) own real property subject to district taxation.

3 (c) The board shall set for the district tax
4 assessor-collector:

- 5 (1) the term of employment; and
- 6 (2) compensation. (Acts 64th Leg., R.S., Ch. 73,
7 Secs. 15(a) (part), (c) (part).)

8 Sec. 1026.255. ASSESSMENT AND COLLECTION BY TAX
9 ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The
10 board may elect to have district taxes assessed and collected by the
11 tax assessor-collector of a political subdivision located wholly or
12 partly in the district. An election under this subsection must be
13 made by December 1 and governs the manner in which taxes are
14 assessed and collected, until changed by a similar resolution.

15 (b) The tax assessor-collector of the political subdivision
16 shall assess and collect the appropriate district taxes in
17 accordance with the board's election under Subsection (a). (Acts
18 64th Leg., R.S., Ch. 73, Secs. 15(a) (part), (d) (part).)

19 CHAPTER 1027. FISHER COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

- 21 Sec. 1027.001. DEFINITIONS
- 22 Sec. 1027.002. AUTHORITY FOR OPERATION
- 23 Sec. 1027.003. ESSENTIAL PUBLIC FUNCTION
- 24 Sec. 1027.004. DISTRICT TERRITORY
- 25 Sec. 1027.005. CORRECTION OF INVALID PROCEDURES
- 26 Sec. 1027.006. DISTRICT SUPPORT AND MAINTENANCE NOT

27 STATE OBLIGATION

1 [Sections 1027.007-1027.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1027.051. BOARD ELECTION; TERM

4 Sec. 1027.052. CHANGE IN ELECTION FORMAT

5 Sec. 1027.053. NOTICE OF ELECTION

6 Sec. 1027.054. QUALIFICATIONS FOR OFFICE

7 Sec. 1027.055. BOARD VACANCY

8 Sec. 1027.056. OFFICERS

9 Sec. 1027.057. COMPENSATION; EXPENSES

10 Sec. 1027.058. VOTING REQUIREMENT

11 Sec. 1027.059. DISTRICT ADMINISTRATOR

12 Sec. 1027.060. GENERAL DUTIES OF DISTRICT

13 ADMINISTRATOR

14 Sec. 1027.061. APPOINTMENT AND RECRUITMENT OF STAFF

15 AND EMPLOYEES

16 [Sections 1027.062-1027.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1027.101. DISTRICT RESPONSIBILITY AND AUTHORITY

19 Sec. 1027.102. RESTRICTION ON POLITICAL SUBDIVISION

20 TAXATION AND DEBT

21 Sec. 1027.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

22 Sec. 1027.104. HOSPITAL SYSTEM

23 Sec. 1027.105. RULES

24 Sec. 1027.106. PURCHASING AND ACCOUNTING PROCEDURES

25 Sec. 1027.107. PROVISION OF CERTAIN HEALTH SERVICES

26 Sec. 1027.108. DISTRICT PROPERTY, FACILITIES, AND

27 EQUIPMENT

- 1 Sec. 1027.109. EMINENT DOMAIN
2 Sec. 1027.110. GIFTS AND ENDOWMENTS
3 Sec. 1027.111. CONSTRUCTION CONTRACTS
4 Sec. 1027.112. OPERATING AND MANAGEMENT CONTRACTS
5 Sec. 1027.113. CONTRACTS FOR CARE AND TREATMENT
6 Sec. 1027.114. CONTRACTS WITH GOVERNMENTAL ENTITIES
7 FOR INVESTIGATORY OR OTHER SERVICES
8 Sec. 1027.115. PAYMENT FOR TREATMENT; PROCEDURES
9 Sec. 1027.116. AUTHORITY TO SUE AND BE SUED
10 Sec. 1027.117. AUTHORITY TO PROVIDE HEALTH CARE
11 SERVICES
12 [Sections 1027.118-1027.150 reserved for expansion]
13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
14 Sec. 1027.151. BUDGET
15 Sec. 1027.152. NOTICE; HEARING; ADOPTION OF BUDGET
16 Sec. 1027.153. AMENDMENTS TO BUDGET
17 Sec. 1027.154. FISCAL YEAR
18 Sec. 1027.155. AUDIT
19 Sec. 1027.156. INSPECTION OF AUDIT AND DISTRICT
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21 Sec. 1027.157. FINANCIAL REPORT
22 Sec. 1027.158. DEPOSITORY
23 Sec. 1027.159. SPENDING AND INVESTMENT RESTRICTIONS
24 Sec. 1027.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;
25 SECURITY
26 [Sections 1027.161-1027.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

- 2 Sec. 1027.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1027.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1027.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1027.204. REVENUE BONDS
- 6 Sec. 1027.205. REFUNDING BONDS
- 7 Sec. 1027.206. MATURITY OF BONDS
- 8 Sec. 1027.207. EXECUTION OF BONDS
- 9 Sec. 1027.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1027.209-1027.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

- 12 Sec. 1027.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1027.252. TAX RATE
- 14 Sec. 1027.253. TAX ASSESSOR-COLLECTOR

15 [Sections 1027.254-1027.300 reserved for expansion]

16 SUBCHAPTER G. DISSOLUTION

- 17 Sec. 1027.301. DISSOLUTION; ELECTION
- 18 Sec. 1027.302. NOTICE OF ELECTION
- 19 Sec. 1027.303. BALLOT
- 20 Sec. 1027.304. ELECTION RESULTS
- 21 Sec. 1027.305. SALE OR TRANSFER OF ASSETS AND

22 LIABILITIES

23 CHAPTER 1027. FISHER COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1027.001. DEFINITIONS. In this chapter:

- 26 (1) "Board" means the board of directors of the
- 27 district.

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

2 (3) "District" means the Fisher County Hospital
3 District. (New.)

4 Sec. 1027.002. AUTHORITY FOR OPERATION. The district
5 operates in accordance with Section 9, Article IX, Texas
6 Constitution, and has the rights, powers, and duties provided by
7 this chapter. (Acts 63rd Leg., R.S., Ch. 448, Sec. 1 (part).)

8 Sec. 1027.003. ESSENTIAL PUBLIC FUNCTION. The district
9 performs an essential public function in carrying out the purposes
10 of this chapter. (Acts 63rd Leg., R.S., Ch. 448, Sec. 22 (part).)

11 Sec. 1027.004. DISTRICT TERRITORY. The boundaries of the
12 district are coextensive with the boundaries of Fisher County,
13 Texas. (Acts 63rd Leg., R.S., Ch. 448, Sec. 1 (part).)

14 Sec. 1027.005. CORRECTION OF INVALID PROCEDURES. If a
15 court holds that any procedure under this chapter violates the
16 constitution of this state or of the United States, the district by
17 resolution may provide an alternative procedure that conforms to
18 the constitution. (Acts 63rd Leg., R.S., Ch. 448, Sec. 24 (part).)

19 Sec. 1027.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
20 OBLIGATION. The support or maintenance of the district may not
21 become a charge against or obligation of this state. (Acts 63rd
22 Leg., R.S., Ch. 448, Sec. 21 (part).)

23 [Sections 1027.007-1027.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1027.051. BOARD ELECTION; TERM. (a) The board
26 consists of five directors elected from the district at large
27 unless the board changes the method for electing directors under

1 Section 1027.052.

2 (b) Unless four-year terms are established under Section
3 285.081, Health and Safety Code:

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

5 (2) three directors are elected in one year and two
6 directors are elected the following year.

7 (c) An election shall be held on the uniform election date
8 in May of each year to elect the appropriate number of directors.

9 (d) The board shall announce the election results. (Acts
10 63rd Leg., R.S., Ch. 448, Secs. 4(a) (part), (c) (part), (f), (i)
11 (part); Acts 64th Leg., R.S., Ch. 313, Sec. 2.)

12 Sec. 1027.052. CHANGE IN ELECTION FORMAT. (a) On its own
13 initiative or on receipt of a petition signed by a number of
14 district residents equal to at least 10 percent of the district's
15 registered voters, the board by order shall seek input from
16 district residents to determine whether to change the method of
17 electing directors under this chapter to one of the following
18 methods:

19 (1) four single-member districts and one at-large
20 member;

21 (2) five single-member districts;

22 (3) four single-member districts, with each district
23 coextensive with a county commissioner's precinct, and one at-large
24 member; or

25 (4) cumulative voting.

26 (b) Not later than the 30th day after the date the board
27 enters the order, the board shall establish an advisory committee

1 composed of district residents to advise and assist the board in
2 making the determination required by Subsection (a). Committee
3 members must represent all segments of the district's population.

4 (c) Not later than the 60th day after the date the advisory
5 committee is established, the committee shall hold a public hearing
6 regarding the proposed change in the election format. Not later
7 than the 30th day after the date the public hearing is held, the
8 committee shall submit a recommendation to the board that includes
9 comments and concerns raised by district residents regarding any
10 proposed change in the election format.

11 (d) After reviewing the advisory committee recommendation,
12 the board may adopt an order changing the method by which directors
13 are elected.

14 (e) A change in the election format adopted by the board
15 under this section shall be implemented at the next general
16 directors' election for which the change can be implemented
17 consistently with the Election Code and federal law. (Acts 63rd
18 Leg., R.S., Ch. 448, Sec. 4A.)

19 Sec. 1027.053. NOTICE OF ELECTION. (a) At least 35 days
20 before the date of an election of directors, notice of the election
21 shall be published one time in a newspaper of general circulation in
22 the district.

23 (b) The election notice shall state:

24 (1) the purpose of the election;

25 (2) the date of the election; and

26 (3) the location of the polling places. (Acts 63rd
27 Leg., R.S., Ch. 448, Sec. 4(c) (part).)

1 Sec. 1027.054. QUALIFICATIONS FOR OFFICE. (a) A person may
2 not serve as a director unless the person is:

3 (1) a district resident; and

4 (2) a qualified voter.

5 (b) A person is not eligible to serve as a director if the
6 person is:

7 (1) the district administrator; or

8 (2) a district employee. (Acts 63rd Leg., R.S., Ch.
9 448, Sec. 4(b) (part).)

10 Sec. 1027.055. BOARD VACANCY. If a vacancy occurs in the
11 office of director, the remaining directors shall appoint a
12 director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 448,
13 Sec. 4(a) (part).)

14 Sec. 1027.056. OFFICERS. (a) The board shall elect:

15 (1) a president and a vice president from among its
16 members; and

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

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

19 (c) The board shall fill a vacancy in a board office for the
20 unexpired term. (Acts 63rd Leg., R.S., Ch. 448, Sec. 4(j) (part).)

21 Sec. 1027.057. COMPENSATION; EXPENSES. A director or
22 officer serves without compensation but may be reimbursed for
23 actual expenses incurred in the performance of official duties.
24 The expenses must be:

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

26 (2) approved by the board. (Acts 63rd Leg., R.S., Ch.
27 448, Sec. 4(j) (part).)

1 Sec. 1027.058. VOTING REQUIREMENT. A concurrence of three
2 directors is sufficient in any matter relating to district
3 business. (Acts 63rd Leg., R.S., Ch. 448, Sec. 4(j) (part).)

4 Sec. 1027.059. DISTRICT ADMINISTRATOR. (a) The board shall
5 appoint a qualified person as district administrator.

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

8 (c) On assuming the duties of district administrator, the
9 administrator shall execute a bond payable to the district in an
10 amount set by the board that:

11 (1) is conditioned on the administrator performing the
12 administrator's duties; and

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

14 (d) The cost of the bond is the responsibility of the
15 district. (Acts 63rd Leg., R.S., Ch. 448, Sec. 5(b) (part).)

16 Sec. 1027.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
17 Subject to the limitations prescribed by the board, the district
18 administrator shall:

19 (1) supervise the work and activities of the district;
20 and

21 (2) direct the affairs of the district. (Acts 63rd
22 Leg., R.S., Ch. 448, Sec. 5(b) (part).)

23 Sec. 1027.061. APPOINTMENT AND RECRUITMENT OF STAFF AND
24 EMPLOYEES. (a) The board may appoint to the staff any doctors the
25 board considers necessary for the efficient operation of the
26 district and may make temporary appointments as necessary.

27 (b) The board shall determine the type, number, and location

1 of district employees required to maintain an adequate hospital
2 system. The board may employ fiscal agents, accountants,
3 architects, attorneys, and other employees the board considers
4 proper.

5 (c) The board may delegate to the district administrator the
6 authority to:

7 (1) hire district employees, including medical
8 practitioners, technicians, and nurses; and

9 (2) incur reasonable and necessary expenses relating
10 to the search, recruitment, and hiring of medical practitioners and
11 district employees, including contracting with a private entity
12 such as a professional recruiting service. (Acts 63rd Leg., R.S.,
13 Ch. 448, Secs. 5(c), 10(a) (part), 17.)

14 [Sections 1027.062-1027.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 1027.101. DISTRICT RESPONSIBILITY AND AUTHORITY. The
17 district has full responsibility for:

18 (1) operating hospital facilities and furnishing
19 medical and hospital care for the district's needy residents; and

20 (2) providing hospital care for the district's
21 indigent residents. (Acts 63rd Leg., R.S., Ch. 448, Secs. 2 (part),
22 20 (part).)

23 Sec. 1027.102. RESTRICTION ON POLITICAL SUBDIVISION
24 TAXATION AND DEBT. A political subdivision located within the
25 district may not impose a tax or issue bonds or other obligations
26 for hospital purposes or to provide medical care. (Acts 63rd Leg.,
27 R.S., Ch. 448, Sec. 20 (part).)

1 Sec. 1027.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

2 (a) The board shall manage, control, and administer the hospital
3 system and the district's money and resources.

4 (b) Unless specifically stated otherwise in this chapter,
5 the board has the power to do anything which, in their opinion, is
6 necessary for the good maintenance, operation, and welfare of the
7 district and the district's employees, patients, and property.
8 (Acts 63rd Leg., R.S., Ch. 448, Secs. 5(a) (part), 21 (part).)

9 Sec. 1027.104. HOSPITAL SYSTEM. (a) The district shall
10 provide for the establishment of a hospital system by:

11 (1) purchasing, constructing, acquiring, repairing,
12 or renovating buildings and equipment;

13 (2) equipping the buildings; and

14 (3) administering the buildings and equipment for
15 hospital purposes.

16 (b) The hospital system may include:

17 (1) facilities for domiciliary care of the sick,
18 injured, or geriatric;

19 (2) facilities for outpatient clinics;

20 (3) dispensaries;

21 (4) convalescent home facilities;

22 (5) necessary nurses' domiciliaries and training
23 centers;

24 (6) blood banks;

25 (7) research centers and laboratories; and

26 (8) ambulance and other facilities or services the
27 board considers necessary for hospital care. (Acts 63rd Leg.,

1 R.S., Ch. 448, Secs. 2 (part), 10(a) (part).)

2 Sec. 1027.105. RULES. The board may adopt rules governing
3 the operation of the hospital, the hospital system, and the
4 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 448,
5 Sec. 5(a) (part).)

6 Sec. 1027.106. PURCHASING AND ACCOUNTING PROCEDURES. The
7 board may prescribe:

8 (1) the method and manner of making purchases and
9 expenditures by and for the district; and

10 (2) all accounting and control procedures. (Acts 63rd
11 Leg., R.S., Ch. 448, Sec. 11 (part).)

12 Sec. 1027.107. PROVISION OF CERTAIN HEALTH SERVICES. In
13 the geographic service area designated by the board, the district
14 may operate or provide for:

15 (1) the operation of a mobile emergency medical
16 service; and

17 (2) home health services, long-term care services,
18 skilled nursing care services, intermediate nursing care services,
19 assisted living services, hospice care, or other health-related
20 services. (Acts 63rd Leg., R.S., Ch. 448, Sec. 2 (part).)

21 Sec. 1027.108. DISTRICT PROPERTY, FACILITIES, AND
22 EQUIPMENT. (a) The board shall determine the type of equipment and
23 the type, number, and location of buildings required to maintain an
24 adequate hospital system.

25 (b) The board may lease all or part of the district's
26 buildings and other facilities on terms considered to be in the best
27 interest of the district's inhabitants. The term of the lease may

1 not exceed 25 years.

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

8 (d) The district may sell or otherwise dispose of any
9 property, including equipment, on terms the board finds are in the
10 best interest of the district's inhabitants. The board may not sell
11 or dispose of any real property unless the board affirmatively
12 finds that the real property is not needed for the operation of the
13 hospital system. (Acts 63rd Leg., R.S., Ch. 448, Secs. 10(a)
14 (part), (b) (part), 11 (part).)

15 Sec. 1027.109. EMINENT DOMAIN. (a) The district may
16 exercise the power of eminent domain to acquire a fee simple or
17 other interest in any type of property located in district
18 territory if the interest is necessary for the district to exercise
19 a power, right, or privilege conferred by this chapter.

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

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

26 (1) pay in advance or provide a bond or other security
27 for costs in the trial court;

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

3 (3) provide a bond for costs or a supersedeas bond on
4 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 448, Sec.
5 15.)

6 Sec. 1027.110. GIFTS AND ENDOWMENTS. The board may accept
7 for the district a gift or endowment to be held in trust and
8 administered by the board for the purposes and under the
9 directions, limitations, or other provisions prescribed in writing
10 by the donor that are not inconsistent with the proper management
11 and objective of the district. (Acts 63rd Leg., R.S., Ch. 448, Sec.
12 19.)

13 Sec. 1027.111. CONSTRUCTION CONTRACTS. A construction
14 contract that involves the expenditure of more than \$10,000 may be
15 made only after advertising in the manner provided by Chapter 252,
16 Local Government Code. (Acts 63rd Leg., R.S., Ch. 448, Sec. 11
17 (part).)

18 Sec. 1027.112. OPERATING AND MANAGEMENT CONTRACTS. The
19 board may enter into an operating or management contract relating
20 to a district facility. (Acts 63rd Leg., R.S., Ch. 448, Sec. 10(b)
21 (part).)

22 Sec. 1027.113. CONTRACTS FOR CARE AND TREATMENT. (a) The
23 board may contract with a political subdivision of this state or a
24 public or private hospital, private corporation, partnership, or
25 cooperative, located inside or outside the district, for the care
26 and treatment of a sick or injured person of the political
27 subdivision.

1 (b) The board may contract with this state or a federal
2 agency for the treatment of a sick or injured person. (Acts 63rd
3 Leg., R.S., Ch. 448, Sec. 5(d) (part).)

4 Sec. 1027.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
5 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
6 political subdivision or governmental agency for the district to
7 provide investigatory or other services as to the medical,
8 hospital, or welfare needs of district inhabitants. (Acts 63rd
9 Leg., R.S., Ch. 448, Sec. 5(d) (part).)

10 Sec. 1027.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
11 When a patient who resides in the district is admitted to a district
12 facility, the district administrator may have an inquiry made into
13 the circumstances of:

14 (1) the patient; and

15 (2) the patient's relatives who are legally liable for
16 the patient's support.

17 (b) If the district administrator determines that the
18 patient or those relatives cannot pay all or part of the costs of
19 the care and treatment in the hospital, the amount of the costs that
20 cannot be paid becomes a charge against the district.

21 (c) If the district administrator determines that the
22 patient or those relatives can pay for all or part of the costs of
23 the patient's care and treatment, the patient or those relatives
24 shall be ordered to pay the district a specified amount each week
25 for the patient's care and support. The amount ordered must be
26 proportionate to the person's financial ability.

27 (d) The district administrator may collect the amount from

1 the patient's estate, or from any relative who is legally liable for
2 the patient's support, in the manner provided by law for the
3 collection of expenses of the last illness of a deceased person.

4 (e) If there is a dispute as to the ability to pay, or doubt
5 in the mind of the district administrator, the board shall hold a
6 hearing and, after calling witnesses, shall:

- 7 (1) resolve the dispute or doubt; and
8 (2) issue any appropriate orders.

9 (f) The final order of the board may be appealed to the
10 district court. The substantial evidence rule applies to the
11 appeal. (Acts 63rd Leg., R.S., Ch. 448, Sec. 18.)

12 Sec. 1027.116. AUTHORITY TO SUE AND BE SUED. The district,
13 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.
14 448, Sec. 5(a) (part).)

15 Sec. 1027.117. AUTHORITY TO PROVIDE HEALTH CARE SERVICES.

16 (a) In this section, "health care services" includes:

- 17 (1) home health care services;
18 (2) respiratory or physical therapy services;
19 (3) mobile emergency medical services; and
20 (4) clinic services.

21 (b) This chapter does not limit the district in providing
22 health care services to any ill or injured person, regardless of
23 whether the person is a district resident. (Acts 63rd Leg., R.S.,
24 Ch. 448, Sec. 5(e).)

25 [Sections 1027.118-1027.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 1027.151. BUDGET. (a) The district administrator

1 shall prepare an annual budget for approval by the board.

2 (b) The proposed budget must contain a complete financial
3 statement of:

4 (1) the outstanding obligations of the district;

5 (2) the amount of cash on hand in each district fund;

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

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

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

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

14 (7) the estimated tax rate required. (Acts 63rd Leg.,
15 R.S., Ch. 448, Sec. 6(a) (part).)

16 Sec. 1027.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
17 The board shall hold a public hearing on the proposed annual budget.

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

22 (c) Any property tax payer of the district is entitled to be
23 present and participate at the hearing in accordance with the rules
24 of decorum and procedures prescribed by the board.

25 (d) At the conclusion of the hearing, the board shall adopt
26 a final budget by acting on the budget proposed by the district
27 administrator. The board may make any changes in the proposed

1 budget that the board judges to be in the interests of the taxpayers
2 and that the law warrants. (Acts 63rd Leg., R.S., Ch. 448, Secs.
3 6(b), (c) (part).)

4 Sec. 1027.153. AMENDMENTS TO BUDGET. The budget may be
5 amended as required by circumstances. The board must approve all
6 amendments. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(c) (part).)

7 Sec. 1027.154. FISCAL YEAR. (a) The district operates on a
8 fiscal year established by the board.

9 (b) The fiscal year may not be changed more than once in a
10 24-month period. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(a) (part).)

11 Sec. 1027.155. AUDIT. (a) The board shall have an
12 independent audit made of the district's financial condition for
13 the fiscal year.

14 (b) As soon as it is completed, the audit shall be filed at
15 the district's office. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(a)
16 (part).)

17 Sec. 1027.156. INSPECTION OF AUDIT AND DISTRICT RECORDS.
18 The audit and other district records shall be open to inspection at
19 the district's principal office. (Acts 63rd Leg., R.S., Ch. 448,
20 Sec. 6(a) (part).)

21 Sec. 1027.157. FINANCIAL REPORT. As soon as practicable
22 after the close of each fiscal year, the district administrator
23 shall prepare for the board:

24 (1) a complete sworn statement of all district money;
25 and

26 (2) a complete account of the disbursements of that
27 money. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(c) (part).)

1 Sec. 1027.158. DEPOSITORY. (a) The board shall select one
2 or more banks inside or outside the district to serve as a
3 depository for district money.

4 (b) District money, other than money invested as provided by
5 Section 1027.159(b), and money transmitted to a bank for payment of
6 bonds or obligations issued or assumed by the district, shall be
7 deposited as received with the depository bank and shall remain on
8 deposit.

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

12 (d) The district may not deposit money with a bank in an
13 amount that exceeds the maximum amount secured by the Federal
14 Deposit Insurance Corporation unless the bank first executes a bond
15 or other security in an amount sufficient to secure from loss the
16 district money that exceeds the amount secured by the Federal
17 Deposit Insurance Corporation. (Acts 63rd Leg., R.S., Ch. 448,
18 Sec. 12.)

19 Sec. 1027.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)
20 Except as otherwise provided by Section 1027.108(c) and by
21 Subchapter E, the district may not incur an obligation payable from
22 district revenue other than the revenue on hand or to be on hand in
23 the current and following district fiscal years.

24 (b) The board may invest operating, depreciation, or
25 building fund reserves only in funds or securities specified by
26 Chapter 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 448,
27 Secs. 5(a) (part), 11 (part).)

1 Sec. 1027.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;
2 SECURITY. (a) The board may borrow money at a rate not to exceed
3 the maximum annual percentage rate allowed by law for district
4 obligations at the time the loan is made if the board declares that:

5 (1) money is not available to meet authorized
6 obligations of the district; and

7 (2) an emergency exists.

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

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

11 (2) district taxes to be imposed by the district
12 during the 12-month period following the date of the pledge that are
13 not pledged to pay the principal of or interest on district bonds;
14 or

15 (3) district bonds that have been authorized but not
16 sold. (Acts 63rd Leg., R.S., Ch. 448, Sec. 17A.)

17 [Sections 1027.161-1027.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Sec. 1027.201. GENERAL OBLIGATION BONDS. The board may
20 issue and sell general obligation bonds in the name and on the faith
21 and credit of the district for any purpose designed to provide,
22 improve, or expand the district's health care services, including:

23 (1) the purchase, construction, acquisition, repair,
24 or renovation of buildings or improvements;

25 (2) equipping buildings or improvements for hospital
26 purposes; and

27 (3) the acquisition and operation of a mobile

1 emergency medical service. (Acts 63rd Leg., R.S., Ch. 448, Sec. 7
2 (part).)

3 Sec. 1027.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
4 the time general obligation bonds are issued by the district under
5 Section 1027.201, the board shall impose an ad valorem tax at a rate
6 sufficient to create an interest and sinking fund to pay the
7 principal of and interest on the bonds as the bonds mature.

8 (b) The tax required by this section together with any other
9 tax the district imposes may not in any year exceed the tax rate
10 approved by the voters at the election authorizing the imposition
11 of the tax. (Acts 63rd Leg., R.S., Ch. 448, Sec. 7 (part).)

12 Sec. 1027.203. GENERAL OBLIGATION BOND ELECTION. (a) The
13 district may issue general obligation bonds only if the bonds are
14 authorized by a majority of the district voters voting at an
15 election held for that purpose.

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

- 18 (1) the date of the election;
19 (2) the location of the polling places;
20 (3) the presiding and alternate election judges for
21 each polling place;
22 (4) the amount of the bonds to be authorized;
23 (5) the maximum maturity of the bonds; and
24 (6) the maximum interest rate of the bonds.

25 (c) Notice of a bond election shall be given as provided by
26 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 448,
27 Sec. 7 (part).)

1 Sec. 1027.204. REVENUE BONDS. (a) The board may issue
2 revenue bonds to:

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

5 (2) acquire sites to be used for hospital purposes.

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

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

11 (d) The bonds must be issued in the manner and in accordance
12 with the procedures and requirements prescribed by Sections
13 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
14 issuance of revenue bonds by a county hospital authority. (Acts
15 63rd Leg., R.S., Ch. 448, Sec. 8(b) (part).)

16 Sec. 1027.205. REFUNDING BONDS. (a) The board may issue
17 refunding bonds to refund outstanding indebtedness issued or
18 assumed by the district.

19 (b) A refunding bond may be:

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

22 (2) exchanged wholly or partly for not less than a
23 similar principal amount of outstanding indebtedness. (Acts 63rd
24 Leg., R.S., Ch. 448, Secs. 8(a) (part), (b) (part).)

25 Sec. 1027.206. MATURITY OF BONDS. District bonds must
26 mature not later than 40 years after the date of issuance. (Acts
27 63rd Leg., R.S., Ch. 448, Sec. 9 (part).)

1 Secs. 3(b) (part), 13(a) (part).)

2 Sec. 1027.252. TAX RATE. (a) The board may impose the tax
3 at a rate not to exceed 75 cents on each \$100 valuation of taxable
4 property in the district.

5 (b) In setting the tax rate, the board shall consider the
6 income of the district from sources other than taxation. (Acts 63rd
7 Leg., R.S., Ch. 448, Secs. 3(b) (part), 13(a) (part), (b) (part).)

8 Sec. 1027.253. TAX ASSESSOR-COLLECTOR. The board may
9 provide for the appointment of a tax assessor-collector for the
10 district or may contract for the assessment and collection of taxes
11 as provided by the Tax Code. (Acts 63rd Leg., R.S., Ch. 448, Sec.
12 16(c).)

13 [Sections 1027.254-1027.300 reserved for expansion]

14 SUBCHAPTER G. DISSOLUTION

15 Sec. 1027.301. DISSOLUTION; ELECTION. (a) The district
16 may be dissolved and its assets and obligations sold or transferred
17 to another person only on approval of a majority of the district
18 voters voting in an election held for that purpose.

19 (b) The board may order an election on the question of
20 dissolving the district and disposing of the district's assets and
21 obligations.

22 (c) The board shall order an election if the board receives
23 a petition requesting an election that is signed by at least 300
24 registered district voters according to the most recent official
25 list of registered voters.

26 (d) The order calling the election must state:

27 (1) the nature of the election, including the

1 proposition to appear on the ballot;

2 (2) the date of the election;

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

4 (4) the location of the polling places.

5 (e) Section 41.001(a), Election Code, does not apply to an
6 election ordered under this section. (Acts 63rd Leg., R.S., Ch.
7 448, Secs. 23A(a), (b), (c) (part), (d), (f) (part).)

8 Sec. 1027.302. NOTICE OF ELECTION. (a) The board shall
9 give notice of an election under this subchapter by publishing once
10 a week for two consecutive weeks a substantial copy of the election
11 order in a newspaper with general circulation in the district.

12 (b) The first publication of the notice must appear at least
13 35 days before the date set for the election. (Acts 63rd Leg.,
14 R.S., Ch. 448, Sec. 23A(e).)

15 Sec. 1027.303. BALLOT. The ballot for an election under
16 this subchapter must be printed to permit voting for or against the
17 proposition: "The dissolution of the Fisher County Hospital
18 District and the _____ (transfer or sale, as appropriate) of
19 its assets and liabilities in the following manner: _____."
20 (Acts 63rd Leg., R.S., Ch. 448, Sec. 23A(g).)

21 Sec. 1027.304. ELECTION RESULTS. (a) If the board finds
22 the election results favor the proposition to dissolve the
23 district, the board shall:

24 (1) issue an order declaring the district dissolved;
25 and

26 (2) proceed with the sale or transfer of the district's
27 assets and liabilities according to the plan proposed on the

1 ballot.

2 (b) If the board finds the election results do not favor the
3 proposition to dissolve the district, the board shall continue to
4 administer the district and another dissolution election may not be
5 held before the first anniversary of the date of the election in
6 which voters disapproved the proposition. (Acts 63rd Leg., R.S.,
7 Ch. 448, Sec. 23A(h) (part).)

8 Sec. 1027.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

9 (a) The district may not be dissolved unless the board provides for
10 the sale or transfer of the district's assets and liabilities to
11 another person.

12 (b) The dissolution of the district and the sale or transfer
13 of the district's assets or liabilities may not:

14 (1) contravene a trust indenture or bond resolution
15 relating to the district's outstanding bonds; or

16 (2) diminish or impair the rights of a holder of an
17 outstanding bond, warrant, or other obligation of the district.

18 (c) The sale or transfer of the district's assets and
19 liabilities must satisfy the debt and bond obligations of the
20 district in a manner that protects the interests of district
21 residents, including the residents' collective property rights in
22 the district's assets.

23 (d) The district may transfer or sell the district's assets
24 only for due compensation, unless the transfer or sale is made to
25 another governmental agency serving the district and using the
26 transferred or purchased assets for the benefit of the residents
27 formerly in the district.

1 (e) A grant from federal funds is an obligation to be repaid
2 in full. (Acts 63rd Leg., R.S., Ch. 448, Secs. 23A(i), (j), (k).)

3 CHAPTER 1028. FOARD COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1028.001. DEFINITIONS

6 Sec. 1028.002. AUTHORITY FOR OPERATION

7 Sec. 1028.003. ESSENTIAL PUBLIC FUNCTION

8 Sec. 1028.004. DISTRICT TERRITORY

9 Sec. 1028.005. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 Sec. 1028.006. RESTRICTION ON STATE FINANCIAL

12 ASSISTANCE

13 [Sections 1028.007-1028.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1028.051. BOARD ELECTION; TERMS

16 Sec. 1028.052. NOTICE OF ELECTION

17 Sec. 1028.053. BALLOT PETITION

18 Sec. 1028.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1028.055. BOND

20 Sec. 1028.056. BOARD VACANCY

21 Sec. 1028.057. OFFICERS

22 Sec. 1028.058. COMPENSATION; EXPENSES

23 Sec. 1028.059. VOTING REQUIREMENT

24 Sec. 1028.060. DISTRICT ADMINISTRATOR

25 Sec. 1028.061. GENERAL DUTIES OF DISTRICT

26 ADMINISTRATOR

- 1 Sec. 1028.062. ASSISTANT DISTRICT ADMINISTRATOR;
2 ATTORNEY
- 3 Sec. 1028.063. EMPLOYEES; APPOINTMENT OF STAFF
- 4 Sec. 1028.064. RETIREMENT BENEFITS
- 5 [Sections 1028.065-1028.100 reserved for expansion]
- 6 SUBCHAPTER C. POWERS AND DUTIES
- 7 Sec. 1028.101. DISTRICT RESPONSIBILITY
- 8 Sec. 1028.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 9 Sec. 1028.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 10 Sec. 1028.104. RULES
- 11 Sec. 1028.105. PURCHASING AND ACCOUNTING PROCEDURES
- 12 Sec. 1028.106. MOBILE EMERGENCY MEDICAL SERVICE
- 13 Sec. 1028.107. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT
- 15 Sec. 1028.108. EMINENT DOMAIN
- 16 Sec. 1028.109. COST OF RELOCATING OR ALTERING PROPERTY
- 17 Sec. 1028.110. GIFTS AND ENDOWMENTS
- 18 Sec. 1028.111. CONSTRUCTION CONTRACTS
- 19 Sec. 1028.112. OPERATING AND MANAGEMENT CONTRACTS
- 20 Sec. 1028.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
21 FOR SERVICES
- 22 Sec. 1028.114. PAYMENT FOR TREATMENT; PROCEDURES
- 23 Sec. 1028.115. REIMBURSEMENT FOR SERVICES
- 24 Sec. 1028.116. AUTHORITY TO SUE AND BE SUED
- 25 [Sections 1028.117-1028.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1028.151. BUDGET

- 1 Sec. 1028.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 2 Sec. 1028.153. AMENDMENTS TO BUDGET
- 3 Sec. 1028.154. RESTRICTION ON EXPENDITURES
- 4 Sec. 1028.155. FISCAL YEAR
- 5 Sec. 1028.156. ANNUAL AUDIT
- 6 Sec. 1028.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
- 7 RECORDS
- 8 Sec. 1028.158. FINANCIAL REPORT
- 9 Sec. 1028.159. DEPOSITORY
- 10 Sec. 1028.160. SPENDING AND INVESTMENT RESTRICTIONS
- 11 [Sections 1028.161-1028.200 reserved for expansion]
- 12 SUBCHAPTER E. BONDS
- 13 Sec. 1028.201. GENERAL OBLIGATION BONDS
- 14 Sec. 1028.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 15 Sec. 1028.203. GENERAL OBLIGATION BOND ELECTION
- 16 Sec. 1028.204. REVENUE BONDS
- 17 Sec. 1028.205. REFUNDING BONDS
- 18 Sec. 1028.206. MATURITY OF BONDS
- 19 Sec. 1028.207. EXECUTION OF BONDS
- 20 Sec. 1028.208. BONDS EXEMPT FROM TAXATION
- 21 [Sections 1028.209-1028.250 reserved for expansion]
- 22 SUBCHAPTER F. TAXES
- 23 Sec. 1028.251. IMPOSITION OF AD VALOREM TAX
- 24 Sec. 1028.252. TAX RATE
- 25 Sec. 1028.253. TAX ASSESSOR-COLLECTOR
- 26 CHAPTER 1028. FOARD COUNTY HOSPITAL DISTRICT
- 27 SUBCHAPTER A. GENERAL PROVISIONS

1 Sec. 1028.001. DEFINITIONS. In this chapter:

2 (1) "Board" means the board of directors of the
3 district.

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

5 (3) "District" means the Foard County Hospital
6 District. (Acts 68th Leg., R.S., Ch. 680, Sec. 1.01.)

7 Sec. 1028.002. AUTHORITY FOR OPERATION. The district
8 operates and is financed as provided by Section 9, Article IX, Texas
9 Constitution, and by this chapter. (Acts 68th Leg., R.S., Ch. 680,
10 Sec. 1.02.)

11 Sec. 1028.003. ESSENTIAL PUBLIC FUNCTION. The district is
12 a public entity performing an essential public function. (Acts
13 68th Leg., R.S., Ch. 680, Sec. 7.11 (part).)

14 Sec. 1028.004. DISTRICT TERRITORY. The boundaries of the
15 district are coextensive with the boundaries of Foard County,
16 Texas. (Acts 68th Leg., R.S., Ch. 680, Sec. 1.03.)

17 Sec. 1028.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
18 OBLIGATION. The state may not become obligated for the support or
19 maintenance of the district. (Acts 68th Leg., R.S., Ch. 680, Sec.
20 9.01 (part).)

21 Sec. 1028.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
22 The legislature may not make a direct appropriation for the
23 construction, maintenance, or improvement of a district facility.
24 (Acts 68th Leg., R.S., Ch. 680, Sec. 9.01 (part).)

25 [Sections 1028.007-1028.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Sec. 1028.051. BOARD ELECTION; TERMS. (a) The district is

1 governed by a board of seven directors elected from the district at
2 large.

3 (b) Directors serve staggered two-year terms unless
4 four-year terms are established under Section 285.081, Health and
5 Safety Code. (Acts 68th Leg., R.S., Ch. 680, Secs. 4.01(a),
6 4.03(a), (c).)

7 Sec. 1028.052. NOTICE OF ELECTION. At least 50 days before
8 the date of an election of directors, notice of the election shall
9 be published one time in a newspaper with general circulation in the
10 district. (Acts 68th Leg., R.S., Ch. 680, Sec. 4.04.)

11 Sec. 1028.053. BALLOT PETITION. A person who wants to have
12 the person's name printed on the ballot as a candidate for director
13 must file with the board secretary a petition requesting that
14 action. The petition must be:

15 (1) signed by at least 15 registered voters of the
16 district, as determined by the most recent official lists of
17 registered voters; and

18 (2) filed not later than the 46th day before the date
19 of the election. (Acts 68th Leg., R.S., Ch. 680, Sec. 4.05.)

20 Sec. 1028.054. QUALIFICATIONS FOR OFFICE. (a) To be
21 eligible to be a candidate for or to serve as a director, a person
22 must be:

23 (1) a district resident; and

24 (2) a qualified voter.

25 (b) A district employee may not serve as a director. (Acts
26 68th Leg., R.S., Ch. 680, Sec. 4.06.)

27 Sec. 1028.055. BOND. (a) Before assuming the duties of

1 office, each director must execute a bond for \$5,000 that is:

2 (1) payable to the district; and

3 (2) conditioned on the faithful performance of the
4 director's duties.

5 (b) The board may pay for a director's bond with district
6 money.

7 (c) Each director's bond shall be kept in the district's
8 permanent records. (Acts 68th Leg., R.S., Ch. 680, Sec. 4.07.)

9 Sec. 1028.056. BOARD VACANCY. If a vacancy occurs in the
10 office of director, the remaining directors shall appoint a
11 director for the unexpired term. (Acts 68th Leg., R.S., Ch. 680,
12 Sec. 4.08.)

13 Sec. 1028.057. OFFICERS. (a) The board shall elect a
14 president and a vice president from among its members.

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

17 (c) Each officer of the board serves for a term of one year.

18 (d) The board shall fill a vacancy in a board office for the
19 unexpired term. (Acts 68th Leg., R.S., Ch. 680, Secs. 4.09, 4.10.)

20 Sec. 1028.058. COMPENSATION; EXPENSES. A director or
21 officer serves without compensation but may be reimbursed for
22 actual expenses incurred in the performance of official duties.
23 The expenses must be:

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

25 (2) approved by the board. (Acts 68th Leg., R.S., Ch.
26 680, Sec. 4.11.)

27 Sec. 1028.059. VOTING REQUIREMENT. A concurrence of a

1 majority of the directors voting is necessary in any matter
2 relating to district business. (Acts 68th Leg., R.S., Ch. 680, Sec.
3 4.12.)

4 Sec. 1028.060. DISTRICT ADMINISTRATOR. (a) The board may
5 appoint a qualified person as district administrator.

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

8 (c) Before assuming the duties of district administrator,
9 the administrator must execute a bond in an amount set by the board
10 of not less than \$5,000 that is:

11 (1) payable to the district; and

12 (2) conditioned on the faithful performance of the
13 administrator's duties under this chapter.

14 (d) The board may pay for the bond with district money.
15 (Acts 68th Leg., R.S., Ch. 680, Secs. 4.13(a) (part), (b) (part),
16 (c) (part), (d).)

17 Sec. 1028.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
18 Subject to the limitations prescribed by the board, the district
19 administrator shall:

20 (1) supervise the work and activities of the district;
21 and

22 (2) direct the general affairs of the district. (Acts
23 68th Leg., R.S., Ch. 680, Sec. 4.16.)

24 Sec. 1028.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.
25 (a) The board may appoint qualified persons as:

26 (1) the assistant district administrator; and

27 (2) the attorney for the district.

1 (b) The assistant district administrator and the attorney
2 for the district serve at the will of the board and are entitled to
3 the compensation determined by the board. (Acts 68th Leg., R.S.,
4 Ch. 680, Secs. 4.13(a) (part), (b) (part), (c) (part).)

5 Sec. 1028.063. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
6 board may appoint to the staff any doctors the board considers
7 necessary for the efficient operation of the district and may make
8 temporary appointments as necessary.

9 (b) The district may employ technicians, nurses, fiscal
10 agents, accountants, architects, additional attorneys, and other
11 necessary employees.

12 (c) The board may delegate to the district administrator the
13 authority to employ persons for the district. (Acts 68th Leg.,
14 R.S., Ch. 680, Secs. 4.14, 4.15.)

15 Sec. 1028.064. RETIREMENT BENEFITS. The board may provide
16 retirement benefits for district employees by:

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

19 (2) participating in:

20 (A) the Texas County and District Retirement
21 System; or

22 (B) another statewide retirement system in which
23 the district is eligible to participate. (Acts 68th Leg., R.S., Ch.
24 680, Sec. 4.17.)

25 [Sections 1028.065-1028.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1028.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for:

2 (1) operating hospital facilities; and

3 (2) providing medical and hospital care for the
4 district's needy inhabitants. (Acts 68th Leg., R.S., Ch. 680, Sec.
5 5.02 (part).)

6 Sec. 1028.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
7 Foard County may not impose a tax or issue bonds or other
8 obligations for hospital purposes or to provide medical care for
9 district residents. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.01(b).)

10 Sec. 1028.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
11 The board shall manage, control, and administer the hospital system
12 and the district's money and resources. (Acts 68th Leg., R.S., Ch.
13 680, Sec. 5.03.)

14 Sec. 1028.104. RULES. The board may adopt rules governing:

15 (1) the operation of the hospital and hospital system;
16 and

17 (2) the duties, functions, and responsibilities of
18 district staff and employees. (Acts 68th Leg., R.S., Ch. 680, Sec.
19 5.04.)

20 Sec. 1028.105. PURCHASING AND ACCOUNTING PROCEDURES. The
21 board may prescribe:

22 (1) the method of making purchases and expenditures by
23 and for the district; and

24 (2) accounting and control procedures for the
25 district. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.05.)

26 Sec. 1028.106. MOBILE EMERGENCY MEDICAL SERVICE. The
27 district may operate or provide for the operation of a mobile

1 emergency medical service. (Acts 68th Leg., R.S., Ch. 680, Sec.
2 5.02 (part).)

3 Sec. 1028.107. DISTRICT PROPERTY, FACILITIES, AND
4 EQUIPMENT. (a) The board shall determine:

5 (1) the type, number, and location of buildings
6 required to maintain an adequate hospital system; and

7 (2) the type of equipment necessary for hospital care.

8 (b) The board may:

9 (1) acquire property, including facilities and
10 equipment, for the district for use in the hospital system; and

11 (2) mortgage or pledge the property as security for
12 payment of the purchase price.

13 (c) The board may lease hospital facilities for the
14 district.

15 (d) The board may sell or otherwise dispose of property,
16 including facilities or equipment, for the district. (Acts 68th
17 Leg., R.S., Ch. 680, Sec. 5.06.)

18 Sec. 1028.108. EMINENT DOMAIN. (a) The district may
19 exercise the power of eminent domain to acquire a fee simple or
20 other interest in property located in district territory if the
21 interest is necessary for the district to exercise a right or
22 authority conferred by this chapter.

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

27 (c) In a condemnation proceeding brought by the district,

1 the district is not required to:

2 (1) pay in advance or provide a bond or other security
3 for costs in the trial court;

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

6 (3) provide a bond for costs or a supersedeas bond on
7 an appeal or writ of error. (Acts 68th Leg., R.S., Ch. 680, Sec.
8 5.09.)

9 Sec. 1028.109. COST OF RELOCATING OR ALTERING PROPERTY. In
10 exercising the power of eminent domain, if the board requires
11 relocating, raising, lowering, rerouting, changing the grade of, or
12 altering the construction of any railroad, highway, pipeline, or
13 electric transmission, telegraph, or telephone line, conduit,
14 pole, or facility, the district must bear the actual cost of
15 relocating, raising, lowering, rerouting, changing the grade, or
16 altering the construction to provide comparable replacement
17 without enhancement of facilities, after deducting the net salvage
18 value derived from the old facility. (Acts 68th Leg., R.S., Ch.
19 680, Sec. 5.10.)

20 Sec. 1028.110. GIFTS AND ENDOWMENTS. The board may accept
21 for the district a gift or endowment to be held in trust for any
22 purpose and under any direction, limitation, or other provision
23 prescribed in writing by the donor that is consistent with the
24 proper management of the district. (Acts 68th Leg., R.S., Ch. 680,
25 Sec. 5.14.)

26 Sec. 1028.111. CONSTRUCTION CONTRACTS. (a) The board may
27 enter into construction contracts for the district.

1 (b) The board may enter into a construction contract that
2 involves the expenditure of more than the amount provided by
3 Section 271.024, Local Government Code, only after competitive
4 bidding as provided by Subchapter B, Chapter 271, Local Government
5 Code. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.07(a).)

6 Sec. 1028.112. OPERATING AND MANAGEMENT CONTRACTS. The
7 board may enter into an operating or management contract relating
8 to a hospital facility for the district. (Acts 68th Leg., R.S., Ch.
9 680, Sec. 5.08.)

10 Sec. 1028.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
11 SERVICES. The board may contract with a political subdivision of
12 this state or with a state or federal agency for the district to:

- 13 (1) furnish a mobile emergency medical service; or
14 (2) provide for the investigatory or welfare needs of
15 district inhabitants. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.13.)

16 Sec. 1028.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
17 When a person who resides in the district is admitted as a patient
18 to a district facility, the district administrator may have an
19 inquiry made into the financial circumstances of:

- 20 (1) the patient; and
21 (2) a relative of the patient who is legally
22 responsible for the patient's support.

23 (b) To the extent that the patient or a relative of the
24 patient who is legally responsible for the patient's support cannot
25 pay for care and treatment provided by the district, the district
26 shall supply the care and treatment without charging the patient or
27 the patient's relative.

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

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

13 (e) If there is a dispute relating to a person's ability to
14 pay or if the district administrator has any doubt concerning a
15 person's ability to pay, the board shall:

- 16 (1) call witnesses;
17 (2) hear and resolve the question; and
18 (3) issue a final order.

19 (f) The final order of the board may be appealed to a
20 district court in Foard County. The substantial evidence rule
21 applies to the appeal. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.11.)

22 Sec. 1028.115. REIMBURSEMENT FOR SERVICES. (a) The board
23 shall require a county or municipality located outside the district
24 to reimburse the district for the district's care and treatment of a
25 sick or injured person of that county or municipality.

26 (b) The board shall require the sheriff of Foard County to
27 reimburse the district for the district's care and treatment of a

1 person who is confined in a jail facility of Foard County and is not
2 a district resident.

3 (c) On behalf of the district, the board may contract with
4 the state or federal government for that government to reimburse
5 the district for treatment of a sick or injured person. (Acts 68th
6 Leg., R.S., Ch. 680, Sec. 5.12.)

7 Sec. 1028.116. AUTHORITY TO SUE AND BE SUED. The board may
8 sue and be sued on behalf of the district. (Acts 68th Leg., R.S.,
9 Ch. 680, Sec. 5.15.)

10 [Sections 1028.117-1028.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 1028.151. BUDGET. (a) The district administrator
13 shall prepare a proposed annual budget for the district.

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

- 16 (1) the outstanding obligations of the district;
17 (2) the amount of cash on hand in each district fund;
18 (3) the amount of money received by the district from
19 all sources during the previous year;
20 (4) the amount of money available to the district from
21 all sources during the ensuing year;
22 (5) the amount of the balances expected at the end of
23 the year in which the budget is being prepared;
24 (6) the estimated amount of revenue and balances
25 available to cover the proposed budget; and
26 (7) the estimated tax rate required. (Acts 68th Leg.,
27 R.S., Ch. 680, Sec. 6.04.)

1 Sec. 1028.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
2 The board shall hold a public hearing on the proposed annual budget.

3 (b) The board shall publish notice of the hearing in a
4 newspaper with general circulation in the district not later than
5 the 10th day before the date of the hearing.

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

8 (d) At the conclusion of the hearing, the board shall adopt
9 a budget by acting on the budget proposed by the district
10 administrator. The board may make any changes in the proposed
11 budget that the board judges to be in the interests of the
12 taxpayers.

13 (e) The budget is effective only after adoption by the
14 board. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.05.)

15 Sec. 1028.153. AMENDMENTS TO BUDGET. After the budget is
16 adopted, the budget may be amended on the board's approval. (Acts
17 68th Leg., R.S., Ch. 680, Sec. 6.06.)

18 Sec. 1028.154. RESTRICTION ON EXPENDITURES. Money may be
19 spent only for an expense included in the budget or an amendment to
20 the budget. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.07.)

21 Sec. 1028.155. FISCAL YEAR. (a) The district operates on a
22 fiscal year established by the board.

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

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

26 (2) more than once in a 24-month period. (Acts 68th
27 Leg., R.S., Ch. 680, Sec. 6.01.)

1 Sec. 1028.156. ANNUAL AUDIT. The board annually shall have
2 an audit made of the district's financial condition. (Acts 68th
3 Leg., R.S., Ch. 680, Sec. 6.02.)

4 Sec. 1028.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
5 RECORDS. The annual audit and other district records shall be open
6 to inspection during regular business hours at the district's
7 principal office. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.03.)

8 Sec. 1028.158. FINANCIAL REPORT. As soon as practicable
9 after the close of the fiscal year, the district administrator
10 shall prepare for the board:

11 (1) a sworn statement of the amount of district money;
12 and

13 (2) an account of the disbursements of that money.
14 (Acts 68th Leg., R.S., Ch. 680, Sec. 6.08.)

15 Sec. 1028.159. DEPOSITORY. (a) The board shall select at
16 least one bank to serve as a depository for district money.

17 (b) District money, other than money invested as provided by
18 Section 1028.160(b) and money transmitted to a bank for payment of
19 bonds or obligations issued or assumed by the district, shall be
20 deposited as received with the depository bank and shall remain on
21 deposit. This subsection does not limit the power of the board to
22 place a part of district money on time deposit or to purchase
23 certificates of deposit.

24 (c) The district may not deposit money with a bank in an
25 amount that exceeds the maximum amount secured by the Federal
26 Deposit Insurance Corporation unless the bank first executes a bond
27 or other security in an amount sufficient to secure from loss the

1 district money that exceeds the amount secured by the Federal
2 Deposit Insurance Corporation. (Acts 68th Leg., R.S., Ch. 680,
3 Sec. 6.10.)

4 Sec. 1028.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
5 Except as provided by Sections 1028.111, 1028.201, 1028.204, and
6 1028.205, the district may not incur a debt payable from district
7 revenue other than the revenue on hand or to be on hand in the
8 current and immediately following district fiscal years.

9 (b) The board may invest operating, depreciation, or
10 building reserves only in funds or securities specified by Chapter
11 2256, Government Code. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.09.)

12 [Sections 1028.161-1028.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Sec. 1028.201. GENERAL OBLIGATION BONDS. If authorized by
15 an election, the board may issue and sell general obligation bonds
16 in the name and on the faith and credit of the district to:

17 (1) purchase, construct, acquire, repair, or renovate
18 buildings or improvements;

19 (2) equip buildings or improvements for hospital
20 purposes; or

21 (3) acquire and operate a mobile emergency medical
22 service. (Acts 68th Leg., R.S., Ch. 680, Sec. 7.01.)

23 Sec. 1028.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
24 the time general obligation bonds are issued by the district under
25 Section 1028.201, the board shall impose an ad valorem tax at a rate
26 sufficient to create an interest and sinking fund to pay the
27 principal of and interest on the bonds as the bonds mature.

1 (b) The tax required by this section together with any other
2 ad valorem tax the district imposes may not in any year exceed the
3 limit approved by the voters at the election authorizing the
4 imposition of the tax. (Acts 68th Leg., R.S., Ch. 680, Sec. 7.02.)

5 Sec. 1028.203. GENERAL OBLIGATION BOND ELECTION. (a) The
6 district may issue general obligation bonds only if the bonds are
7 authorized by a majority of the district voters.

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

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

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

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

17 (e) The board shall declare the results of the election.
18 (Acts 68th Leg., R.S., Ch. 680, Sec. 7.03.)

19 Sec. 1028.204. REVENUE BONDS. (a) The board may issue
20 revenue bonds to:

- 21 (1) purchase, construct, acquire, repair, equip, or
22 renovate buildings or improvements for hospital purposes;
23 (2) acquire sites to be used for hospital purposes; or
24 (3) acquire and operate a mobile emergency medical
25 service to assist the district in carrying out its hospital
26 purposes.

27 (b) The bonds must be payable from and secured by a pledge of

1 all or part of the revenue derived from the operation of the
2 district's hospital system.

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

5 (d) The bonds must be issued in the manner provided by
6 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
7 Code, for issuance of revenue bonds by a county hospital authority.
8 (Acts 68th Leg., R.S., Ch. 680, Sec. 7.04.)

9 Sec. 1028.205. REFUNDING BONDS. (a) The board may issue
10 refunding bonds to refund outstanding indebtedness issued or
11 assumed by the district.

12 (b) A refunding bond may be:

13 (1) sold, with the proceeds of the refunding bond
14 applied to the payment of the outstanding indebtedness; or

15 (2) exchanged wholly or partly for not less than a
16 similar principal amount of outstanding indebtedness. (Acts 68th
17 Leg., R.S., Ch. 680, Secs. 7.05(a), (c) (part).)

18 Sec. 1028.206. MATURITY OF BONDS. District bonds must
19 mature not later than 50 years after the date of issuance. (Acts
20 68th Leg., R.S., Ch. 680, Sec. 7.06 (part).)

21 Sec. 1028.207. EXECUTION OF BONDS. (a) The board president
22 shall execute district bonds in the district's name.

23 (b) The board secretary shall countersign the bonds in the
24 manner provided by Chapter 618, Government Code. (Acts 68th Leg.,
25 R.S., Ch. 680, Sec. 7.07.)

26 Sec. 1028.208. BONDS EXEMPT FROM TAXATION. The following
27 are exempt from taxation by this state or a political subdivision of

1 this state:

- 2 (1) bonds issued by the district;
- 3 (2) any transaction relating to the bonds; and
- 4 (3) profits made in the sale of the bonds. (Acts 68th
- 5 Leg., R.S., Ch. 680, Sec. 7.11 (part).)

6 [Sections 1028.209-1028.250 reserved for expansion]

7 SUBCHAPTER F. TAXES

8 Sec. 1028.251. IMPOSITION OF AD VALOREM TAX. (a) The board

9 may impose a tax on all property in the district subject to district

10 taxation.

11 (b) The tax may be used to pay:

- 12 (1) indebtedness issued or assumed by the district;
- 13 and
- 14 (2) the maintenance and operating expenses of the
- 15 district.

16 (c) The district may not impose a tax to pay the principal of

17 or interest on revenue bonds issued under this chapter. (Acts 68th

18 Leg., R.S., Ch. 680, Secs. 8.01 (a) (part), (c), (d), 8.02(b).)

19 Sec. 1028.252. TAX RATE. (a) The board may impose the tax

20 at a rate not to exceed the limit approved by the voters at the

21 election authorizing the imposition of the tax.

22 (b) The tax rate for all purposes may not exceed 75 cents on

23 each \$100 valuation of all taxable property in the district.

24 (c) In setting the tax rate, the board shall consider the

25 income of the district from sources other than taxation. (Acts 68th

26 Leg., R.S., Ch. 680, Secs. 8.01(a) (part), (b), 8.03 (part).)

27 Sec. 1028.253. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the
2 district or may contract for the assessment and collection of taxes
3 as provided by the Tax Code. (Acts 68th Leg., R.S., Ch. 680, Sec.
4 8.04(b).)

5 CHAPTER 1029. FOLLETT HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1029.001. DEFINITIONS

8 Sec. 1029.002. AUTHORITY FOR OPERATION

9 Sec. 1029.003. POLITICAL SUBDIVISION

10 Sec. 1029.004. DISTRICT TERRITORY

11 [Sections 1029.005-1029.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1029.051. BOARD ELECTION; TERM

14 Sec. 1029.052. BOARD VACANCY

15 Sec. 1029.053. OFFICERS

16 Sec. 1029.054. COMPENSATION; EXPENSES

17 Sec. 1029.055. EMPLOYEES

18 Sec. 1029.056. MAINTENANCE OF RECORDS; PUBLIC

19 INSPECTION

20 Sec. 1029.057. SEAL

21 [Sections 1029.058-1029.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1029.101. DISTRICT RESPONSIBILITY

24 Sec. 1029.102. RESTRICTION ON POLITICAL SUBDIVISION

25 TAXATION AND DEBT

26 Sec. 1029.103. MANAGEMENT AND CONTROL

27 Sec. 1029.104. HOSPITAL SYSTEM

- 1 Sec. 1029.105. RULES
- 2 Sec. 1029.106. PURCHASING AND ACCOUNTING PROCEDURES
- 3 Sec. 1029.107. EMINENT DOMAIN
- 4 Sec. 1029.108. GIFTS AND ENDOWMENTS
- 5 Sec. 1029.109. PAYMENT FOR TREATMENT; PROCEDURES
- 6 Sec. 1029.110. AUTHORITY TO SUE AND BE SUED
- 7 [Sections 1029.111-1029.150 reserved for expansion]
- 8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 9 Sec. 1029.151. BUDGET
- 10 Sec. 1029.152. PROPOSED BUDGET: NOTICE AND HEARING
- 11 Sec. 1029.153. FISCAL YEAR
- 12 Sec. 1029.154. ANNUAL AUDIT
- 13 Sec. 1029.155. DEPOSITORY OR TREASURER
- 14 [Sections 1029.156-1029.200 reserved for expansion]
- 15 SUBCHAPTER E. BONDS
- 16 Sec. 1029.201. GENERAL OBLIGATION BONDS
- 17 Sec. 1029.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 18 Sec. 1029.203. GENERAL OBLIGATION BOND ELECTION
- 19 Sec. 1029.204. MATURITY OF GENERAL OBLIGATION BONDS
- 20 Sec. 1029.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 21 Sec. 1029.206. REFUNDING BONDS
- 22 [Sections 1029.207-1029.250 reserved for expansion]
- 23 SUBCHAPTER F. TAXES
- 24 Sec. 1029.251. IMPOSITION OF AD VALOREM TAX
- 25 Sec. 1029.252. TAX RATE
- 26 Sec. 1029.253. TAX ASSESSOR-COLLECTOR

1 CHAPTER 1029. FOLLETT HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1029.001. DEFINITIONS. In this chapter:

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

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

7 (3) "District" means the Follett Hospital District.
8 (New.)

9 Sec. 1029.002. AUTHORITY FOR OPERATION. The district
10 operates and is financed in accordance with Section 9, Article IX,
11 Texas Constitution. (Acts 64th Leg., R.S., Ch. 668, Sec. 1 (part).)

12 Sec. 1029.003. POLITICAL SUBDIVISION. The district is a
13 political subdivision of this state. (Acts 64th Leg., R.S., Ch.
14 668, Sec. 16 (part).)

15 Sec. 1029.004. DISTRICT TERRITORY. The district is
16 composed of the territory described by Section 1, Chapter 668, Acts
17 of the 64th Legislature, Regular Session, 1975. (New.)

18 [Sections 1029.005-1029.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1029.051. BOARD ELECTION; TERM. (a) The board
21 consists of six directors elected from the district at large.

22 (b) Unless four-year terms are established under Section
23 285.081, Health and Safety Code:

24 (1) directors serve staggered two-year terms, with
25 three directors elected each year; and

26 (2) a directors' election shall be held on the uniform
27 election date in May of each year. (Acts 64th Leg., R.S., Ch. 668,

1 Secs. 3(d) (part), 3A(a).)

2 Sec. 1029.052. BOARD VACANCY. If a vacancy occurs in the
3 office of director, the remaining directors shall appoint a
4 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 668,
5 Sec. 3A(b).)

6 Sec. 1029.053. OFFICERS. (a) The board shall elect a
7 president, vice president, and secretary-treasurer from among its
8 members.

9 (b) Each officer of the board serves until the next
10 directors' election. (Acts 64th Leg., R.S., Ch. 668, Sec. 4(a)
11 (part).)

12 Sec. 1029.054. COMPENSATION; EXPENSES. A director serves
13 without compensation but may be reimbursed for actual expenses
14 incurred in the performance of official duties on approval of the
15 expenses by the entire board. (Acts 64th Leg., R.S., Ch. 668, Sec.
16 4(b).)

17 Sec. 1029.055. EMPLOYEES. The board may employ a general
18 manager, attorneys, financial advisors, bookkeepers, and
19 architects. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(a) (part).)

20 Sec. 1029.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
21 All district records, including books, accounts, notices, minutes,
22 and all other matters of the district and the operation of its
23 facilities, shall be:

- 24 (1) maintained at the district office; and
25 (2) open to public inspection at reasonable hours.
26 (Acts 64th Leg., R.S., Ch. 668, Sec. 7(b).)

27 Sec. 1029.057. SEAL. The board may adopt a seal for the

1 district. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(a) (part).)

2 [Sections 1029.058-1029.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 1029.101. DISTRICT RESPONSIBILITY. The district has
5 full responsibility for:

6 (1) operating all hospital facilities; and

7 (2) providing hospital care for the district's needy
8 inhabitants. (Acts 64th Leg., R.S., Ch. 668, Sec. 12(a) (part).)

9 Sec. 1029.102. RESTRICTION ON POLITICAL SUBDIVISION
10 TAXATION AND DEBT. (a) A political subdivision within the
11 district, other than the district, may not impose a tax or issue
12 bonds or other obligations for hospital purposes or to provide
13 medical care for district inhabitants.

14 (b) A governmental entity other than the district may not
15 impose a tax or issue bonds or other obligations on property in the
16 district for hospital purposes or to provide medical care for needy
17 district inhabitants. (Acts 64th Leg., R.S., Ch. 668, Sec. 12(a)
18 (part).)

19 Sec. 1029.103. MANAGEMENT AND CONTROL. The board has full
20 management and control of all district business, including the
21 power to:

22 (1) negotiate and contract with any person;

23 (2) purchase or lease land; and

24 (3) construct, equip, operate, and maintain a hospital
25 system. (Acts 64th Leg., R.S., Ch. 668, Sec. 4(a) (part).)

26 Sec. 1029.104. HOSPITAL SYSTEM. The district shall
27 provide for the establishment of a hospital system to provide

1 medical and hospital care to the district's residents. (Acts 64th
2 Leg., R.S., Ch. 668, Sec. 2 (part).)

3 Sec. 1029.105. RULES. (a) The board may adopt rules
4 governing the operation of the district, including district
5 facilities.

6 (b) On approval by the board, the rules may be published in
7 booklet form at district expense and made available to any resident
8 on request. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(c).)

9 Sec. 1029.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
10 The board may prescribe the method and manner of making purchases
11 and expenditures for the district.

12 (b) The board shall prescribe:

13 (1) all accounting and control procedures; and

14 (2) the method of purchasing necessary supplies,
15 materials, and equipment. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(a)
16 (part).)

17 Sec. 1029.107. EMINENT DOMAIN. (a) The district may
18 exercise the power of eminent domain to acquire a fee simple or
19 other interest in any type of property located in district
20 territory if the interest is necessary or convenient for the
21 district to exercise a right, power, privilege, or function
22 conferred on the district by this chapter.

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

27 (c) In a condemnation proceeding, the district is not

1 required to:

2 (1) pay in advance or provide a bond or other security
3 for costs in the trial court;

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

6 (3) provide a bond for costs or a supersedeas bond on
7 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 668, Sec. 9.)

8 Sec. 1029.108. GIFTS AND ENDOWMENTS. The board may accept
9 for the district a gift or endowment to be held in trust and
10 administered by the board for the purposes and under the
11 directions, limitations, or other provisions prescribed in writing
12 by the donor that are not inconsistent with the proper management
13 and objectives of the district. (Acts 64th Leg., R.S., Ch. 668,
14 Sec. 14.)

15 Sec. 1029.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)
16 When a patient from Lipscomb County is admitted to a district
17 facility, the board shall have an inquiry made into the
18 circumstances of:

19 (1) the patient; and

20 (2) the patient's relatives who are legally liable for
21 the patient's support.

22 (b) If an agent designated by the district determines that
23 the patient or those relatives cannot pay all or part of the costs
24 of the care and treatment in the hospital, the expense of that care
25 becomes a charge against the district.

26 (c) If an agent designated by the district determines that
27 the patient or those relatives are liable to pay for all or part of

1 the costs of the patient's care and treatment, the patient or those
2 relatives shall be ordered to pay the district's treasurer a
3 specified amount each week for the patient's support. The amount
4 ordered must be proportionate to the person's financial ability and
5 may not exceed the actual per capita cost of maintenance.

6 (d) The district may collect the amount from the patient's
7 estate, or from any relative who is legally liable for the patient's
8 support, in the manner provided by law for the collection of
9 expenses of the last illness of a deceased person.

10 (e) If there is a dispute as to the ability to pay, the board
11 shall hold a hearing and, after calling witnesses, shall resolve
12 the dispute.

13 (f) Either party to the dispute may appeal the district's
14 determination to the district court. (Acts 64th Leg., R.S., Ch.
15 668, Sec. 13.)

16 Sec. 1029.110. AUTHORITY TO SUE AND BE SUED. The district
17 may sue and be sued in its own name in any court of this state.
18 (Acts 64th Leg., R.S., Ch. 668, Sec. 16 (part).)

19 [Sections 1029.111-1029.150 reserved for expansion]

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Sec. 1029.151. BUDGET. The board annually shall have a
22 budget prepared for the next fiscal year that includes:

- 23 (1) proposed expenditures and disbursements;
24 (2) estimated receipts and collections; and
25 (3) the amount of taxes required to be imposed for the
26 year. (Acts 64th Leg., R.S., Ch. 668, Sec. 8(b) (part).)

27 Sec. 1029.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)

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

2 (b) Notice of the hearing must be published at least once in
3 a newspaper of general circulation in the district not later than
4 the 10th day before the date of the hearing.

5 (c) Any district resident is entitled to:

6 (1) appear at the time and place designated in the
7 notice; and

8 (2) be heard regarding any item included in the
9 proposed budget. (Acts 64th Leg., R.S., Ch. 668, Sec. 8(b) (part).)

10 Sec. 1029.153. FISCAL YEAR. The district operates on a
11 fiscal year that begins on October 1 and ends on September 30.
12 (Acts 64th Leg., R.S., Ch. 668, Sec. 8(a) (part).)

13 Sec. 1029.154. ANNUAL AUDIT. (a) The board annually shall
14 have an independent audit made of the district's books and records
15 for the fiscal year.

16 (b) Not later than December 31 of each year, the audit shall
17 be filed:

18 (1) with the comptroller; and

19 (2) at the district office. (Acts 64th Leg., R.S., Ch.
20 668, Sec. 8(a) (part).)

21 Sec. 1029.155. DEPOSITORY OR TREASURER. (a) The board by
22 resolution shall designate a bank or banks in the district as the
23 district's depository or treasurer. A designated bank serves for
24 two years and until a successor is designated.

25 (b) All income received by the district shall be deposited
26 with the district depository.

27 (c) All district money shall be secured in the manner

1 provided for securing county funds. (Acts 64th Leg., R.S., Ch. 668,
2 Secs. 5(b) (part), 10.)

3 [Sections 1029.156-1029.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1029.201. GENERAL OBLIGATION BONDS. The board may
6 issue and sell general obligation bonds in the name and on the faith
7 and credit of the district for any purpose relating to:

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

10 (2) equipping buildings or improvements for hospital
11 purposes. (Acts 64th Leg., R.S., Ch. 668, Sec. 6(a) (part).)

12 Sec. 1029.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
13 The board shall impose an ad valorem tax at a rate sufficient to
14 create an interest and sinking fund to pay the principal of and
15 interest on general obligation bonds issued under Section 1029.201.

16 (b) The tax required by this section together with any other
17 ad valorem tax the district imposes may not in any year exceed 75
18 cents on each \$100 valuation of all taxable property in the
19 district. (Acts 64th Leg., R.S., Ch. 668, Sec. 6(a) (part).)

20 Sec. 1029.203. GENERAL OBLIGATION BOND ELECTION. (a) The
21 district may issue general obligation bonds only if the bonds are
22 authorized by a majority of the district voters voting at an
23 election.

24 (b) The board may order the election on its own motion.

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

26 (1) the location of the polling places;

27 (2) the presiding election officers;

- 1 (3) the purpose of the bond issuance;
- 2 (4) the amount of the bonds to be authorized; and
- 3 (5) the maximum interest rate provided by law.

4 (d) Notice of a bond election shall be given by publishing a
5 substantial copy of the order calling the election in a newspaper of
6 general circulation in the district once each week for two
7 consecutive weeks before the date of the election. The first
8 publication must occur at least 20 days before the date of the
9 election. (Acts 64th Leg., R.S., Ch. 668, Sec. 6(b) (part).)

10 Sec. 1029.204. MATURITY OF GENERAL OBLIGATION BONDS.
11 District general obligation bonds must mature not later than 40
12 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 668,
13 Sec. 6(b) (part).)

14 Sec. 1029.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
15 The board president shall execute the general obligation bonds in
16 the district's name.

17 (b) The board secretary shall countersign the bonds. (Acts
18 64th Leg., R.S., Ch. 668, Sec. 6(a) (part).)

19 Sec. 1029.206. REFUNDING BONDS. (a) The board may, without
20 an election, issue refunding bonds to refund outstanding bonds
21 issued or assumed by the district.

22 (b) A refunding bond may be:

23 (1) sold, with the proceeds of the refunding bond
24 applied to the payment of the bonds to be refunded; or

25 (2) exchanged wholly or partly for not less than a
26 similar amount of outstanding bonds and the unpaid matured interest
27 on the bonds. (Acts 64th Leg., R.S., Ch. 668, Secs. 6(b) (part),

1 (c) (part).)

2 [Sections 1029.207-1029.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1029.251. IMPOSITION OF AD VALOREM TAX. (a) On final
5 approval of the annual budget, the board shall impose a tax on all
6 property in the district subject to district taxation.

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

8 (1) pay the interest on and create a sinking fund for
9 bonds issued or assumed by the district for hospital purposes;

10 (2) provide for operation and maintenance of the
11 hospital system;

12 (3) make improvements and additions to the hospital
13 system; and

14 (4) acquire necessary sites by purchase, lease, or
15 condemnation. (Acts 64th Leg., R.S., Ch. 668, Secs. 5(a) (part),
16 (b) (part), 8(b) (part).)

17 Sec. 1029.252. TAX RATE. The board may impose the tax at a
18 rate not to exceed 75 cents on each \$100 valuation of all taxable
19 property in the district. (Acts 64th Leg., R.S., Ch. 668, Sec. 5(a)
20 (part).)

21 Sec. 1029.253. TAX ASSESSOR-COLLECTOR. (a) Except as
22 provided by Subsection (b), the tax assessor-collector of Lipscomb
23 County shall assess and collect taxes imposed by the district.

24 (b) By majority vote the board may appoint a district tax
25 assessor-collector under Section 285.041, Health and Safety Code.
26 (Acts 64th Leg., R.S., Ch. 668, Secs. 5(b) (part), (c) (part), 8(b)
27 (part).)

1 CHAPTER 1030. FRIIO HOSPITAL DISTRICT
2 SUBCHAPTER A. GENERAL PROVISIONS
3 Sec. 1030.001. DEFINITIONS
4 Sec. 1030.002. AUTHORITY FOR OPERATION
5 Sec. 1030.003. ESSENTIAL PUBLIC FUNCTION
6 Sec. 1030.004. DISTRICT TERRITORY
7 Sec. 1030.005. DISTRICT SUPPORT AND MAINTENANCE NOT
8 STATE OBLIGATION
9 Sec. 1030.006. RESTRICTION ON STATE FINANCIAL
10 ASSISTANCE
11 [Sections 1030.007-1030.050 reserved for expansion]
12 SUBCHAPTER B. DISTRICT ADMINISTRATION
13 Sec. 1030.051. BOARD ELECTION; TERM
14 Sec. 1030.052. NOTICE OF ELECTION
15 Sec. 1030.053. BALLOT PETITION
16 Sec. 1030.054. QUALIFICATIONS FOR OFFICE
17 Sec. 1030.055. BOND; RECORD OF BOND
18 Sec. 1030.056. BOARD VACANCY
19 Sec. 1030.057. OFFICERS
20 Sec. 1030.058. COMPENSATION; EXPENSES
21 Sec. 1030.059. VOTING REQUIREMENT
22 Sec. 1030.060. DISTRICT ADMINISTRATOR
23 Sec. 1030.061. GENERAL DUTIES OF DISTRICT
24 ADMINISTRATOR
25 Sec. 1030.062. ASSISTANT DISTRICT ADMINISTRATOR;
26 ATTORNEY

- 1 Sec. 1030.063. APPOINTMENT AND RECRUITMENT OF STAFF
2 AND EMPLOYEES
3 Sec. 1030.064. HEALTH EDUCATION
4 Sec. 1030.065. RETIREMENT BENEFITS
5 [Sections 1030.066-1030.100 reserved for expansion]
6 SUBCHAPTER C. POWERS AND DUTIES
7 Sec. 1030.101. DISTRICT RESPONSIBILITY
8 Sec. 1030.102. RESTRICTION ON GOVERNMENTAL ENTITY
9 TAXATION AND DEBT
10 Sec. 1030.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
11 Sec. 1030.104. RULES
12 Sec. 1030.105. PURCHASING AND ACCOUNTING PROCEDURES
13 Sec. 1030.106. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT
15 Sec. 1030.107. EMINENT DOMAIN
16 Sec. 1030.108. COST OF RELOCATING OR ALTERING PROPERTY
17 Sec. 1030.109. GIFTS AND ENDOWMENTS
18 Sec. 1030.110. CONSTRUCTION CONTRACTS
19 Sec. 1030.111. OPERATING AND MANAGEMENT CONTRACTS
20 Sec. 1030.112. CONTRACTS FOR SERVICES
21 Sec. 1030.113. PROVISION OF CERTAIN HEALTH SERVICES
22 Sec. 1030.114. MEDICAL CLINICS
23 Sec. 1030.115. PAYMENT FOR TREATMENT; PROCEDURES
24 Sec. 1030.116. REIMBURSEMENT FOR SERVICES
25 Sec. 1030.117. AUTHORITY TO SUE AND BE SUED
26 [Sections 1030.118-1030.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 1030.151. BUDGET

3 Sec. 1030.152. NOTICE; HEARING; ADOPTION OF BUDGET

4 Sec. 1030.153. AMENDMENTS TO BUDGET

5 Sec. 1030.154. RESTRICTION ON EXPENDITURES

6 Sec. 1030.155. FISCAL YEAR

7 Sec. 1030.156. ANNUAL AUDIT

8 Sec. 1030.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

9 RECORDS

10 Sec. 1030.158. FINANCIAL REPORT

11 Sec. 1030.159. DEPOSITORY

12 Sec. 1030.160. SPENDING AND INVESTMENT RESTRICTIONS

13 [Sections 1030.161-1030.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Sec. 1030.201. GENERAL OBLIGATION BONDS

16 Sec. 1030.202. TAX TO PAY GENERAL OBLIGATION BONDS

17 Sec. 1030.203. GENERAL OBLIGATION BOND ELECTION

18 Sec. 1030.204. REVENUE BONDS

19 Sec. 1030.205. REFUNDING BONDS

20 Sec. 1030.206. MATURITY OF BONDS

21 Sec. 1030.207. EXECUTION OF BONDS

22 Sec. 1030.208. BONDS EXEMPT FROM TAXATION

23 [Sections 1030.209-1030.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1030.251. IMPOSITION OF AD VALOREM TAX

26 Sec. 1030.252. TAX RATE

27 Sec. 1030.253. TAX ASSESSOR-COLLECTOR

1 [Sections 1030.254-1030.300 reserved for expansion]

2 SUBCHAPTER G. DISSOLUTION

3 Sec. 1030.301. DISSOLUTION; ELECTION

4 Sec. 1030.302. NOTICE OF ELECTION

5 Sec. 1030.303. BALLOT

6 Sec. 1030.304. ELECTION RESULTS

7 Sec. 1030.305. DISPOSITION OR TRANSFER OF DISTRICT

8 ASSETS; DECLARATION OF DISSOLUTION

9 CHAPTER 1030. FRIO HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1030.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the
13 district.

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

15 (3) "District" means the Frio Hospital District.

16 (Acts 71st Leg., R.S., Ch. 220, Sec. 1.01.)

17 Sec. 1030.002. AUTHORITY FOR OPERATION. The district
18 operates and is financed as provided by Section 9, Article IX, Texas
19 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 220,
20 Sec. 1.02.)

21 Sec. 1030.003. ESSENTIAL PUBLIC FUNCTION. The district is
22 a public entity performing an essential public function. (Acts
23 71st Leg., R.S., Ch. 220, Sec. 7.11 (part).)

24 Sec. 1030.004. DISTRICT TERRITORY. The boundaries of the
25 district are coextensive with the boundaries of Frio County, Texas,
26 except that a portion of the southern boundary follows the boundary
27 of the Frio River beginning at the intersection of the south county

1 line and the Frio River to the point at which the boundary
2 intersects the Leona River and follows the Leona River to the west
3 county line. (Acts 71st Leg., R.S., Ch. 220, Sec. 1.03.)

4 Sec. 1030.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
5 OBLIGATION. The state may not become obligated for the support or
6 maintenance of the district. (Acts 71st Leg., R.S., Ch. 220, Sec.
7 10.01 (part).)

8 Sec. 1030.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
9 The legislature may not make a direct appropriation for the
10 construction, maintenance, or improvement of a district facility.
11 (Acts 71st Leg., R.S., Ch. 220, Sec. 10.01 (part).)

12 [Sections 1030.007-1030.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1030.051. BOARD ELECTION; TERM. (a) The district is
15 governed by a board of seven directors.

16 (b) Two directors are elected from each commissioners
17 precinct and one director is elected from the district at large.
18 The portion of Precinct 4 that is in the district is combined with
19 Precinct 1 to represent one precinct.

20 (c) Unless four-year terms are established under Section
21 285.081, Health and Safety Code:

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

23 (2) an election shall be held on the uniform election
24 date in May of each year to elect the appropriate number of
25 directors. (Acts 71st Leg., R.S., Ch. 220, Secs. 4.01(a), 4.03(a),
26 (d) (part).)

27 Sec. 1030.052. NOTICE OF ELECTION. At least 35 days before

1 the date of an election of directors, notice of the election shall
2 be published one time in a newspaper with general circulation in the
3 district. (Acts 71st Leg., R.S., Ch. 220, Sec. 4.04.)

4 Sec. 1030.053. BALLOT PETITION. A person who wants to have
5 the person's name printed on the ballot as a candidate for director
6 must file with the board secretary a petition requesting that
7 action. The petition must:

8 (1) be signed by at least 10 registered voters of the
9 district as determined by the most recent official list of
10 registered voters;

11 (2) be filed not later than the 31st day before the
12 date of the election; and

13 (3) specify the commissioners precinct the candidate
14 wants to represent or specify that the candidate wants to represent
15 the district at large. (Acts 71st Leg., R.S., Ch. 220, Sec. 4.05.)

16 Sec. 1030.054. QUALIFICATIONS FOR OFFICE. (a) To be
17 eligible to be a candidate for or to serve as a director, a person
18 must be:

19 (1) a district resident; and

20 (2) a qualified voter.

21 (b) In addition to Subsection (a), a person who is elected
22 from a commissioners precinct or who is appointed to fill a vacancy
23 for a commissioners precinct must be a resident of that
24 commissioners precinct.

25 (c) A district employee may not serve as a director. (Acts
26 71st Leg., R.S., Ch. 220, Sec. 4.06.)

27 Sec. 1030.055. BOND; RECORD OF BOND. (a) Before assuming

1 the duties of office, each director must execute a bond for \$5,000
2 that is:

- 3 (1) payable to the district; and
4 (2) conditioned on the faithful performance of the
5 director's duties.

6 (b) The board may pay for a director's bond with district
7 money.

8 (c) Each director's bond shall be kept in the district's
9 permanent records. (Acts 71st Leg., R.S., Ch. 220, Sec. 4.07.)

10 Sec. 1030.056. BOARD VACANCY. If a vacancy occurs in the
11 office of director, the remaining directors shall appoint a
12 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 220,
13 Sec. 4.08.)

14 Sec. 1030.057. OFFICERS. (a) The board shall elect a
15 president and a vice president from among its members.

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

18 (c) Each officer of the board serves for a term of one year.

19 (d) The board shall fill a vacancy in a board office for the
20 unexpired term. (Acts 71st Leg., R.S., Ch. 220, Secs. 4.09, 4.10.)

21 Sec. 1030.058. COMPENSATION; EXPENSES. A director or
22 officer serves without compensation but may be reimbursed for
23 actual expenses incurred in the performance of official duties.
24 The expenses must be:

- 25 (1) reported in the district's records; and
26 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
27 220, Sec. 4.11.)

1 Sec. 1030.059. VOTING REQUIREMENT. A concurrence of a
2 majority of the directors voting is necessary in any matter
3 relating to district business. (Acts 71st Leg., R.S., Ch. 220, Sec.
4 4.12.)

5 Sec. 1030.060. DISTRICT ADMINISTRATOR. (a) The board may
6 appoint a qualified person as district administrator.

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

9 (c) Before assuming the duties of district administrator,
10 the administrator must execute a bond in an amount determined by the
11 board of not less than \$5,000 that is:

12 (1) payable to the district; and

13 (2) conditioned on the faithful performance of the
14 administrator's duties under this chapter.

15 (d) The board may pay for the bond with district money.
16 (Acts 71st Leg., R.S., Ch. 220, Secs. 4.13(a) (part), (b) (part),
17 (c) (part), (d).)

18 Sec. 1030.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
19 Subject to the limitations prescribed by the board, the district
20 administrator shall:

21 (1) supervise the work and activities of the district;
22 and

23 (2) direct the general affairs of the district. (Acts
24 71st Leg., R.S., Ch. 220, Sec. 4.16.)

25 Sec. 1030.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

26 (a) The board may appoint qualified persons as:

27 (1) the assistant district administrator; and

1 (2) the attorney for the district.

2 (b) The assistant district administrator and the attorney
3 for the district serve at the will of the board and are entitled to
4 the compensation determined by the board. (Acts 71st Leg., R.S.,
5 Ch. 220, Secs. 4.13(a) (part), (b) (part), (c) (part).)

6 Sec. 1030.063. APPOINTMENT AND RECRUITMENT OF STAFF AND
7 EMPLOYEES. (a) The district may employ doctors, nurses,
8 technicians, allied health personnel, administrative personnel,
9 fiscal agents, accountants, architects, additional attorneys, and
10 other employees necessary to carry out the district's duties and
11 responsibilities under this chapter.

12 (b) The board may appoint to the staff any doctors the board
13 considers necessary for the efficient operation of the district and
14 may make temporary appointments as necessary.

15 (c) The board may delegate to the district administrator the
16 authority to employ persons for the district.

17 (d) The board may spend money to recruit physicians and
18 other needed medical professionals. (Acts 71st Leg., R.S., Ch.
19 220, Secs. 4.14, 4.15, 5.02 (part), 5.05(c).)

20 Sec. 1030.064. HEALTH EDUCATION. The board may provide
21 scholarships and student loans to educate county residents in
22 health care-related fields. (Acts 71st Leg., R.S., Ch. 220, Sec.
23 5.02 (part).)

24 Sec. 1030.065. RETIREMENT BENEFITS. The board may provide
25 retirement benefits for district employees by:

26 (1) establishing or administering a retirement
27 program; or

1 (2) participating in:

2 (A) the Texas County and District Retirement
3 System; or

4 (B) another statewide retirement system in which
5 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
6 220, Sec. 4.17.)

7 [Sections 1030.066-1030.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 1030.101. DISTRICT RESPONSIBILITY. The district has
10 full responsibility for:

11 (1) operating hospital facilities; and

12 (2) providing medical and hospital care for the
13 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 220, Sec.
14 5.02 (part).)

15 Sec. 1030.102. RESTRICTION ON GOVERNMENTAL ENTITY TAXATION
16 AND DEBT. Frio County or another governmental entity located
17 within the district may not impose a tax or issue bonds or other
18 obligations for hospital purposes or to provide medical care for
19 district residents. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.01(b).)

20 Sec. 1030.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
21 The board shall manage, control, and administer the hospital system
22 and the district's money and resources. (Acts 71st Leg., R.S., Ch.
23 220, Sec. 5.03.)

24 Sec. 1030.104. RULES. The board may adopt rules governing:

25 (1) the operation of the hospital and hospital system;
26 and

27 (2) the duties, functions, and responsibilities of

1 district staff and employees. (Acts 71st Leg., R.S., Ch. 220, Sec.
2 5.04.)

3 Sec. 1030.105. PURCHASING AND ACCOUNTING PROCEDURES. The
4 board may prescribe:

5 (1) the method of making purchases and expenditures by
6 and for the district; and

7 (2) accounting and control procedures for the
8 district. (Acts 71st Leg., R.S., Ch. 220, Secs. 5.05(a), (b).)

9 Sec. 1030.106. DISTRICT PROPERTY, FACILITIES, AND
10 EQUIPMENT. (a) The board shall determine:

11 (1) the type, number, and location of buildings
12 required to maintain an adequate hospital system; and

13 (2) the type of equipment necessary for hospital care.

14 (b) The board may:

15 (1) acquire property, including facilities and
16 equipment, for the district for use in the hospital system; and

17 (2) mortgage or pledge the property as security for
18 payment of the purchase price.

19 (c) The board may lease hospital facilities for the
20 district.

21 (d) The board may sell or otherwise dispose of property,
22 including facilities or equipment, for the district. (Acts 71st
23 Leg., R.S., Ch. 220, Sec. 5.06.)

24 Sec. 1030.107. EMINENT DOMAIN. (a) The district may
25 exercise the power of eminent domain to acquire a fee simple or
26 other interest in property located in district territory if the
27 interest is necessary for the district to exercise a right or

1 authority conferred by this chapter.

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

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

8 (1) pay in advance or provide a bond or other security
9 for costs in the trial court;

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

12 (3) provide a bond for costs or a supersedeas bond on
13 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 220, Sec.
14 5.09.)

15 Sec. 1030.108. COST OF RELOCATING OR ALTERING PROPERTY. In
16 exercising the power of eminent domain, if the board requires
17 relocating, raising, lowering, rerouting, changing the grade of, or
18 altering the construction of any railroad, highway, pipeline, or
19 electric transmission and electric distribution, telegraph, or
20 telephone line, conduit, pole, or facility, the district must bear
21 the actual cost of relocating, raising, lowering, rerouting,
22 changing the grade, or altering the construction to provide
23 comparable replacement, without enhancement of facilities, after
24 deducting the net salvage value derived from the old
25 facility. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.10.)

26 Sec. 1030.109. GIFTS AND ENDOWMENTS. The board may accept
27 for the district a gift or endowment to be held in trust for any

1 purpose and under any direction, limitation, or other provision
2 prescribed in writing by the donor that is consistent with the
3 proper management of the district. (Acts 71st Leg., R.S., Ch. 220,
4 Sec. 5.14.)

5 Sec. 1030.110. CONSTRUCTION CONTRACTS. (a) The board may
6 enter into construction contracts for the district.

7 (b) The board may enter into a construction contract that
8 involves the expenditure of more than the amount provided by
9 Section 271.024, Local Government Code, only after competitive
10 bidding as provided by Subchapter B, Chapter 271, Local Government
11 Code. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.07(a).)

12 Sec. 1030.111. OPERATING AND MANAGEMENT CONTRACTS. The
13 board may enter into an operating or management contract relating
14 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.
15 220, Sec. 5.08.)

16 Sec. 1030.112. CONTRACTS FOR SERVICES. (a) The board may
17 contract with a public or private hospital, a political subdivision
18 of this state, or a state or federal agency for the district to
19 provide a mobile emergency medical service or other health care
20 services needed to provide for the investigatory or welfare needs
21 of district inhabitants.

22 (b) The board may contract with any person to receive or
23 supply the services the board considers necessary for the effective
24 operation of the district. (Acts 71st Leg., R.S., Ch. 220, Sec.
25 5.13.)

26 Sec. 1030.113. PROVISION OF CERTAIN HEALTH SERVICES. The
27 district may:

1 (1) operate or provide for the operation of a mobile
2 emergency medical service;

3 (2) operate or provide for home health services,
4 long-term care, skilled nursing care, intermediate nursing care, or
5 hospice care; and

6 (3) establish any other needed medical service
7 considered beneficial to the delivery of health care to district
8 residents. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.02 (part).)

9 Sec. 1030.114. MEDICAL CLINICS. The district may establish
10 and operate medical clinics for the benefit of the hospital. (Acts
11 71st Leg., R.S., Ch. 220, Sec. 5.02 (part).)

12 Sec. 1030.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
13 When an individual who resides in the district is admitted as a
14 patient to a district facility, the district administrator may have
15 an inquiry made into the financial circumstances of:

16 (1) the patient; and

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

19 (b) To the extent that the patient or a relative of the
20 patient who is legally responsible for the patient's support cannot
21 pay for care and treatment provided by the district, the district
22 shall supply the care and treatment without charging the patient or
23 the patient's relative.

24 (c) On determining that the patient or a relative legally
25 responsible for the patient's support can pay for all or part of the
26 care and treatment provided by the district, the district
27 administrator shall report that determination to the board, and the

1 board shall issue an order directing the patient or the relative to
2 pay the district a specified amount each week. The amount must be
3 based on the individual's ability to pay.

4 (d) The district administrator may collect money owed to the
5 district from the patient's estate or from that of a relative who
6 was legally responsible for the patient's support in the manner
7 provided by law for the collection of expenses in the last illness
8 of a deceased person.

9 (e) If there is a dispute relating to an individual's
10 ability to pay or if the district administrator has any doubt
11 concerning an individual's ability to pay, the board shall:

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

15 (f) A final order of the board may be appealed to a district
16 court in Frio County. The substantial evidence rule applies to the
17 appeal. (Acts 71st Leg., R.S., Ch. 220, Secs. 5.11(b), (c), (d),
18 (e), (f).)

19 Sec. 1030.116. REIMBURSEMENT FOR SERVICES. (a) The board
20 shall require a county, municipality, or public hospital located
21 outside the district to reimburse the district for the district's
22 care and treatment of a sick or injured person of that county,
23 municipality, or public hospital, as provided by Chapter 61, Health
24 and Safety Code.

25 (b) The board shall require the sheriff of Frio County to
26 reimburse the district for the district's care and treatment of a
27 person who is confined in a jail facility of Frio County and is not a

1 district resident.

2 (c) On behalf of the district, the board may contract with
3 the state or federal government for that government to reimburse
4 the district for treatment of a sick or injured person. (Acts 71st
5 Leg., R.S., Ch. 220, Sec. 5.12.)

6 Sec. 1030.117. AUTHORITY TO SUE AND BE SUED. The board may
7 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
8 Ch. 220, Sec. 5.15.)

9 [Sections 1030.118-1030.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1030.151. BUDGET. (a) The district administrator
12 shall prepare a proposed annual budget for the district.

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

- 15 (1) the outstanding obligations of the district;
- 16 (2) the amount of cash on hand in each district fund;
- 17 (3) the amount of money received by the district from
18 all sources during the previous year;
- 19 (4) the amount of money available to the district from
20 all sources during the ensuing year;
- 21 (5) the amount of the balances expected at the end of
22 the year in which the budget is being prepared;
- 23 (6) the estimated amount of revenue and balances
24 available to cover the proposed budget; and
- 25 (7) the estimated tax rate required. (Acts 71st Leg.,
26 R.S., Ch. 220, Sec. 6.04.)

27 Sec. 1030.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

2 (b) The board shall publish notice of the hearing in a
3 newspaper with general circulation in the district not later than
4 the 10th day before the date of the hearing.

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

7 (d) At the conclusion of the hearing, the board shall adopt
8 a budget by acting on the budget proposed by the district
9 administrator. The board may make any changes in the proposed
10 budget that the board judges to be in the interests of the
11 taxpayers.

12 (e) The budget is effective only after adoption by the
13 board. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.05.)

14 Sec. 1030.153. AMENDMENTS TO BUDGET. After adoption, the
15 annual budget may be amended on the board's approval. (Acts 71st
16 Leg., R.S., Ch. 220, Sec. 6.06.)

17 Sec. 1030.154. RESTRICTION ON EXPENDITURES. Money may be
18 spent only for an expense included in the budget or an amendment to
19 the budget. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.07.)

20 Sec. 1030.155. FISCAL YEAR. (a) The district operates
21 according to a fiscal year established by the board.

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

23 (1) when revenue bonds of the district are
24 outstanding; or

25 (2) more than once in a 24-month period. (Acts 71st
26 Leg., R.S., Ch. 220, Sec. 6.01.)

27 Sec. 1030.156. ANNUAL AUDIT. (a) The board annually shall

1 have an audit made of the district's financial condition.

2 (b) The board shall retain the services of a qualified
3 independent certified public accounting firm to prepare the annual
4 audit of the district's financial condition.

5 (c) The firm shall prepare and submit the audit to the board
6 not later than the 90th day following the close of the district's
7 fiscal year.

8 (d) The district is not subject to audit by the Frio County
9 auditor. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.02.)

10 Sec. 1030.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
11 RECORDS. The annual audit and other district records shall be open
12 to inspection during regular business hours at the district's
13 principal office. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.03.)

14 Sec. 1030.158. FINANCIAL REPORT. As soon as practicable
15 after the close of the fiscal year, the district administrator
16 shall prepare for the board:

17 (1) a sworn statement of the amount of district money;
18 and

19 (2) an account of the disbursements of that money.
20 (Acts 71st Leg., R.S., Ch. 220, Sec. 6.08.)

21 Sec. 1030.159. DEPOSITORY. (a) The board shall select at
22 least one bank to serve as a depository for district money.

23 (b) District money, other than money invested as provided by
24 Section 1030.160(b) and money transmitted to a bank for payment of
25 bonds or obligations issued or assumed by the district, shall be
26 deposited as received with the depository bank and must remain on
27 deposit. This subsection does not limit the power of the board to

1 place a part of district money on time deposit or to purchase
2 certificates of deposit.

3 (c) The district may not deposit money with a bank in an
4 amount that exceeds the maximum amount secured by the Federal
5 Deposit Insurance Corporation unless the bank first executes a bond
6 or other security in an amount sufficient to secure from loss the
7 district money that exceeds the amount secured by the Federal
8 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 220,
9 Sec. 6.10.)

10 Sec. 1030.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
11 Except as provided by Sections 1030.110, 1030.201, 1030.204, and
12 1030.205, the district may not incur a debt payable from district
13 revenue other than the revenue on hand or to be on hand in the
14 current and immediately following district fiscal years.

15 (b) The board may invest operating, depreciation, or
16 building reserves only in funds or securities specified by Chapter
17 2256, Government Code. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.09.)

18 [Sections 1030.161-1030.200 reserved for expansion]

19 SUBCHAPTER E. BONDS

20 Sec. 1030.201. GENERAL OBLIGATION BONDS. If authorized by
21 an election, the board may issue and sell general obligation bonds
22 in the name and on the faith and credit of the district to:

23 (1) purchase, construct, acquire, repair, or renovate
24 buildings or improvements;

25 (2) equip buildings or improvements for hospital
26 purposes; or

27 (3) acquire and operate a mobile emergency medical

1 service. (Acts 71st Leg., R.S., Ch. 220, Sec. 7.01.)

2 Sec. 1030.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
3 the time general obligation bonds are issued by the district under
4 Section 1030.201, the board shall impose an ad valorem tax at a rate
5 sufficient to create an interest and sinking fund to pay the
6 principal of and interest on the bonds as the bonds mature.

7 (b) The tax required by this section together with any other
8 ad valorem tax the district imposes may not in any year exceed the
9 limit approved by the voters at the election authorizing the
10 imposition of the tax. (Acts 71st Leg., R.S., Ch. 220, Sec. 7.02.)

11 Sec. 1030.203. GENERAL OBLIGATION BOND ELECTION. (a) The
12 district may issue general obligation bonds only if the bonds are
13 authorized by a majority of the district voters voting at an
14 election held for that purpose.

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

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

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

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

24 (e) The board shall declare the results of the election.
25 (Acts 71st Leg., R.S., Ch. 220, Sec. 7.03.)

26 Sec. 1030.204. REVENUE BONDS. (a) The board may issue
27 revenue bonds to:

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

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

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

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

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

12 (d) The bonds must be issued in the manner provided by
13 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
14 Code, for issuance of revenue bonds by a county hospital authority.
15 (Acts 71st Leg., R.S., Ch. 220, Sec. 7.04.)

16 Sec. 1030.205. REFUNDING BONDS. (a) The board may issue
17 refunding bonds to refund outstanding indebtedness issued or
18 assumed by the district.

19 (b) Refunding bonds may be:

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

22 (2) exchanged wholly or partly for not less than a
23 similar principal amount of outstanding indebtedness. (Acts 71st
24 Leg., R.S., Ch. 220, Secs. 7.05(a), (c) (part).)

25 Sec. 1030.206. MATURITY OF BONDS. District bonds must
26 mature not later than 50 years after the date of issuance. (Acts
27 71st Leg., R.S., Ch. 220, Sec. 7.06 (part).)

1 election authorizing the imposition of the tax.

2 (b) The tax rate for all purposes may not exceed 30 cents on
3 each \$100 valuation of all taxable property in the district.

4 (c) In setting the tax rate, the board shall consider the
5 income of the district from sources other than taxation. (Acts 71st
6 Leg., R.S., Ch. 220, Secs. 8.01(a) (part), (b), 8.03 (part).)

7 Sec. 1030.253. TAX ASSESSOR-COLLECTOR. The board may
8 provide for the appointment of a tax assessor-collector for the
9 district or may contract for the assessment and collection of taxes
10 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 220, Sec.
11 8.04(b).)

12 [Sections 1030.254-1030.300 reserved for expansion]

13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1030.301. DISSOLUTION; ELECTION. (a) The district
15 may be dissolved on approval of a majority of the district voters
16 voting in an election held for that purpose.

17 (b) A majority of the board may order that a dissolution
18 election be held.

19 (c) The order calling the election must state:

20 (1) the name of the election, including the
21 proposition to appear on the ballot;

22 (2) the date of the election;

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

24 (4) the location of the polling places.

25 (d) Section 41.001(a), Election Code, does not apply to an
26 election ordered under this section. (Acts 71st Leg., R.S., Ch.
27 220, Secs. 9.01, 9.02, 9.03, 9.05(b).)

1 Sec. 1030.302. NOTICE OF ELECTION. (a) The board shall
2 give notice of an election under this subchapter by publishing once
3 a week for two consecutive weeks a substantial copy of the election
4 order in a newspaper with general circulation in the district.

5 (b) The first publication of the notice must appear at least
6 35 days before the date set for the election. (Acts 71st Leg.,
7 R.S., Ch. 220, Sec. 9.04.)

8 Sec. 1030.303. BALLOT. The ballot for an election under
9 this subchapter must be printed to permit voting for or against the
10 proposition: "The dissolution of the Frio Hospital District."
11 (Acts 71st Leg., R.S., Ch. 220, Sec. 9.06.)

12 Sec. 1030.304. ELECTION RESULTS. (a) If the board finds
13 the election results favor the proposition to dissolve the
14 district, the board shall issue an order disposing of or
15 transferring the district's assets.

16 (b) If the board finds the election results do not favor the
17 proposition to dissolve the district, another dissolution election
18 may not be held before the first anniversary of the date of the
19 election in which voters disapproved the proposition. (Acts 71st
20 Leg., R.S., Ch. 220, Secs. 9.07(b) (part), (c).)

21 Sec. 1030.305. DISPOSITION OR TRANSFER OF DISTRICT ASSETS;
22 DECLARATION OF DISSOLUTION. (a) A board order issued under Section
23 1030.304 that disposes of district assets must satisfy the
24 district's debts and bond obligations in a manner that protects the
25 interests of citizens in the district, including the citizens'
26 collective property rights in the district's assets and property.

27 (b) In connection with an election in favor of dissolution,

1 the board may not dispose of or transfer the district's assets
2 except for due compensation unless:

3 (1) the assets are transferred to another governmental
4 agency, such as a county, embracing the district; and

5 (2) the transferred assets are to be used for the
6 benefit of citizens formerly in the district.

7 (c) A grant from federal funds, however dispensed, is an
8 obligation to be repaid in satisfaction.

9 (d) On completion of the requirements of this section, the
10 board shall declare the district dissolved. (Acts 71st Leg., R.S.,
11 Ch. 220, Sec. 9.07(b) (part).)

12 CHAPTER 1031. GARZA COUNTY HEALTH CARE DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 1031.001. DEFINITIONS

15 Sec. 1031.002. AUTHORITY FOR OPERATION

16 Sec. 1031.003. POLITICAL SUBDIVISION

17 Sec. 1031.004. DISTRICT TERRITORY

18 Sec. 1031.005. CORRECTION OF INVALID PROCEDURES

19 Sec. 1031.006. PUBLIC PURPOSE; TAX EXEMPTION

20 [Sections 1031.007-1031.050 reserved for expansion]

21 SUBCHAPTER B. DISTRICT ADMINISTRATION

22 Sec. 1031.051. BOARD ELECTION; TERM

23 Sec. 1031.052. NOTICE OF ELECTION

24 Sec. 1031.053. QUALIFICATIONS FOR OFFICE

25 Sec. 1031.054. BOND; RECORD OF BOND AND OATH OR

26 AFFIRMATION OF OFFICE

27 Sec. 1031.055. BOARD VACANCY

- 1 Sec. 1031.056. OFFICERS
- 2 Sec. 1031.057. COMPENSATION; EXPENSES
- 3 Sec. 1031.058. VOTING REQUIREMENT
- 4 Sec. 1031.059. MEETINGS
- 5 Sec. 1031.060. DISTRICT ADMINISTRATOR
- 6 Sec. 1031.061. EMPLOYMENT AND RECRUITMENT OF STAFF AND
- 7 EMPLOYEES
- 8 Sec. 1031.062. PERSONNEL CONTRACTS
- 9 Sec. 1031.063. RETIREMENT BENEFITS
- 10 Sec. 1031.064. MAINTENANCE OF RECORDS; PUBLIC
- 11 INSPECTION
- 12 Sec. 1031.065. SEAL
- 13 [Sections 1031.066-1031.100 reserved for expansion]
- 14 SUBCHAPTER C. POWERS AND DUTIES
- 15 Sec. 1031.101. DISTRICT RESPONSIBILITY
- 16 Sec. 1031.102. RESTRICTION ON COUNTY OR MUNICIPALITY
- 17 TAXATION
- 18 Sec. 1031.103. MANAGEMENT AND CONTROL
- 19 Sec. 1031.104. RULES
- 20 Sec. 1031.105. PURCHASING AND ACCOUNTING PROCEDURES
- 21 Sec. 1031.106. DISTRICT PROPERTY, FACILITIES, AND
- 22 EQUIPMENT
- 23 Sec. 1031.107. COMPETITIVE BIDDING
- 24 Sec. 1031.108. EMERGENCY MEDICAL SERVICES
- 25 Sec. 1031.109. GIFTS AND ENDOWMENTS
- 26 Sec. 1031.110. PAYMENT FOR TREATMENT; PROCEDURES
- 27 Sec. 1031.111. NONINDIGENT RESIDENTS

1 Sec. 1031.112. AUTHORITY TO SUE AND BE SUED

2 [Sections 1031.113-1031.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1031.151. BUDGET

5 Sec. 1031.152. PROPOSED BUDGET: NOTICE AND HEARING

6 Sec. 1031.153. FISCAL YEAR

7 Sec. 1031.154. ANNUAL AUDIT

8 Sec. 1031.155. DEPOSITORY OR TREASURER

9 Sec. 1031.156. AUTHORITY TO BORROW MONEY; SECURITY

10 [Sections 1031.157-1031.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 1031.201. GENERAL OBLIGATION BONDS

13 Sec. 1031.202. TAX TO PAY GENERAL OBLIGATION BONDS

14 Sec. 1031.203. GENERAL OBLIGATION BOND ELECTION

15 Sec. 1031.204. REVENUE BONDS

16 Sec. 1031.205. REFUNDING BONDS

17 Sec. 1031.206. MATURITY OF BONDS

18 Sec. 1031.207. EXECUTION OF BONDS

19 [Sections 1031.208-1031.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1031.251. IMPOSITION OF AD VALOREM TAX

22 Sec. 1031.252. TAX RATE

23 Sec. 1031.253. ELECTION TO INCREASE MAXIMUM TAX RATE

24 Sec. 1031.254. TAX ASSESSOR-COLLECTOR

25 [Sections 1031.255-1031.300 reserved for expansion]

26 SUBCHAPTER G. DISSOLUTION

27 Sec. 1031.301. DISSOLUTION; ELECTION

1 Sec. 1031.302. NOTICE OF ELECTION

2 Sec. 1031.303. BALLOT

3 Sec. 1031.304. ELECTION RESULTS

4 Sec. 1031.305. TRANSFER, SALE, OR ADMINISTRATION OF
5 ASSETS

6 Sec. 1031.306. SALE OR TRANSFER OF ASSETS AND
7 LIABILITIES

8 Sec. 1031.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
9 TAXES

10 Sec. 1031.308. REPORT; DISSOLUTION ORDER

11 CHAPTER 1031. GARZA COUNTY HEALTH CARE DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 1031.001. DEFINITIONS. In this chapter:

14 (1) "Board" means the board of directors of the
15 district.

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

17 (3) "District" means the Garza County Health Care
18 District. (New.)

19 Sec. 1031.002. AUTHORITY FOR OPERATION. The district
20 operates in accordance with and has the powers and responsibilities
21 provided by Section 9, Article IX, Texas Constitution. (Acts 60th
22 Leg., R.S., Ch. 502, Sec. 1 (part).)

23 Sec. 1031.003. POLITICAL SUBDIVISION. The district is a
24 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
25 502, Sec. 16 (part).)

26 Sec. 1031.004. DISTRICT TERRITORY. The boundaries of the
27 district are coextensive with the boundaries of Garza County.

1 (Acts 60th Leg., R.S., Ch. 502, Sec. 1 (part).)

2 Sec. 1031.005. CORRECTION OF INVALID PROCEDURES. If a
3 court holds that any procedure under this chapter violates the
4 constitution of this state or of the United States, the district by
5 resolution may provide an alternative procedure that conforms with
6 the constitution. (Acts 60th Leg., R.S., Ch. 502, Sec. 17 (part).)

7 Sec. 1031.006. PUBLIC PURPOSE; TAX EXEMPTION. All property
8 owned by the district:

9 (1) shall be held for public purposes; and

10 (2) is exempt from taxation of every character. (Acts
11 60th Leg., R.S., Ch. 502, Sec. 16 (part).)

12 [Sections 1031.007-1031.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1031.051. BOARD ELECTION; TERM. (a) The board
15 consists of five directors elected from the district at large.

16 (b) Unless four-year terms are established under Section
17 285.081, Health and Safety Code:

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

19 (2) an election shall be held on the uniform election
20 date in May of each year to elect the appropriate number of
21 directors. (Acts 60th Leg., R.S., Ch. 502, Secs. 3(a) (part), (d)
22 (part).)

23 Sec. 1031.052. NOTICE OF ELECTION. At least 10 days before
24 the date of an election of directors, notice of the election shall
25 be published one time in a newspaper of general circulation in Garza
26 County. (Acts 60th Leg., R.S., Ch. 502, Sec. 3(d) (part).)

27 Sec. 1031.053. QUALIFICATIONS FOR OFFICE. To be eligible

1 to serve as a director, a person must:

2 (1) be a district resident; and

3 (2) have resided in the district for at least six
4 months immediately preceding the date on which the person:

5 (A) files for election; or

6 (B) is appointed or elected as provided by
7 Section 1031.055, if filling a vacancy in the office of director.
8 (Acts 60th Leg., R.S., Ch. 502, Sec. 3(a) (part).)

9 Sec. 1031.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
10 OF OFFICE. (a) Each director may be required to execute a good and
11 sufficient bond for \$1,000 that is:

12 (1) payable to the district; and

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

15 (b) The board may pay for a director's bond with district
16 money.

17 (c) Each director's bond and constitutional oath or
18 affirmation of office shall be deposited with the district's
19 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 502,
20 Sec. 3(a) (part).)

21 Sec. 1031.055. BOARD VACANCY. (a) If a vacancy occurs in
22 the office of director, the remaining directors shall appoint a
23 director for the unexpired term.

24 (b) If the number of directors is reduced to fewer than
25 three for any reason, the remaining directors shall immediately
26 call a special election to fill the vacancies. If the remaining
27 directors do not call the election, a district court, on

1 application of a district voter or taxpayer, may order the
2 directors to hold the election. (Acts 60th Leg., R.S., Ch. 502,
3 Sec. 3(c) (part).)

4 Sec. 1031.056. OFFICERS. The board shall:

5 (1) elect a president from among its members; and

6 (2) appoint a secretary from among its members. (Acts
7 60th Leg., R.S., Ch. 502, Sec. 3(c) (part).)

8 Sec. 1031.057. COMPENSATION; EXPENSES. A director serves
9 without compensation but may be reimbursed for actual expenses
10 incurred in the performance of official duties on approval of the
11 expenses by the board. (Acts 60th Leg., R.S., Ch. 502, Sec. 4
12 (part).)

13 Sec. 1031.058. VOTING REQUIREMENT. A concurrence of three
14 directors is sufficient in any matter relating to district
15 business. (Acts 60th Leg., R.S., Ch. 502, Sec. 3(c) (part).)

16 Sec. 1031.059. MEETINGS. (a) A board meeting may be called
17 by the president or any three directors.

18 (b) Notice of the time and place of a board meeting must be
19 given to each director at least 72 hours before the time of the
20 meeting.

21 (c) This section does not prevent the board by resolution
22 from establishing a regular time and place for meetings for which
23 special notice is not required. (Acts 60th Leg., R.S., Ch. 502,
24 Sec. 3(c) (part).)

25 Sec. 1031.060. DISTRICT ADMINISTRATOR. (a) The board
26 shall appoint a district administrator.

27 (b) The district administrator may not receive an

1 employment contract for a specified term and may be terminated at
2 any time by the board.

3 (c) The district administrator may be required to execute a
4 good and sufficient bond for \$10,000 that is:

5 (1) payable to the district; and

6 (2) conditioned on the faithful performance of the
7 administrator's duties.

8 (d) The district administrator's bond shall be deposited
9 with the district's depository bank for safekeeping.

10 (e) The board may pay for the bond with district money.
11 (Acts 60th Leg., R.S., Ch. 502, Sec. 3(b).)

12 Sec. 1031.061. EMPLOYMENT AND RECRUITMENT OF STAFF AND
13 EMPLOYEES. (a) The board may employ a general manager and other
14 necessary professional and clerical personnel.

15 (b) The board may spend district money to recruit
16 physicians, nurses, and other trained medical personnel. The board
17 may pay the tuition or other expenses of a full-time medical student
18 or other student in a health occupation who:

19 (1) is enrolled in and is in good standing at an
20 accredited medical school, college, or university; and

21 (2) contractually agrees to become a district employee
22 or independent contractor in return for that assistance. (Acts
23 60th Leg., R.S., Ch. 502, Secs. 8(a) (part), (i).)

24 Sec. 1031.062. PERSONNEL CONTRACTS. (a) The board may
25 contract to provide administrative and other personnel for the
26 operation of the health care facilities.

27 (b) The term of the contract may not exceed five years.

1 (Acts 60th Leg., R.S., Ch. 502, Sec. 8(e).)

2 Sec. 1031.063. RETIREMENT BENEFITS. The board may provide
3 retirement benefits for district employees by:

4 (1) establishing or administering a retirement
5 program; or

6 (2) participating in:

7 (A) the Texas County and District Retirement
8 System; or

9 (B) another statewide retirement system in which
10 the district is eligible to participate. (Acts 60th Leg., R.S., Ch.
11 502, Sec. 8(h).)

12 Sec. 1031.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
13 Except as provided by Sections 1031.054 and 1031.060, all district
14 records, including books, accounts, notices, minutes, and all other
15 matters of the district and the operation of its facilities, shall
16 be:

17 (1) maintained at the district office; and

18 (2) open to public inspection at the district office
19 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 502, Sec.
20 8(b).)

21 Sec. 1031.065. SEAL. The board may adopt a seal for the
22 district. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(a) (part).)

23 [Sections 1031.066-1031.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1031.101. DISTRICT RESPONSIBILITY. The district has
26 full responsibility for providing medical, hospital, and health
27 care for the district's needy and indigent residents. (Acts 60th

1 Leg., R.S., Ch. 502, Secs. 2 (part), 12 (part).)

2 Sec. 1031.102. RESTRICTION ON COUNTY OR MUNICIPALITY
3 TAXATION. Garza County or a municipality in Garza County may not
4 impose a tax for health care purposes. (Acts 60th Leg., R.S., Ch.
5 502, Sec. 12 (part).)

6 Sec. 1031.103. MANAGEMENT AND CONTROL. The management and
7 control of the district is vested in the board. (Acts 60th Leg.,
8 R.S., Ch. 502, Sec. 4 (part).)

9 Sec. 1031.104. RULES. (a) The board may adopt rules
10 governing the operation of the district, including district
11 facilities.

12 (b) On approval by the board, the rules may be published in
13 booklet form at district expense and made available to any taxpayer
14 on request. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(c).)

15 Sec. 1031.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)
16 The board may prescribe the method and manner of making purchases
17 and expenditures by and for the district.

18 (b) The board shall prescribe:

19 (1) all accounting and control procedures; and

20 (2) the method of purchasing necessary supplies,
21 materials, and equipment. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(a)
22 (part).)

23 Sec. 1031.106. DISTRICT PROPERTY, FACILITIES, AND
24 EQUIPMENT. (a) The board may:

25 (1) purchase or lease property, including facilities
26 or equipment, for the district to use in the health care system; and

27 (2) mortgage or pledge the property as security for

1 the payment of the purchase price.

2 (b) The board may lease district health care facilities to
3 individuals, corporations, or other legal entities for a term not
4 to exceed 20 years.

5 (c) The board may sell or otherwise dispose of the
6 district's property, including facilities or equipment. (Acts 60th
7 Leg., R.S., Ch. 502, Secs. 8(d), (f), (g).)

8 Sec. 1031.107. COMPETITIVE BIDDING. The district may not
9 enter into a contract that requires the district to spend at least
10 \$15,000 and creates or imposes any type of obligation or liability
11 on the district, unless the district first submits the contract to
12 competitive bids. (Acts 60th Leg., R.S., Ch. 502, Sec. 6(g).)

13 Sec. 1031.108. EMERGENCY MEDICAL SERVICES. The board may
14 spend district money to support emergency medical services in Garza
15 County. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(k).)

16 Sec. 1031.109. GIFTS AND ENDOWMENTS. The board may accept
17 for the district a gift or endowment to be held in trust and
18 administered by the board for the purposes and under the
19 directions, limitations, or other provisions prescribed in writing
20 by the donor that are not inconsistent with the proper management
21 and objectives of the district. (Acts 60th Leg., R.S., Ch. 502,
22 Sec. 14.)

23 Sec. 1031.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)
24 When a patient who claims to be indigent is admitted to a district
25 facility, the board shall have an inquiry made into the
26 circumstances of:

27 (1) the patient; and

1 (2) the patient's relatives who are legally liable for
2 the patient's support.

3 (b) If an agent designated by the district to handle the
4 inquiry determines that the patient or those relatives cannot pay
5 all or part of the costs of the care and treatment in the health care
6 facility, the amount of the costs that cannot be paid becomes a
7 charge against the district.

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

15 (d) The district may collect the amount from the patient's
16 estate, or from any relative who is legally liable for the patient's
17 support, in the manner provided by law for the collection of
18 expenses of the last illness of a deceased person.

19 (e) If there is a dispute as to the ability to pay, or doubt
20 in the mind of the designated district agent, the board shall hold a
21 hearing and, after calling witnesses, shall:

22 (1) resolve the dispute or doubt; and

23 (2) issue an appropriate order.

24 (f) The order may be appealed to the district court. (Acts
25 60th Leg., R.S., Ch. 502, Sec. 13.)

26 Sec. 1031.111. NONINDIGENT RESIDENTS. The board may
27 provide access to medical care to a nonindigent resident of Garza

1 County if the nonindigent resident is charged the reasonable and
2 customary cost of services. (Acts 60th Leg., R.S., Ch. 502, Sec.
3 8(1).)

4 Sec. 1031.112. AUTHORITY TO SUE AND BE SUED. As a
5 governmental agency, the district may sue and be sued in its own
6 name in any court of this state. (Acts 60th Leg., R.S., Ch. 502,
7 Sec. 16 (part).)

8 [Sections 1031.113-1031.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 1031.151. BUDGET. The board annually shall require a
11 budget to be prepared for the next fiscal year that includes:

- 12 (1) proposed expenditures and disbursements;
13 (2) estimated receipts and collections; and
14 (3) the amount of taxes required to be imposed for the
15 year. (Acts 60th Leg., R.S., Ch. 502, Sec. 9(b) (part).)

16 Sec. 1031.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
17 The board shall hold a public hearing on the proposed annual budget.

18 (b) Notice of the hearing must be published in a newspaper
19 of general circulation in Garza County in accordance with Chapter
20 551, Government Code.

21 (c) Any district resident is entitled to:

22 (1) appear at the time and place designated in the
23 notice; and

24 (2) be heard regarding any item included in the
25 proposed budget. (Acts 60th Leg., R.S., Ch. 502, Sec. 9(b) (part).)

26 Sec. 1031.153. FISCAL YEAR. The district operates on a
27 fiscal year that begins on October 1 and ends on September 30.

1 (Acts 60th Leg., R.S., Ch. 502, Sec. 9(a) (part).)

2 Sec. 1031.154. ANNUAL AUDIT. The board annually shall have
3 an independent audit made of the district's books and records for
4 the fiscal year. (Acts 60th Leg., R.S., Ch. 502, Sec. 9(a) (part).)

5 Sec. 1031.155. DEPOSITORY OR TREASURER. (a) The board by
6 resolution shall designate a bank or banks as the district's
7 depository or treasurer. A designated bank serves for two years and
8 until a successor is designated.

9 (b) All district money shall be secured in the manner
10 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 502,
11 Sec. 10.)

12 Sec. 1031.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)
13 The board may borrow money at a rate not to exceed the maximum
14 annual percentage rate allowed by law for district obligations at
15 the time the loan is made.

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

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

19 (2) a district tax to be imposed by the district during
20 the 12-month period following the date of the pledge that is not
21 pledged to pay the principal of or interest on district bonds; or

22 (3) district bonds that have been authorized but not
23 sold.

24 (c) A loan for which taxes or bonds are pledged must mature
25 not later than the first anniversary of the date the loan is made. A
26 loan for which district revenue is pledged must mature not later
27 than the fifth anniversary of the date the loan is made. (Acts 60th

1 Leg., R.S., Ch. 502, Sec. 16A.)

2 [Sections 1031.157-1031.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Sec. 1031.201. GENERAL OBLIGATION BONDS. The board may
5 issue general obligation bonds in the name and on the faith and
6 credit of the district to:

7 (1) purchase, construct, acquire, repair, or renovate
8 buildings or improvements;

9 (2) equip buildings or improvements for health care
10 purposes; or

11 (3) acquire and operate a mobile emergency medical or
12 air ambulance service. (Acts 60th Leg., R.S., Ch. 502, Sec. 6(a).)

13 Sec. 1031.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
14 the time general obligation bonds are issued by the district under
15 Section 1031.201, the board shall impose an ad valorem tax at a rate
16 sufficient to create an interest and sinking fund to pay the
17 principal of and interest on the bonds as the bonds mature.

18 (b) The tax required by this section together with any
19 maintenance and operation tax the district imposes may not exceed
20 the tax rate approved by the voters at the election authorizing the
21 imposition of the tax. (Acts 60th Leg., R.S., Ch. 502, Sec. 6(b)
22 (part).)

23 Sec. 1031.203. GENERAL OBLIGATION BOND ELECTION. (a) The
24 district may issue general obligation bonds only if the bonds are
25 authorized by a majority of the district voters voting at an
26 election held for that purpose.

27 (b) The board may order a bond election. The election shall

1 be conducted as provided by Chapter 1251, Government Code.

2 (c) The board shall declare the results of the election.
3 (Acts 60th Leg., R.S., Ch. 502, Sec. 6(b) (part).)

4 Sec. 1031.204. REVENUE BONDS. (a) The district may issue
5 revenue bonds for any health care purpose, including a purpose
6 described by Section 1031.201, only if the bonds are authorized by a
7 majority of the district voters voting at an election held for that
8 purpose.

9 (b) The bonds must be payable from and secured by a pledge of
10 all or part of the revenue derived from the operation of the
11 district's health care system.

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

14 (d) The bonds must be issued in the manner provided by
15 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
16 Code, for issuance of revenue bonds by a county hospital authority.
17 (Acts 60th Leg., R.S., Ch. 502, Sec. 6(c).)

18 Sec. 1031.205. REFUNDING BONDS. (a) The board may, without
19 an election, issue refunding bonds in the manner provided by this
20 subchapter to refund outstanding bonds issued by the district.

21 (b) A refunding bond may be:

22 (1) sold, with the proceeds of the refunding bond
23 applied to the payment of the bonds to be refunded; or

24 (2) exchanged wholly or partly for not less than a
25 similar principal amount of the outstanding bonds and the unpaid
26 matured interest on the bonds. (Acts 60th Leg., R.S., Ch. 502, Sec.
27 6(f) (part).)

1 at a rate not to exceed the limit approved by the voters at the
2 election authorizing the imposition of the tax.

3 (b) The tax rate for all purposes may not exceed 75 cents on
4 each \$100 valuation of all taxable property in the district. (Acts
5 60th Leg., R.S., Ch. 502, Sec. 5(b) (part).)

6 Sec. 1031.253. ELECTION TO INCREASE MAXIMUM TAX RATE. The
7 board may call an election to increase the maximum tax rate of the
8 district to a specified rate allowed by law on each \$100 valuation
9 of the taxable property in the district if the board determines that
10 an increase is necessary to carry out the purposes for which the
11 initial tax rate was authorized. (Acts 60th Leg., R.S., Ch. 502,
12 Sec. 7 (part).)

13 Sec. 1031.254. TAX ASSESSOR-COLLECTOR. (a) The board may
14 provide for the appointment of a tax assessor-collector for the
15 district or may contract for the assessment and collection of taxes
16 as provided by the Tax Code.

17 (b) The tax assessor-collector shall assess and collect
18 taxes imposed by the district. (Acts 60th Leg., R.S., Ch. 502, Secs.
19 5(b) (part), 9(b) (part).)

20 [Sections 1031.255-1031.300 reserved for expansion]

21 SUBCHAPTER G. DISSOLUTION

22 Sec. 1031.301. DISSOLUTION; ELECTION. (a) The district
23 may be dissolved only on approval of a majority of the district
24 voters voting in an election held for that purpose.

25 (b) The board may order an election on the question of
26 dissolving the district and disposing of the district's assets and
27 obligations.

1 (c) The board shall order an election if the board receives
2 a petition requesting an election that is signed by at least 10
3 percent of the registered voters in the district.

4 (d) The order calling the election must state:

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

7 (2) the date of the election;

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

9 (4) the location of the polling places.

10 (e) Section 41.001(a), Election Code, does not apply to an
11 election ordered under this section. (Acts 60th Leg., R.S., Ch.
12 502, Secs. 16B(a), (b), (c) (part).)

13 Sec. 1031.302. NOTICE OF ELECTION. (a) The board shall
14 give notice of an election under this subchapter by publishing once
15 a week for two consecutive weeks a substantial copy of the election
16 order in a newspaper with general circulation in the district.

17 (b) The first publication of the notice must appear not
18 later than the 35th day before the date set for the election. (Acts
19 60th Leg., R.S., Ch. 502, Sec. 16B(d) (part).)

20 Sec. 1031.303. BALLOT. The ballot for an election under
21 this subchapter must be printed to permit voting for or against the
22 proposition: "The dissolution of the Garza County Health Care
23 District." (Acts 60th Leg., R.S., Ch. 502, Sec. 16B(d) (part).)

24 Sec. 1031.304. ELECTION RESULTS. (a) If a majority of the
25 votes in an election under this subchapter favor dissolution, the
26 board shall find that the district is dissolved.

27 (b) If a majority of the votes in the election do not favor

1 dissolution, the board shall continue to administer the district
2 and another election on the question of dissolution may not be held
3 before the first anniversary of the date of the most recent election
4 to dissolve the district. (Acts 60th Leg., R.S., Ch. 502, Sec.
5 16B(e).)

6 Sec. 1031.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

7 (a) If a majority of the votes in the election held under this
8 subchapter favor dissolution, the board shall:

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

12 (2) sell the assets and liabilities to another person;
13 or

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

17 (b) If the board makes the transfer under Subsection (a)(1),
18 the county or entity assumes all debts and obligations of the
19 district at the time of the transfer, and the district is dissolved.

20 (c) If Subsections (a)(1) and (2) do not apply and the board
21 administers the property, assets, and debts of the district under
22 Subsection (a)(3), the district is dissolved when all money has
23 been disposed of and all district debts have been paid or settled.
24 (Acts 60th Leg., R.S., Ch. 502, Secs. 16B(f), (g), (m) (part).)

25 Sec. 1031.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

26 (a) The dissolution of the district and the sale or transfer of the
27 district's assets and liabilities to another person may not

1 contravene a trust indenture or bond resolution relating to the
2 district's outstanding bonds. The dissolution and sale or transfer
3 does not diminish or impair the rights of a holder of an outstanding
4 bond, warrant, or other obligation of the district.

5 (b) The sale or transfer of the district's assets and
6 liabilities must satisfy the debt and bond obligations of the
7 district in a manner that protects the interests of the residents of
8 the district, including the residents' collective property rights
9 in the district's assets.

10 (c) The district may not transfer or dispose of the
11 district's assets except for due compensation unless:

12 (1) the transfer is made to another governmental
13 entity that serves the district; and

14 (2) the transferred assets are to be used for the
15 benefit of the district's residents.

16 (d) A grant from federal funds is an obligation to be repaid
17 in satisfaction. (Acts 60th Leg., R.S., Ch. 502, Secs. 16B(m)
18 (part), (n).)

19 Sec. 1031.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
20 TAXES. (a) After the board finds that the district is dissolved,
21 the board shall:

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

23 (2) impose on the property included in the district's
24 tax rolls a tax that is in proportion of the debt to the property
25 value.

26 (b) On the payment of all outstanding debts and obligations
27 of the district, the board shall order the secretary to return to

1 each district taxpayer the taxpayer's pro rata share of all unused
2 tax money.

3 (c) A taxpayer may request that the taxpayer's share of
4 surplus tax money be credited to the taxpayer's county taxes. If a
5 taxpayer requests the credit, the board shall direct the secretary
6 to transmit the money to the county tax assessor-collector. (Acts
7 60th Leg., R.S., Ch. 502, Secs. 16B(h), (i), (j).)

8 Sec. 1031.308. REPORT; DISSOLUTION ORDER. (a) After the
9 district has paid all district debts and has disposed of all
10 district money and other assets as prescribed by this subchapter,
11 the board shall file a written report with the Commissioners Court
12 of Garza County summarizing the board's actions in dissolving the
13 district.

14 (b) Not later than the 10th day after the date the
15 Commissioners Court of Garza County receives the report and
16 determines that the requirements of this subchapter have been
17 fulfilled, the commissioners court shall enter an order dissolving
18 the district and releasing the board from any further duty or
19 obligation. (Acts 60th Leg., R.S., Ch. 502, Secs. 16B(k), (l).)

20 CHAPTER 1032. GONZALES HEALTHCARE SYSTEMS

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 1032.001. DEFINITIONS

23 Sec. 1032.002. AUTHORITY FOR OPERATION

24 Sec. 1032.003. ESSENTIAL PUBLIC FUNCTION

25 Sec. 1032.004. DISTRICT TERRITORY

26 Sec. 1032.005. DISTRICT SUPPORT AND MAINTENANCE NOT

27 STATE OBLIGATION

- 1 Sec. 1032.006. RESTRICTION ON STATE FINANCIAL
2 ASSISTANCE
3 [Sections 1032.007-1032.050 reserved for expansion]
4 SUBCHAPTER B. DISTRICT ADMINISTRATION
5 Sec. 1032.051. BOARD ELECTION; TERM
6 Sec. 1032.052. NOTICE OF ELECTION
7 Sec. 1032.053. BALLOT PETITION
8 Sec. 1032.054. QUALIFICATIONS FOR OFFICE
9 Sec. 1032.055. BOARD VACANCY
10 Sec. 1032.056. OFFICERS
11 Sec. 1032.057. COMPENSATION; EXPENSES
12 Sec. 1032.058. VOTING REQUIREMENT
13 Sec. 1032.059. DISTRICT ADMINISTRATOR; ASSISTANT
14 ADMINISTRATOR
15 Sec. 1032.060. GENERAL DUTIES OF DISTRICT
16 ADMINISTRATOR
17 Sec. 1032.061. EMPLOYEES; APPOINTMENT OF STAFF
18 [Sections 1032.062-1032.100 reserved for expansion]
19 SUBCHAPTER C. POWERS AND DUTIES
20 Sec. 1032.101. DISTRICT RESPONSIBILITY
21 Sec. 1032.102. RESTRICTION ON POLITICAL SUBDIVISION
22 TAXATION AND DEBT
23 Sec. 1032.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
24 Sec. 1032.104. HOSPITAL SYSTEM
25 Sec. 1032.105. RULES
26 Sec. 1032.106. PURCHASING AND ACCOUNTING PROCEDURES

- 1 Sec. 1032.107. DISTRICT PROPERTY, FACILITIES, AND
2 EQUIPMENT
- 3 Sec. 1032.108. EMINENT DOMAIN
- 4 Sec. 1032.109. GIFTS AND ENDOWMENTS
- 5 Sec. 1032.110. CONSTRUCTION CONTRACTS
- 6 Sec. 1032.111. OPERATING AND MANAGEMENT CONTRACTS
- 7 Sec. 1032.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
8 FOR CARE AND TREATMENT
- 9 Sec. 1032.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
10 FOR INVESTIGATORY OR OTHER SERVICES
- 11 Sec. 1032.114. PAYMENT FOR TREATMENT; PROCEDURES
- 12 Sec. 1032.115. AUTHORITY TO SUE AND BE SUED
- 13 [Sections 1032.116-1032.150 reserved for expansion]
- 14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 15 Sec. 1032.151. BUDGET
- 16 Sec. 1032.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 17 Sec. 1032.153. AMENDMENTS TO BUDGET
- 18 Sec. 1032.154. RESTRICTION ON EXPENDITURES
- 19 Sec. 1032.155. FISCAL YEAR
- 20 Sec. 1032.156. ANNUAL AUDIT
- 21 Sec. 1032.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
22 RECORDS
- 23 Sec. 1032.158. FINANCIAL REPORT
- 24 Sec. 1032.159. DEPOSITORY
- 25 Sec. 1032.160. SPENDING AND INVESTMENT RESTRICTIONS
- 26 [Sections 1032.161-1032.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

- 2 Sec. 1032.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1032.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1032.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1032.204. MATURITY OF GENERAL OBLIGATION BONDS
- 6 Sec. 1032.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 7 Sec. 1032.206. REVENUE BONDS
- 8 Sec. 1032.207. REFUNDING BONDS
- 9 Sec. 1032.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1032.209-1032.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

- 12 Sec. 1032.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1032.252. TAX RATE
- 14 Sec. 1032.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
- 15 ASSESSOR-COLLECTOR
- 16 Sec. 1032.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 17 TAX ASSESSOR-COLLECTOR

18 CHAPTER 1032. GONZALES HEALTHCARE SYSTEMS

19 SUBCHAPTER A. GENERAL PROVISIONS

- 20 Sec. 1032.001. DEFINITIONS. In this chapter:
- 21 (1) "Board" means the board of directors of the
- 22 district.
- 23 (2) "Director" means a member of the board.
- 24 (3) "District" means Gonzales Healthcare Systems.
- 25 (New.)

26 Sec. 1032.002. AUTHORITY FOR OPERATION. The district
27 operates and is administered and financed in accordance with

1 Section 9, Article IX, Texas Constitution, and has the rights,
2 powers, and duties provided by this chapter. (Acts 64th Leg., R.S.,
3 Ch. 191, Sec. 1 (part).)

4 Sec. 1032.003. ESSENTIAL PUBLIC FUNCTION. The district
5 performs an essential public function in carrying out the purposes
6 of this chapter. (Acts 64th Leg., R.S., Ch. 191, Sec. 21 (part).)

7 Sec. 1032.004. DISTRICT TERRITORY. The boundaries of the
8 district are coextensive with the boundaries of Gonzales County
9 except the district does not include the territory of the following
10 districts that lie within the county as those districts existed on
11 January 1, 1975:

12 (1) Nixon Hospital District of Gonzales and Wilson
13 Counties;

14 (2) DeWitt Medical District;

15 (3) Yoakum Hospital District; and

16 (4) Shiner Independent School District of Shiner and
17 Lavaca Counties. (Acts 64th Leg., R.S., Ch. 191, Sec. 1 (part).)

18 Sec. 1032.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
19 OBLIGATION. The support and maintenance of the district may not
20 become a charge against or obligation of this state. (Acts 64th
21 Leg., R.S., Ch. 191, Sec. 20 (part).)

22 Sec. 1032.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
23 The legislature may not make a direct appropriation for the
24 construction, maintenance, or improvement of a district facility.
25 (Acts 64th Leg., R.S., Ch. 191, Sec. 20 (part).)

26 [Sections 1032.007-1032.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Sec. 1032.051. BOARD ELECTION; TERM. (a) The board
3 consists of nine directors elected as follows:

4 (1) four directors, each of whom is elected from the
5 county commissioners precinct represented by the director; and

6 (2) five directors from the district at large.

7 (b) Directors serve staggered two-year terms unless
8 four-year terms are established under Section 285.081, Health and
9 Safety Code. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(c) (part).)

10 Sec. 1032.052. NOTICE OF ELECTION. At least 45 days before
11 the date of an election of directors, notice of the election shall
12 be published one time in a newspaper or newspapers that
13 individually or collectively have general circulation in the
14 district. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(c) (part).)

15 Sec. 1032.053. BALLOT PETITION. A person who wants to have
16 the person's name printed on the ballot as a candidate for director
17 must file with the board secretary a petition requesting that
18 action. The petition must be:

19 (1) signed by at least 10 voters; and

20 (2) filed at least 45 days before the date of the
21 election. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(c) (part).)

22 Sec. 1032.054. QUALIFICATIONS FOR OFFICE. (a) A person may
23 not be elected or appointed as a director unless the person is:

24 (1) a district resident; and

25 (2) a qualified voter.

26 (b) A person is not eligible to serve as a director if the
27 person is:

1 (1) the district administrator; or

2 (2) a district employee. (Acts 64th Leg., R.S., Ch.
3 191, Sec. 4(d).)

4 Sec. 1032.055. BOARD VACANCY. If a vacancy occurs in the
5 office of director, the remaining directors shall appoint a
6 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 191,
7 Sec. 4(c) (part).)

8 Sec. 1032.056. OFFICERS. (a) The board shall elect:

9 (1) a president and a vice president from among its
10 members; and

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

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

13 (c) The board shall fill a vacancy in a board office for the
14 unexpired term. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(e) (part).)

15 Sec. 1032.057. COMPENSATION; EXPENSES. A director or
16 officer serves without compensation but may be reimbursed for
17 actual expenses incurred in the performance of official duties.
18 The expenses must be:

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

20 (2) approved by the board. (Acts 64th Leg., R.S., Ch.
21 191, Sec. 4(e) (part).)

22 Sec. 1032.058. VOTING REQUIREMENT. A concurrence of five
23 directors is sufficient in any matter relating to district
24 business. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(e) (part).)

25 Sec. 1032.059. DISTRICT ADMINISTRATOR; ASSISTANT
26 ADMINISTRATOR. (a) The board shall appoint a qualified person as
27 district administrator.

1 (b) The board may appoint an assistant administrator.

2 (c) The district administrator and any assistant
3 administrator serve at the will of the board and are entitled to the
4 compensation determined by the board.

5 (d) On assuming the duties of district administrator, the
6 administrator shall execute a bond payable to the district in an
7 amount set by the board of not less than \$5,000 that:

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

10 (2) contains other conditions the board may require.
11 (Acts 64th Leg., R.S., Ch. 191, Sec. 5 (part).)

12 Sec. 1032.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
13 Subject to the limitations prescribed by the board, the district
14 administrator shall:

15 (1) supervise the work and activities of the district;
16 and

17 (2) direct the affairs of the district. (Acts 64th
18 Leg., R.S., Ch. 191, Sec. 5 (part).)

19 Sec. 1032.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
20 board may appoint to the staff any doctors the board considers
21 necessary for the efficient operation of the district and may make
22 temporary appointments as necessary.

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

25 (c) The board may delegate to the district administrator the
26 authority to hire district employees, including technicians and
27 nurses. (Acts 64th Leg., R.S., Ch. 191, Secs. 5 (part), 16.)

1 [Sections 1032.062-1032.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1032.101. DISTRICT RESPONSIBILITY. The district has
4 full responsibility for operating all hospital facilities for
5 providing medical and hospital care for the district's needy
6 inhabitants. (Acts 64th Leg., R.S., Ch. 191, Sec. 19 (part).)

7 Sec. 1032.102. RESTRICTION ON POLITICAL SUBDIVISION
8 TAXATION AND DEBT. A political subdivision located wholly or
9 partly within the district may not impose a tax or issue bonds or
10 other obligations for hospital purposes or to provide medical care
11 for district residents. (Acts 64th Leg., R.S., Ch. 191, Sec. 19
12 (part).)

13 Sec. 1032.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
14 The board shall manage, control, and administer the hospital system
15 and the district's money and resources. (Acts 64th Leg., R.S., Ch.
16 191, Sec. 5 (part).)

17 Sec. 1032.104. HOSPITAL SYSTEM. (a) The district shall
18 provide for the establishment of a hospital system by:

19 (1) purchasing, constructing, acquiring, repairing,
20 or renovating buildings and equipment;

21 (2) equipping the buildings; and

22 (3) administering the buildings and equipment for
23 hospital purposes.

24 (b) The hospital system may include any facilities the board
25 considers necessary for hospital care. (Acts 64th Leg., R.S., Ch.
26 191, Secs. 2 (part), 10(a) (part).)

27 Sec. 1032.105. RULES. The board may adopt rules governing

1 the operation of the hospital, the hospital system, and the
2 district's staff and employees. (Acts 64th Leg., R.S., Ch. 191,
3 Sec. 5 (part).)

4 Sec. 1032.106. PURCHASING AND ACCOUNTING PROCEDURES. The
5 board may prescribe:

6 (1) the method and manner of making purchases and
7 expenditures by and for the district; and

8 (2) all accounting and control procedures. (Acts 64th
9 Leg., R.S., Ch. 191, Sec. 10(b) (part).)

10 Sec. 1032.107. DISTRICT PROPERTY, FACILITIES, AND
11 EQUIPMENT. (a) The board shall determine the type, number, and
12 location of buildings required to maintain an adequate hospital
13 system.

14 (b) The board may lease all or part of the district's
15 buildings and other facilities on terms considered to be in the best
16 interest of the district's inhabitants.

17 (c) The district may acquire equipment for use in the
18 district's hospital system and mortgage or pledge the property as
19 security for the payment of the purchase price.

20 (d) The district may sell or otherwise dispose of any
21 property, including equipment, on terms the board finds are in the
22 best interest of the district's inhabitants. (Acts 64th Leg.,
23 R.S., Ch. 191, Secs. 10(a) (part), (b) (part).)

24 Sec. 1032.108. EMINENT DOMAIN. (a) The district may
25 exercise the power of eminent domain to acquire a fee simple or
26 other interest in any type of property located in district
27 territory if the interest is necessary or convenient for the

1 district to exercise a power, right, or privilege conferred by this
2 chapter.

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

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

9 (1) pay in advance or provide a bond or other security
10 for costs in the trial court;

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

13 (3) provide a bond for costs or a supersedeas bond on
14 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 191, Sec.
15 14.)

16 Sec. 1032.109. GIFTS AND ENDOWMENTS. The board may accept
17 for the district a gift or endowment to be held in trust and
18 administered by the board for the purposes and under the
19 directions, limitations, or other provisions prescribed in writing
20 by the donor that are not inconsistent with the proper management
21 and objectives of the district. (Acts 64th Leg., R.S., Ch. 191,
22 Sec. 18.)

23 Sec. 1032.110. CONSTRUCTION CONTRACTS. A construction
24 contract that involves the expenditure of more than \$10,000 may be
25 made only after advertising in the manner provided by Chapter 252
26 and Subchapter C, Chapter 262, Local Government Code. (Acts 64th
27 Leg., R.S., Ch. 191, Sec. 10(b) (part).)

1 Sec. 1032.111. OPERATING AND MANAGEMENT CONTRACTS. The
2 board may enter into an operating or management contract relating
3 to a district facility. (Acts 64th Leg., R.S., Ch. 191, Sec. 10(a)
4 (part).)

5 Sec. 1032.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
6 CARE AND TREATMENT. (a) The board may contract with a county or
7 municipality located outside the district's boundaries for the care
8 and treatment of a sick or injured person of that county or
9 municipality.

10 (b) The board may contract with this state or a federal
11 agency for the treatment of a sick or injured person. (Acts 64th
12 Leg., R.S., Ch. 191, Sec. 5 (part).)

13 Sec. 1032.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
14 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
15 political subdivision or governmental agency for the district
16 to provide investigatory or other services for the medical,
17 hospital, or welfare needs of district inhabitants. (Acts 64th
18 Leg., R.S., Ch. 191, Sec. 5 (part).)

19 Sec. 1032.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
20 When a patient who resides in the district is admitted to a district
21 facility, the district administrator may have an inquiry made into
22 the circumstances of:

- 23 (1) the patient; and
24 (2) the patient's relatives who are legally liable for
25 the patient's support.

26 (b) If the district administrator determines that the
27 patient or those relatives cannot pay all or part of the costs of

1 the care and treatment in the hospital, the amount of the costs that
2 cannot be paid becomes a charge against the district.

3 (c) If the district administrator determines that the
4 patient or those relatives can pay for all or part of the costs of
5 the patient's care and treatment, the patient or those relatives
6 shall be ordered to pay the district a specified amount each week
7 for the patient's care and support. The amount ordered must be
8 proportionate to the person's financial ability.

9 (d) The district administrator may collect the amount from
10 the patient's estate, or from any relative who is legally liable for
11 the patient's support, in the manner provided by law for the
12 collection of expenses of the last illness of a deceased person.

13 (e) If there is a dispute as to the ability to pay, or doubt
14 in the mind of the district administrator, the board shall hold a
15 hearing and, after calling witnesses, shall:

16 (1) resolve the dispute or doubt; and

17 (2) issue any appropriate orders.

18 (f) A final order of the board may be appealed to the
19 district court. The substantial evidence rule applies to the
20 appeal. (Acts 64th Leg., R.S., Ch. 191, Sec. 17.)

21 Sec. 1032.115. AUTHORITY TO SUE AND BE SUED. The district,
22 through the board, may sue and be sued. (Acts 64th Leg., R.S., Ch.
23 191, Sec. 5 (part).)

24 [Sections 1032.116-1032.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 1032.151. BUDGET. (a) The district administrator
27 shall prepare an annual budget for approval by the board.

1 (b) The proposed budget must contain a complete financial
2 statement of:

3 (1) the outstanding obligations of the district;

4 (2) the cash on hand in each district fund;

5 (3) the money received by the district from all
6 sources during the previous year;

7 (4) the money available to the district from all
8 sources during the ensuing year;

9 (5) the balances expected at the end of the year in
10 which the budget is being prepared;

11 (6) the estimated revenue and balances available to
12 cover the proposed budget; and

13 (7) the estimated tax rate required. (Acts 64th Leg.,
14 R.S., Ch. 191, Sec. 6 (part).)

15 Sec. 1032.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
16 The board shall hold a public hearing on the proposed annual budget.

17 (b) Notice of the hearing must be published one time at
18 least 10 days before the date of the hearing.

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

21 (d) At the conclusion of the hearing, the board shall adopt
22 a budget by acting on the budget proposed by the district
23 administrator. The board may make any changes in the proposed
24 budget that the board judges to be in the interests of the taxpayers
25 and that the law warrants. (Acts 64th Leg., R.S., Ch. 191, Sec. 6
26 (part).)

27 Sec. 1032.153. AMENDMENTS TO BUDGET. The budget may be

1 amended as required by circumstances. The board must approve all
2 amendments. (Acts 64th Leg., R.S., Ch. 191, Sec. 6 (part).)

3 Sec. 1032.154. RESTRICTION ON EXPENDITURES. Money may be
4 spent only for an expense included in the budget or an amendment to
5 the budget. (Acts 64th Leg., R.S., Ch. 191, Sec. 6 (part).)

6 Sec. 1032.155. FISCAL YEAR. (a) The district operates on a
7 fiscal year established by the board.

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

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

11 (2) more than once in a 24-month period. (Acts 64th
12 Leg., R.S., Ch. 191, Sec. 6 (part).)

13 Sec. 1032.156. ANNUAL AUDIT. The board annually shall have
14 an audit made of the district's financial condition. (Acts 64th
15 Leg., R.S., Ch. 191, Sec. 6 (part).)

16 Sec. 1032.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
17 RECORDS. The annual audit and other district records shall be open
18 to inspection at the district's principal office. (Acts 64th Leg.,
19 R.S., Ch. 191, Sec. 6 (part).)

20 Sec. 1032.158. FINANCIAL REPORT. As soon as practicable
21 after the close of each fiscal year, the district administrator
22 shall prepare for the board:

23 (1) a complete sworn statement of all district money;
24 and

25 (2) a complete account of the disbursements of that
26 money. (Acts 64th Leg., R.S., Ch. 191, Sec. 6 (part).)

27 Sec. 1032.159. DEPOSITORY. (a) The board shall select one

1 or more banks inside or outside the district to serve as a
2 depository for district money.

3 (b) District money, other than money invested as provided by
4 Section 1032.160(b), and money transmitted to a bank for payment of
5 bonds or obligations issued or assumed by the district, shall be
6 deposited as received with the depository bank and shall remain on
7 deposit.

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

11 (d) The district may not deposit money with a bank in an
12 amount that exceeds the maximum amount secured by the Federal
13 Deposit Insurance Corporation unless the bank first executes a bond
14 or other security in an amount sufficient to secure from loss the
15 district money that exceeds the amount secured by the Federal
16 Deposit Insurance Corporation. (Acts 64th Leg., R.S., Ch. 191,
17 Sec. 11.)

18 Sec. 1032.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
19 Except as otherwise provided by Section 1032.107(c) and by
20 Subchapter E, the district may not incur an obligation payable from
21 district revenue other than the revenue on hand or to be on hand in
22 the current and following district fiscal years.

23 (b) The board may invest operating, depreciation, or
24 building reserves only in funds or securities specified by Chapter
25 2256, Government Code. (Acts 64th Leg., R.S., Ch. 191, Secs. 5
26 (part), 10(b) (part).)

27 [Sections 1032.161-1032.200 reserved for expansion]

SUBCHAPTER E. BONDS

1
2 Sec. 1032.201. GENERAL OBLIGATION BONDS. The board may
3 issue and sell general obligation bonds in the name and on the faith
4 and credit of the district for any purpose relating to:

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

7 (2) equipping buildings or improvements for hospital
8 purposes. (Acts 64th Leg., R.S., Ch. 191, Sec. 7(a) (part).)

9 Sec. 1032.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
10 the time general obligation bonds are issued by the district under
11 Section 1032.201, the board shall impose an ad valorem tax at a rate
12 sufficient to create an interest and sinking fund to pay the
13 principal of and interest on the bonds as the bonds mature.

14 (b) The tax required by this section together with any other
15 ad valorem tax the district imposes may not in any year exceed 75
16 cents on each \$100 valuation of all taxable property in the
17 district. (Acts 64th Leg., R.S., Ch. 191, Sec. 7(a) (part).)

18 Sec. 1032.203. GENERAL OBLIGATION BOND ELECTION. (a) The
19 district may issue general obligation bonds only if the bonds are
20 authorized by a majority of the district voters.

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

23 (1) the date of the election;

24 (2) the location of the polling places;

25 (3) the presiding and alternate election judges for
26 each polling place;

27 (4) the amount of the bonds to be authorized; and

1 (5) the maximum maturity of the bonds.

2 (c) Notice of a bond election shall be given as provided by
3 Section 1251.003, Government Code. (Acts 64th Leg., R.S., Ch. 191,
4 Sec. 7(a) (part).)

5 Sec. 1032.204. MATURITY OF GENERAL OBLIGATION BONDS.
6 District general obligation bonds must mature not later than 50
7 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 191,
8 Sec. 7(c) (part).)

9 Sec. 1032.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
10 The board president shall execute the general obligation bonds in
11 the district's name.

12 (b) The board secretary shall countersign the bonds in the
13 manner provided by Chapter 618, Government Code. (Acts 64th Leg.,
14 R.S., Ch. 191, Sec. 7(c) (part).)

15 Sec. 1032.206. REVENUE BONDS. (a) The board may issue
16 revenue bonds to:

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

19 (2) acquire sites to be used for hospital purposes.

20 (b) The bonds must be payable from and secured by a pledge of
21 all or part of the revenue derived from the operation of the
22 district's hospitals.

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

25 (d) The bonds must be issued in the manner and in accordance
26 with the procedures and requirements prescribed by Sections
27 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for

1 issuance of revenue bonds by a county hospital authority. (Acts
2 64th Leg., R.S., Ch. 191, Sec. 9 (part).)

3 Sec. 1032.207. REFUNDING BONDS. (a) The board may, without
4 an election, issue refunding bonds to refund outstanding
5 indebtedness issued or assumed by the district.

6 (b) A refunding bond may be:

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

9 (2) exchanged wholly or partly for not less than a
10 similar principal amount of outstanding indebtedness. (Acts 64th
11 Leg., R.S., Ch. 191, Secs. 7(a) (part), (b) (part), 9 (part).)

12 Sec. 1032.208. BONDS EXEMPT FROM TAXATION. The following
13 are exempt from taxation by this state or a political subdivision of
14 this state:

15 (1) bonds issued by the district;

16 (2) the transfer and issuance of the bonds; and

17 (3) profits made in the sale of the bonds. (Acts 64th
18 Leg., R.S., Ch. 191, Sec. 21 (part).)

19 [Sections 1032.209-1032.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1032.251. IMPOSITION OF AD VALOREM TAX. (a) The board
22 shall impose a tax on all property in the district subject to
23 district taxation.

24 (b) The board shall impose the tax to pay:

25 (1) indebtedness issued or assumed by the district;

26 and

27 (2) the maintenance and operating expenses of the

1 district.

2 (c) The board may not impose a tax to pay the principal of or
3 interest on revenue bonds issued under this chapter. (Acts 64th
4 Leg., R.S., Ch. 191, Secs. 12(a) (part), 15(a) (part).)

5 Sec. 1032.252. TAX RATE. (a) The board may impose the tax
6 at a rate not to exceed 75 cents on each \$100 valuation of taxable
7 property in the district.

8 (b) In setting the tax rate, the board shall consider the
9 income of the district from sources other than taxation. (Acts 64th
10 Leg., R.S., Ch. 191, Secs. 3(b) (part), 12(a) (part), (b) (part).)

11 Sec. 1032.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
12 ASSESSOR-COLLECTOR. (a) This section applies unless the board
13 elects to have taxes assessed and collected under Section 1032.254.

14 (b) The tax assessor-collector of Gonzales County shall
15 assess and collect taxes imposed by the district. (Acts 64th Leg.,
16 R.S., Ch. 191, Secs. 15(a) (part), (b) (part).)

17 Sec. 1032.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
18 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
19 assessed and collected by a tax assessor-collector appointed by the
20 board. An election under this subsection must be made by December 1
21 and governs the manner in which taxes are assessed and collected,
22 until changed by a similar resolution.

23 (b) The district tax assessor-collector must reside in the
24 district.

25 (c) The board shall set for the district tax
26 assessor-collector:

27 (1) the term of employment; and

1 (2) compensation. (Acts 64th Leg., R.S., Ch. 191,
2 Secs. 15(a) (part), (c) (part).)

3 CHAPTER 1033. GRAPELAND HOSPITAL DISTRICT

4 OF HOUSTON COUNTY, TEXAS

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1033.001. DEFINITIONS

7 Sec. 1033.002. AUTHORITY FOR CREATION

8 Sec. 1033.003. DISTRICT TERRITORY

9 Sec. 1033.004. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 Sec. 1033.005. RESTRICTION ON STATE FINANCIAL

12 ASSISTANCE

13 [Sections 1033.006-1033.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1033.051. BOARD ELECTION; TERM

16 Sec. 1033.052. QUALIFICATIONS FOR OFFICE

17 Sec. 1033.053. BOND; RECORD OF BOND AND OATH OR

18 AFFIRMATION OF OFFICE

19 Sec. 1033.054. BOARD VACANCY

20 Sec. 1033.055. OFFICERS

21 Sec. 1033.056. COMPENSATION; EXPENSES

22 Sec. 1033.057. DISTRICT ADMINISTRATOR

23 Sec. 1033.058. EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF

24 Sec. 1033.059. MAINTENANCE OF RECORDS; PUBLIC

25 INSPECTION

26 [Sections 1033.060-1033.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1033.101. DISTRICT RESPONSIBILITY

3 Sec. 1033.102. RESTRICTION ON POLITICAL SUBDIVISION

4 TAXATION AND DEBT

5 Sec. 1033.103. MANAGEMENT AND CONTROL OF DISTRICT

6 Sec. 1033.104. HOSPITAL SYSTEM

7 Sec. 1033.105. RULES

8 Sec. 1033.106. PURCHASING AND ACCOUNTING PROCEDURES

9 Sec. 1033.107. EMINENT DOMAIN

10 Sec. 1033.108. GIFTS AND ENDOWMENTS

11 Sec. 1033.109. CONTRACTS WITH POLITICAL SUBDIVISIONS

12 FOR HOSPITAL CARE

13 Sec. 1033.110. PAYMENT FOR TREATMENT; PROCEDURES

14 [Sections 1033.111-1033.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1033.151. BUDGET

17 Sec. 1033.152. PROPOSED BUDGET; NOTICE AND HEARING

18 Sec. 1033.153. FISCAL YEAR

19 Sec. 1033.154. ANNUAL AUDIT

20 Sec. 1033.155. DEPOSITORY

21 [Sections 1033.156-1033.200 reserved for expansion]

22 SUBCHAPTER E. BONDS

23 Sec. 1033.201. BONDS

24 Sec. 1033.202. TAX TO PAY BONDS

25 Sec. 1033.203. BOND ELECTION

26 Sec. 1033.204. MATURITY OF BONDS

27 Sec. 1033.205. EXECUTION OF BONDS

1 [Sections 1033.206-1033.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1033.251. IMPOSITION OF AD VALOREM TAX

4 Sec. 1033.252. TAX RATE

5 Sec. 1033.253. TAX ASSESSOR AND COLLECTOR

6 [Sections 1033.254-1033.300 reserved for expansion]

7 SUBCHAPTER G. DISSOLUTION

8 Sec. 1033.301. DISSOLUTION; ELECTION

9 Sec. 1033.302. BALLOT

10 Sec. 1033.303. ELECTION RESULTS

11 Sec. 1033.304. TRANSFER OF DISTRICT ASSETS

12 CHAPTER 1033. GRAPELAND HOSPITAL DISTRICT

13 OF HOUSTON COUNTY, TEXAS

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 1033.001. DEFINITIONS. In this chapter:

16 (1) "Board" means the board of directors of the
17 district.

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

19 (3) "District" means the Grapeland Hospital District
20 of Houston County, Texas. (New.)

21 Sec. 1033.002. AUTHORITY FOR CREATION. The district is
22 created under the authority of Section 9, Article IX, Texas
23 Constitution. (Acts 62nd Leg., R.S., Ch. 455, Sec. 1.)

24 Sec. 1033.003. DISTRICT TERRITORY. The boundaries of the
25 district are coextensive with the boundaries of the Grapeland
26 Independent School District as those boundaries existed on May 26,
27 1971. (Acts 62nd Leg., R.S., Ch. 455, Sec. 2.)

1 Sec. 1033.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
2 OBLIGATION. The support and maintenance of the district's hospital
3 system and any indebtedness incurred by the district under this
4 chapter may not become a charge against or obligation of this state.
5 (Acts 62nd Leg., R.S., Ch. 455, Sec. 18 (part).)

6 Sec. 1033.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
7 The legislature may not make a direct appropriation for the
8 construction, maintenance, or improvement of a district facility.
9 (Acts 62nd Leg., R.S., Ch. 455, Sec. 18 (part).)

10 [Sections 1033.006-1033.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 1033.051. BOARD ELECTION; TERM. (a) The board
13 consists of seven directors elected from the district at large.

14 (b) Directors serve staggered two-year terms unless
15 four-year terms are established under Section 285.081, Health and
16 Safety Code. (Acts 62nd Leg., R.S., Ch. 455, Secs. 5(a), (d), (e),
17 (g).)

18 Sec. 1033.052. QUALIFICATIONS FOR OFFICE. To qualify for
19 election to the board, a person must:

- 20 (1) be at least 18 years of age;
- 21 (2) have been a district resident for at least two
22 years; and
- 23 (3) be a qualified property taxpaying voter of the
24 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 5(b).)

25 Sec. 1033.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
26 OF OFFICE. (a) Each director shall execute a good and sufficient
27 commercial bond for \$1,000 that is:

1 (1) payable to the district; and

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

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

5 (c) Each director's bond and constitutional oath or
6 affirmation of office shall be deposited with the district's
7 depository for safekeeping. (Acts 62nd Leg., R.S., Ch. 455, Sec.
8 6(a).)

9 Sec. 1033.054. BOARD VACANCY. If a vacancy occurs in the
10 office of director, a majority of the directors shall appoint a
11 director for the unexpired term. (Acts 62nd Leg., R.S., Ch. 455,
12 Sec. 5(h).)

13 Sec. 1033.055. OFFICERS. The board shall elect from among
14 its members a president, a secretary, and a treasurer at the first
15 meeting after each directors' election. (Acts 62nd Leg., R.S., Ch.
16 455, Sec. 6(b).)

17 Sec. 1033.056. COMPENSATION; EXPENSES. A director serves
18 without compensation but is entitled to reimbursement for necessary
19 expenses incurred in the performance of official duties. (Acts
20 62nd Leg., R.S., Ch. 455, Sec. 6(c).)

21 Sec. 1033.057. DISTRICT ADMINISTRATOR. (a) The board may
22 employ a district administrator to manage the operations of the
23 hospital system.

24 (b) The district administrator may employ necessary
25 personnel to perform the services provided by the hospital system.
26 (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(e) (part).)

27 Sec. 1033.058. EMPLOYEES; APPOINTMENT AND DISMISSAL OF

1 STAFF. (a) The board may appoint to or dismiss from the staff any
2 doctors the board considers necessary for the efficient operation
3 of the district and make temporary appointments as necessary.

4 (b) The board may employ an attorney, general manager,
5 bookkeeper, architect, and other employees necessary for the
6 efficient operation of the district. (Acts 62nd Leg., R.S., Ch.
7 455, Secs. 12(e) (part), (h).)

8 Sec. 1033.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
9 The board shall:

10 (1) maintain all district records, including books,
11 accounts, notices, minutes, and other matters of the district and
12 the district's operation at the district office; and

13 (2) make those records available for public inspection
14 at reasonable times. (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(b).)

15 [Sections 1033.060-1033.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 1033.101. DISTRICT RESPONSIBILITY. The district shall
18 provide all necessary medical and hospital care for the district's
19 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 455, Sec. 3 (part).)

20 Sec. 1033.102. RESTRICTION ON POLITICAL SUBDIVISION
21 TAXATION AND DEBT. A political subdivision of this state, other
22 than the district, may not impose a tax or issue bonds or other
23 obligations to provide hospital service or medical care in the
24 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 3 (part).)

25 Sec. 1033.103. MANAGEMENT AND CONTROL OF DISTRICT. The
26 board has full power to manage and control the district. (Acts 62nd
27 Leg., R.S., Ch. 455, Sec. 12(a) (part).)

1 Sec. 1033.104. HOSPITAL SYSTEM. The district has the
2 responsibility to establish a hospital or hospital system within
3 its boundaries to provide hospital and medical care to the
4 district's residents. (Acts 62nd Leg., R.S., Ch. 455, Sec. 3
5 (part).)

6 Sec. 1033.105. RULES. (a) The board shall adopt rules for
7 the efficient operation of the district, including district
8 facilities.

9 (b) The board shall:

10 (1) publish the rules in book form; and

11 (2) provide copies to interested persons on request at
12 district expense. (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(c).)

13 Sec. 1033.106. PURCHASING AND ACCOUNTING PROCEDURES. The
14 board may prescribe the method of making purchases and expenditures
15 and the manner of accounting and control used by the district.
16 (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(e) (part).)

17 Sec. 1033.107. EMINENT DOMAIN. (a) The district may
18 exercise the power of eminent domain to acquire a fee simple or
19 other interest in real, personal, or mixed property located in
20 district territory if the interest is necessary or convenient for
21 the district to exercise a power or duty conferred on the district
22 by this chapter.

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

27 (c) In a condemnation proceeding, the district is not

1 required to:

2 (1) pay in advance or provide a bond or other security
3 for costs in the trial court; or

4 (2) provide a bond for costs or a supersedeas bond on
5 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 455, Sec.
6 15.)

7 Sec. 1033.108. GIFTS AND ENDOWMENTS. The board may accept
8 for the district a gift or endowment to be held in trust and
9 administered by the board under the directions, limitations, or
10 other provisions prescribed in writing by the donor that are not
11 inconsistent with the proper management of the district. (Acts
12 62nd Leg., R.S., Ch. 455, Sec. 12(f).)

13 Sec. 1033.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR
14 HOSPITAL CARE. The board may contract with a political subdivision
15 to provide hospital care for needy persons who reside outside the
16 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(g).)

17 Sec. 1033.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A
18 person who resides in the district is entitled to receive necessary
19 medical and hospital care from the district regardless of whether
20 the person has the ability to pay for the care and may apply to
21 receive this care without cost.

22 (b) The board or the district administrator shall employ a
23 person to investigate the ability of the patient and any relative
24 who is liable for the patient's support to pay for the medical and
25 hospital care received by the patient.

26 (c) If the investigator determines that the patient or
27 relative legally liable for the patient's support cannot pay all or

1 part of the costs of the patient's care, the expense of the care
2 becomes a charge against the district.

3 (d) If the patient or a relative of the patient legally
4 liable for the patient's support can pay for all or part of the
5 costs of the patient's care, the board shall order the patient or
6 relative to pay to the treasurer each week an amount specified in
7 the order. The amount must be proportionate to the person's ability
8 to pay.

9 (e) The district may collect the amount from the patient's
10 estate, or from any relative who is liable for the patient's
11 support, in the manner provided by law for the collection of
12 expenses of the last illness of a deceased person.

13 (f) If there is a dispute as to the ability to pay, or doubt
14 in the mind of the investigator, the board shall hold a hearing and,
15 after calling witnesses, shall:

- 16 (1) determine the question; and
17 (2) make the proper order based on the board's
18 findings.

19 (g) A party to the hearing who is not satisfied with the
20 result of the order may appeal to the district court. The appeal is
21 de novo. (Acts 62nd Leg., R.S., Ch. 455, Sec. 14.)

22 [Sections 1033.111-1033.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1033.151. BUDGET. The board shall prepare a budget
25 that includes:

- 26 (1) proposed expenditures and disbursements;
27 (2) estimated receipts and collections for the next

1 fiscal year; and

2 (3) the amount of taxes required to be imposed to meet
3 the proposed budget. (Acts 62nd Leg., R.S., Ch. 455, Sec. 13(b).)

4 Sec. 1033.152. PROPOSED BUDGET; NOTICE AND HEARING. (a)
5 The board shall hold a public hearing on the proposed budget.

6 (b) Notice of the hearing must be published at least once in
7 a newspaper of general circulation in the district not later than
8 the 11th day before the date of the hearing.

9 (c) Any person is entitled to:

10 (1) appear at the hearing; and

11 (2) be heard regarding any item in the proposed
12 budget. (Acts 62nd Leg., R.S., Ch. 455, Secs. 13(c), (d).)

13 Sec. 1033.153. FISCAL YEAR. The district's fiscal year is
14 from October 1 to September 30. (Acts 62nd Leg., R.S., Ch. 455,
15 Sec. 13(a).)

16 Sec. 1033.154. ANNUAL AUDIT. (a) The board annually shall
17 require an independent audit of the district's books and records.

18 (b) Not later than December 1 of each year, the board shall
19 file a copy of the audit with:

20 (1) the comptroller; and

21 (2) the district. (Acts 62nd Leg., R.S., Ch. 455, Sec.
22 12(d).)

23 Sec. 1033.155. DEPOSITORY. (a) The board by resolution
24 shall designate a bank in Houston County as the district's
25 depository. A designated bank serves for two years and until a
26 successor is designated.

27 (b) All district money shall be deposited in the depository

1 and secured in the manner provided for securing county funds. (Acts
2 62nd Leg., R.S., Ch. 455, Sec. 16.)

3 [Sections 1033.156-1033.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1033.201. BONDS. The district may issue bonds to:

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

8 (2) equip buildings for hospital purposes. (Acts 62nd
9 Leg., R.S., Ch. 455, Secs. 9(a) (part), 10(a) (part).)

10 Sec. 1033.202. TAX TO PAY BONDS. The board may issue bonds
11 under Section 1033.201 only if the board imposes an ad valorem tax
12 at a rate sufficient to create an interest and sinking fund to pay
13 the principal of and interest on the bonds as the bonds mature.
14 (Acts 62nd Leg., R.S., Ch. 455, Sec. 10(c).)

15 Sec. 1033.203. BOND ELECTION. (a) The board may issue
16 bonds under Section 1033.201 only if the bonds are authorized by a
17 majority of district voters voting in an election held for that
18 purpose. The total face value of the bonds may not exceed the
19 amount specified in the election order.

20 (b) The board may order a bond election at any time.

21 (c) The order calling an election must include:

22 (1) the time of the election;

23 (2) the location of the polling places;

24 (3) the form of the ballots;

25 (4) the presiding judge for each polling place;

26 (5) the purpose of the bond issuance;

27 (6) the amount of the bonds to be authorized;

1 (7) the maximum interest rate of the bonds; and

2 (8) the maximum maturity of the bonds.

3 (d) A substantial copy of the election order shall be
4 published in a newspaper of general circulation in the district
5 once a week for two consecutive weeks before the date of the
6 election. The first notice must be published not later than the
7 15th day before the date of the election.

8 (e) A copy of the election results must be filed with the
9 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.
10 455, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)
11 (part).)

12 Sec. 1033.204. MATURITY OF BONDS. District bonds must
13 mature not later than 40 years after the date of issuance. (Acts
14 62nd Leg., R.S., Ch. 455, Sec. 9(c).)

15 Sec. 1033.205. EXECUTION OF BONDS. (a) The board president
16 shall execute the district's bonds in the district's name.

17 (b) The board secretary shall countersign the bonds. (Acts
18 62nd Leg., R.S., Ch. 455, Sec. 10(b) (part).)

19 [Sections 1033.206-1033.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1033.251. IMPOSITION OF AD VALOREM TAX. (a) The board
22 shall impose a tax on all property in the district subject to
23 district taxation.

24 (b) The tax may be used only to:

25 (1) pay the interest on and create a sinking fund for
26 bonds issued under this chapter;

27 (2) provide for the operation and maintenance of the

1 district and the hospital system;

2 (3) make improvements and additions to the hospital
3 system; and

4 (4) acquire sites for additions to the hospital
5 system. (Acts 62nd Leg., R.S., Ch. 455, Secs. 8(a) (part), (c).)

6 Sec. 1033.252. TAX RATE. The board may impose the tax at a
7 rate not to exceed 75 cents on each \$100 valuation of all taxable
8 property in the district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 8(a)
9 (part).)

10 Sec. 1033.253. TAX ASSESSOR AND COLLECTOR. The tax
11 assessor-collector of Houston County shall collect taxes for the
12 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 8(d) (part).)

13 [Sections 1033.254-1033.300 reserved for expansion]

14 SUBCHAPTER G. DISSOLUTION

15 Sec. 1033.301. DISSOLUTION; ELECTION. (a) The district
16 may be dissolved as provided by this subchapter.

17 (b) The board may order an election on the question of
18 dissolving the district and transferring the district's assets and
19 obligations to a governmental entity in Houston County as specified
20 in the election order.

21 (c) The board shall order an election if the board receives
22 a petition requesting an election that is signed by at least 20
23 percent of the registered voters in the district.

24 (d) The order calling the election must designate the
25 governmental entity in Houston County to which the district's
26 assets and obligations will be transferred.

27 (e) Section 41.001(a), Election Code, does not apply to an

1 election ordered under this section. (Acts 62nd Leg., R.S., Ch.
2 455, Secs. 18A(a), (b), (c) (part).)

3 Sec. 1033.302. BALLOT. The ballot for an election under
4 this subchapter must be printed to permit voting for or against the
5 proposition: "The dissolution of the Grapeland Hospital District
6 and the transfer of the existing district assets to and the
7 assumption of debts and bond obligations by _____ (name of
8 governmental entity as specified in the election order)." (Acts
9 62nd Leg., R.S., Ch. 455, Sec. 18A(d) (part).)

10 Sec. 1033.303. ELECTION RESULTS. (a) If a majority of the
11 votes in an election under this subchapter favor dissolution and
12 transfer of the district's assets and obligations, the board shall:

- 13 (1) declare that the district is dissolved; and
14 (2) transfer the district's assets and obligations to
15 a governmental entity as provided by Section 1033.304.

16 (b) If a majority of the votes in the election do not favor
17 dissolution and transfer of the district's assets and obligations,
18 the board shall continue to administer the district and another
19 election on the question of dissolution may not be held before the
20 first anniversary of the date of the most recent election to
21 dissolve the district and transfer the district's assets and
22 obligations. (Acts 62nd Leg., R.S., Ch. 455, Sec. 18A(e).)

23 Sec. 1033.304. TRANSFER OF DISTRICT ASSETS. (a) If a
24 majority of the votes in the election favor dissolution and
25 transfer of the district's assets and obligations, the board shall
26 transfer to the governmental entity specified in the election order
27 the land, buildings, improvements, equipment, and other assets that

1 belong to the district.

2 (b) The governmental entity assumes all debts and
3 obligations of the district at the time of the transfer. (Acts 62nd
4 Leg., R.S., Ch. 455, Secs. 18A(f).)

5 CHAPTER 1036. HAMILTON COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1036.001. DEFINITIONS

8 Sec. 1036.002. AUTHORITY FOR OPERATION

9 Sec. 1036.003. ESSENTIAL PUBLIC FUNCTION

10 Sec. 1036.004. DISTRICT TERRITORY

11 Sec. 1036.005. DISTRICT SUPPORT AND MAINTENANCE NOT

12 STATE OBLIGATION

13 Sec. 1036.006. RESTRICTION ON STATE FINANCIAL

14 ASSISTANCE

15 [Sections 1036.007-1036.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Sec. 1036.051. BOARD ELECTION; TERM

18 Sec. 1036.052. NOTICE OF ELECTION

19 Sec. 1036.053. BALLOT PETITION

20 Sec. 1036.054. QUALIFICATIONS FOR OFFICE

21 Sec. 1036.055. BOARD VACANCY

22 Sec. 1036.056. OFFICERS

23 Sec. 1036.057. COMPENSATION; EXPENSES

24 Sec. 1036.058. VOTING REQUIREMENT

25 Sec. 1036.059. DISTRICT ADMINISTRATOR

26 Sec. 1036.060. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1036.061. ASSISTANT DISTRICT ADMINISTRATOR;
2 ATTORNEY
- 3 Sec. 1036.062. EMPLOYEES; APPOINTMENT OF STAFF
- 4 Sec. 1036.063. RETIREMENT BENEFITS
- 5 [Sections 1036.064-1036.100 reserved for expansion]
- 6 SUBCHAPTER C. POWERS AND DUTIES
- 7 Sec. 1036.101. DISTRICT RESPONSIBILITY
- 8 Sec. 1036.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 9 Sec. 1036.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 10 Sec. 1036.104. RULES
- 11 Sec. 1036.105. PURCHASING AND ACCOUNTING PROCEDURES
- 12 Sec. 1036.106. MOBILE EMERGENCY MEDICAL SERVICE
- 13 Sec. 1036.107. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT
- 15 Sec. 1036.108. EMINENT DOMAIN
- 16 Sec. 1036.109. COST OF RELOCATING OR ALTERING PROPERTY
- 17 Sec. 1036.110. GIFTS AND ENDOWMENTS
- 18 Sec. 1036.111. CONSTRUCTION CONTRACTS
- 19 Sec. 1036.112. OPERATING AND MANAGEMENT CONTRACTS
- 20 Sec. 1036.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
21 FOR SERVICES
- 22 Sec. 1036.114. PAYMENT FOR TREATMENT; PROCEDURES
- 23 Sec. 1036.115. REIMBURSEMENT FOR SERVICES
- 24 Sec. 1036.116. AUTHORITY TO SUE AND BE SUED
- 25 [Sections 1036.117-1036.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1036.151. BUDGET

- 1 Sec. 1036.152. NOTICE; HEARING; ADOPTION OF BUDGET
2 Sec. 1036.153. AMENDMENT OF BUDGET
3 Sec. 1036.154. RESTRICTION ON EXPENDITURES
4 Sec. 1036.155. FISCAL YEAR
5 Sec. 1036.156. ANNUAL AUDIT
6 Sec. 1036.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
7 RECORDS
8 Sec. 1036.158. FINANCIAL REPORT
9 Sec. 1036.159. DEPOSITORY
10 Sec. 1036.160. SPENDING AND INVESTMENT RESTRICTIONS
11 [Sections 1036.161-1036.200 reserved for expansion]
12 SUBCHAPTER E. BONDS
13 Sec. 1036.201. GENERAL OBLIGATION BONDS
14 Sec. 1036.202. TAX TO PAY GENERAL OBLIGATION BONDS
15 Sec. 1036.203. BOND ELECTION
16 Sec. 1036.204. REVENUE BONDS
17 Sec. 1036.205. REFUNDING BONDS
18 Sec. 1036.206. ADDITIONAL MEANS OF SECURING REPAYMENT
19 OF BONDS
20 Sec. 1036.207. MATURITY OF BONDS
21 Sec. 1036.208. EXECUTION OF BONDS
22 Sec. 1036.209. BONDS EXEMPT FROM TAXATION
23 [Sections 1036.210-1036.250 reserved for expansion]
24 SUBCHAPTER F. TAXES
25 Sec. 1036.251. IMPOSITION OF AD VALOREM TAX
26 Sec. 1036.252. TAX RATE
27 Sec. 1036.253. TAX ASSESSOR-COLLECTOR

1 CHAPTER 1036. HAMILTON COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1036.001. DEFINITIONS. In this chapter:

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

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

7 (3) "District" means the Hamilton County Hospital
8 District. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 1.01.)

9 Sec. 1036.002. AUTHORITY FOR OPERATION. The district
10 operates and is financed as provided by Section 9, Article IX, Texas
11 Constitution, and by this chapter. (Acts 70th Leg., 2nd C.S., Ch.
12 42, Sec. 1.02.)

13 Sec. 1036.003. ESSENTIAL PUBLIC FUNCTION. The district is
14 a public entity performing an essential public function. (Acts
15 70th Leg., 2nd C.S., Ch. 42, Sec. 7.11 (part).)

16 Sec. 1036.004. DISTRICT TERRITORY. The boundaries of the
17 district are coextensive with the boundaries of Commissioners
18 Precincts 1, 2, and 4 of Hamilton County as those boundaries existed
19 on June 14, 1989. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 1.03.)

20 Sec. 1036.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
21 OBLIGATION. This state may not become obligated for the support or
22 maintenance of the district. (Acts 70th Leg., 2nd C.S., Ch. 42,
23 Sec. 9.01 (part).)

24 Sec. 1036.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
25 The legislature may not make a direct appropriation for the
26 construction, maintenance, or improvement of a district facility.
27 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 9.01 (part).)

1 [Sections 1036.007-1036.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1036.051. BOARD ELECTION; TERM. (a) The district is
4 governed by a board of five directors.

5 (b) One director is elected from each commissioners
6 precinct included in the district and two directors are elected
7 from the district at large.

8 (c) Unless four-year terms are established under Section
9 285.081, Health and Safety Code:

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

11 (2) an election shall be held on the uniform election
12 date in May of each year to elect the appropriate number of
13 directors. (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 4.01(a),
14 4.03(a), (d).)

15 Sec. 1036.052. NOTICE OF ELECTION. At least 35 days before
16 the date of an election of directors, notice of the election shall
17 be published one time in a newspaper with general circulation in the
18 district. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 4.04.)

19 Sec. 1036.053. BALLOT PETITION. A person who wants to have
20 the person's name printed on the ballot as a candidate for director
21 must file with the board secretary a petition requesting that
22 action. The petition must:

23 (1) be signed by at least 10 registered voters of the
24 district, as determined by the most recent official lists of
25 registered voters;

26 (2) be filed not later than the 31st day before the
27 date of the election; and

1 (3) specify the commissioners precinct the candidate
2 wants to represent or specify that the candidate wants to represent
3 the district at large. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
4 4.05.)

5 Sec. 1036.054. QUALIFICATIONS FOR OFFICE. (a) To be
6 eligible to be a candidate for or to serve as a director, a person
7 must be:

8 (1) a district resident; and

9 (2) a qualified voter.

10 (b) A person who is elected from a commissioners precinct or
11 who is appointed to fill a vacancy for a commissioners precinct must
12 be a resident of that commissioners precinct.

13 (c) A district employee may not serve as a director. (Acts
14 70th Leg., 2nd C.S., Ch. 42, Sec. 4.06.)

15 Sec. 1036.055. BOARD VACANCY. If a vacancy occurs in the
16 office of director, the remaining directors shall appoint a
17 director for the unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 42,
18 Sec. 4.07.)

19 Sec. 1036.056. OFFICERS. (a) The board shall elect a
20 president and a vice president from among its members.

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

23 (c) Each officer of the board serves for a term of one year.

24 (d) The board shall fill a vacancy in a board office for the
25 unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 4.08,
26 4.09.)

27 Sec. 1036.057. COMPENSATION; EXPENSES. A director or

1 officer serves without compensation but may be reimbursed for
2 actual expenses incurred in the performance of official duties.
3 The expenses must be:

- 4 (1) reported in the district's records; and
- 5 (2) approved by the board. (Acts 70th Leg., 2nd C.S.,
6 Ch. 42, Sec. 4.10.)

7 Sec. 1036.058. VOTING REQUIREMENT. A concurrence of a
8 majority of the directors voting is necessary in any matter
9 relating to district business. (Acts 70th Leg., 2nd C.S., Ch. 42,
10 Sec. 4.11.)

11 Sec. 1036.059. DISTRICT ADMINISTRATOR. (a) The board may
12 appoint a qualified person as district administrator.

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

15 (c) Before assuming the duties of district administrator,
16 the administrator must execute a bond in the amount determined by
17 the board of not less than \$5,000 that is:

- 18 (1) payable to the district; and
- 19 (2) conditioned on the faithful performance of the
20 administrator's duties under this chapter.

21 (d) The board may pay for the bond with district money.
22 (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 4.12(a) (part), (b) (part),
23 (c) (part), (d).)

24 Sec. 1036.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
25 Subject to the limitations prescribed by the board, the district
26 administrator shall:

- 27 (1) supervise the work and activities of the district;

1 and

2 (2) direct the general affairs of the district. (Acts
3 70th Leg., 2nd C.S., Ch. 42, Sec. 4.15.)

4 Sec. 1036.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

5 (a) The board may appoint qualified persons as:

6 (1) the assistant district administrator; and

7 (2) the attorney for the district.

8 (b) The assistant district administrator and the attorney
9 for the district serve at the will of the board and are entitled to
10 the compensation determined by the board. (Acts 70th Leg., 2nd
11 C.S., Ch. 42, Secs. 4.12(a) (part), (b) (part), (c) (part).)

12 Sec. 1036.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
13 board may appoint to the staff any doctors the board considers
14 necessary for the efficient operation of the district and may make
15 temporary appointments as necessary.

16 (b) The district may employ technicians, nurses, fiscal
17 agents, accountants, architects, additional attorneys, and other
18 necessary employees.

19 (c) The board may delegate to the district administrator the
20 authority to employ persons for the district. (Acts 70th Leg., 2nd
21 C.S., Ch. 42, Secs. 4.13, 4.14.)

22 Sec. 1036.063. RETIREMENT BENEFITS. The board may provide
23 retirement benefits for district employees by:

24 (1) establishing or administering a retirement
25 program; or

26 (2) participating in:

27 (A) the Texas County and District Retirement

1 System; or

2 (B) another statewide retirement system in which
3 the district is eligible to participate. (Acts 70th Leg., 2nd C.S.,
4 Ch. 42, Sec. 4.16.)

5 [Sections 1036.064-1036.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 1036.101. DISTRICT RESPONSIBILITY. The district has
8 full responsibility for:

9 (1) operating hospital facilities; and

10 (2) providing medical and hospital care for the
11 district's needy inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 42,
12 Sec. 5.02 (part).)

13 Sec. 1036.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
14 Hamilton County may not impose a tax or issue bonds or other
15 obligations for hospital purposes or to provide medical care for
16 district residents. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
17 5.01(b).)

18 Sec. 1036.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
19 The board shall manage, control, and administer the hospital system
20 and the district's money and resources. (Acts 70th Leg., 2nd C.S.,
21 Ch. 42, Sec. 5.03.)

22 Sec. 1036.104. RULES. The board may adopt rules governing:

23 (1) the operation of the hospital and hospital system;
24 and

25 (2) the duties, functions, and responsibilities of the
26 district staff and employees. (Acts 70th Leg., 2nd C.S., Ch. 42,
27 Sec. 5.04.)

1 Sec. 1036.105. PURCHASING AND ACCOUNTING PROCEDURES. The
2 board may prescribe:

3 (1) the method of making purchases and expenditures by
4 and for the district; and

5 (2) accounting and control procedures for the
6 district. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 5.05.)

7 Sec. 1036.106. MOBILE EMERGENCY MEDICAL SERVICE. The
8 district may operate or provide for the operation of a mobile
9 emergency medical service. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
10 5.02 (part).)

11 Sec. 1036.107. DISTRICT PROPERTY, FACILITIES, AND
12 EQUIPMENT. (a) The board shall determine:

13 (1) the type, number, and location of buildings
14 required to maintain an adequate hospital system; and

15 (2) the type of equipment necessary for hospital care.

16 (b) The board may:

17 (1) acquire property, including facilities and
18 equipment, for the district for use in the hospital system; and

19 (2) mortgage or pledge the property as security for
20 the payment of the purchase price.

21 (c) The board may lease hospital facilities for the
22 district.

23 (d) The board may sell or otherwise dispose of the property,
24 including facilities or equipment, for the district. (Acts 70th
25 Leg., 2nd C.S., Ch. 42, Sec. 5.06.)

26 Sec. 1036.108. EMINENT DOMAIN. (a) The district may
27 exercise the power of eminent domain to acquire a fee simple or

1 other interest in property located in district territory if the
2 property interest is necessary for the district to exercise a right
3 or authority conferred by this chapter.

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

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

10 (1) pay in advance or provide a bond or other security
11 for costs in the trial court;

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

14 (3) provide a bond for costs or a supersedeas bond on
15 an appeal or writ of error. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
16 5.09.)

17 Sec. 1036.109. COST OF RELOCATING OR ALTERING PROPERTY. In
18 exercising the power of eminent domain, if the board requires
19 relocating, raising, lowering, rerouting, changing the grade of, or
20 altering the construction of any railroad, highway, pipeline,
21 electric transmission and electric distribution, telegraph, or
22 telephone line, conduit, pole, or facility, the district must bear
23 the actual cost of relocating, raising, lowering, rerouting,
24 changing the grade, or altering the construction to provide
25 comparable replacement, without enhancement of facilities, after
26 deducting the net salvage value derived from the old facility.
27 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 5.10.)

1 Sec. 1036.110. GIFTS AND ENDOWMENTS. The board may accept
2 for the district a gift or endowment to be held in trust for any
3 purpose and under any direction, limitation, or other provision
4 prescribed in writing by the donor that is consistent with the
5 proper management of the district. (Acts 70th Leg., 2nd C.S., Ch.
6 42, Sec. 5.14.)

7 Sec. 1036.111. CONSTRUCTION CONTRACTS. (a) The board may
8 enter into construction contracts for the district.

9 (b) The board may enter into a construction contract that
10 involves an expenditure of more than the amount prescribed by
11 Section 271.024, Local Government Code, only after competitive
12 bidding as provided by Subchapter B, Chapter 271, Local Government
13 Code. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 5.07(a).)

14 Sec. 1036.112. OPERATING AND MANAGEMENT CONTRACTS. The
15 board may enter into an operating or management contract relating
16 to a hospital facility for the district. (Acts 70th Leg., 2nd C.S.,
17 Ch. 42, Sec. 5.08.)

18 Sec. 1036.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
19 SERVICES. The board may contract with a political subdivision of
20 this state or with a state or federal agency for the district to:

- 21 (1) furnish a mobile emergency medical service; or
22 (2) provide for the investigatory or welfare needs of
23 district inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
24 5.13.)

25 Sec. 1036.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
26 When a person who resides in the district is admitted as a patient
27 to a district facility, the district administrator may have an

1 inquiry made into the financial circumstances of:

2 (1) the patient; and

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

5 (b) To the extent that the patient or a relative of the
6 patient who is legally responsible for the patient's support cannot
7 pay for care and treatment provided by the district, the district
8 shall supply the care and treatment without charging the patient or
9 the patient's relative.

10 (c) On determining that the patient or a relative legally
11 responsible for the patient's support can pay for all or part of the
12 care and treatment provided by the district, the district
13 administrator shall report that determination to the board and the
14 board shall issue an order directing the patient or the relative to
15 pay the district a specified amount each week. The amount must be
16 based on the individual's ability to pay.

17 (d) The district administrator may collect the money owed to
18 the district from the patient's estate or from that of a relative
19 who was legally responsible for the patient's support in the manner
20 provided by law for collection of expenses in the last illness of a
21 deceased person.

22 (e) If there is a dispute relating to a person's ability to
23 pay or if the district administrator has any doubt concerning a
24 person's ability to pay, the board shall:

25 (1) call witnesses;

26 (2) hear and resolve the question; and

27 (3) issue a final order.

1 (f) The final order of the board may be appealed to a
2 district court in Hamilton County. The substantial evidence rule
3 applies to the appeal. (Acts 70th Leg., 2nd C.S., Ch. 42, Secs.
4 5.11(b), (c), (d), (e), (f).)

5 Sec. 1036.115. REIMBURSEMENT FOR SERVICES. (a) The board
6 shall require a county, municipality, or public hospital located
7 outside the district to reimburse the district for the district's
8 care and treatment of a sick or injured person of that county,
9 municipality, or public hospital as provided by Chapter 61, Health
10 and Safety Code.

11 (b) The board shall require the sheriff of Hamilton County
12 to reimburse the district for the district's care and treatment of a
13 person who is confined in a jail facility of Hamilton County and is
14 not a district resident.

15 (c) On behalf of the district, the board may contract with
16 the state or federal government for that government to reimburse
17 the district for treatment of a sick or injured person. (Acts 70th
18 Leg., 2nd C.S., Ch. 42, Sec. 5.12.)

19 Sec. 1036.116. AUTHORITY TO SUE AND BE SUED. The board may
20 sue and be sued on behalf of the district. (Acts 70th Leg., 2nd
21 C.S., Ch. 42, Sec. 5.15.)

22 [Sections 1036.117-1036.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1036.151. BUDGET. (a) The district administrator
25 shall prepare a proposed annual budget for the district.

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

- 1 (1) the outstanding obligations of the district;
- 2 (2) the amount of cash on hand in each district fund;
- 3 (3) the amount of money received by the district from
4 all sources during the previous year;
- 5 (4) the amount of money available to the district from
6 all sources during the ensuing year;
- 7 (5) the amount of the balances expected at the end of
8 the year in which the budget is being prepared;
- 9 (6) the estimated amount of revenue and balances
10 available to cover the proposed budget; and
- 11 (7) the estimated tax rate required. (Acts 70th Leg.,
12 2nd C.S., Ch. 42, Sec. 6.04.)

13 Sec. 1036.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
14 The board shall hold a public hearing on the proposed annual budget.

15 (b) The board shall publish notice of the hearing in a
16 newspaper with general circulation in the district not later than
17 the 10th day before the date of the hearing.

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

20 (d) At the conclusion of the hearing, the board shall adopt
21 a budget by acting on the budget proposed by the district
22 administrator. The board may make any changes in the proposed
23 budget that the board judges to be in the interests of the
24 taxpayers.

25 (e) The budget is effective only after adoption by the
26 board. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.05.)

27 Sec. 1036.153. AMENDMENT OF BUDGET. After adoption, the

1 annual budget may be amended on the board's approval. (Acts 70th
2 Leg., 2nd C.S., Ch. 42, Sec. 6.06.)

3 Sec. 1036.154. RESTRICTION ON EXPENDITURES. Money may be
4 spent only for an expense included in the budget or an amendment to
5 the budget. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.07.)

6 Sec. 1036.155. FISCAL YEAR. (a) The district operates on a
7 fiscal year established by the board.

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

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

11 (2) more than once in a 24-month period. (Acts 70th
12 Leg., 2nd C.S., Ch. 42, Sec. 6.01.)

13 Sec. 1036.156. ANNUAL AUDIT. The board annually shall have
14 an audit made of the district's financial condition. (Acts 70th
15 Leg., 2nd C.S., Ch. 42, Sec. 6.02.)

16 Sec. 1036.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
17 RECORDS. The annual audit and other district records shall be open
18 to inspection during regular business hours at the district's
19 principal office. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.03.)

20 Sec. 1036.158. FINANCIAL REPORT. As soon as practicable
21 after the close of the fiscal year, the district administrator
22 shall prepare for the board:

23 (1) a sworn statement of the amount of district money;
24 and

25 (2) an account of the disbursements of that money.
26 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.08.)

27 Sec. 1036.159. DEPOSITORY. (a) The board shall select at

1 least one bank to serve as a depository for district money.

2 (b) District money, other than money invested as provided by
3 Section 1036.160(b) and money transmitted to a bank for payment of
4 bonds or obligations issued or assumed by the district, shall be
5 deposited as received with the depository bank and must remain on
6 deposit. This subsection does not limit the power of the board to
7 place a part of district money on time deposit or to purchase
8 certificates of deposit.

9 (c) The district may not deposit money with a bank in an
10 amount that exceeds the maximum amount secured by the Federal
11 Deposit Insurance Corporation unless the bank first executes a bond
12 or other security in an amount sufficient to secure from loss the
13 district money that exceeds the amount secured by the Federal
14 Deposit Insurance Corporation. (Acts 70th Leg., 2nd C.S., Ch. 42,
15 Sec. 6.10.)

16 Sec. 1036.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
17 Except as provided by Sections 1036.111, 1036.201, 1036.204, and
18 1036.205, the district may not incur a debt payable from district
19 revenue other than the revenue on hand or to be on hand in the
20 current and the immediately following district fiscal years.

21 (b) The board may invest operating, depreciation, or
22 building reserves only in funds or securities specified by Chapter
23 2256, Government Code. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
24 6.09.)

25 [Sections 1036.161-1036.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1036.201. GENERAL OBLIGATION BONDS. If authorized by

1 an election, the board may issue and sell general obligation bonds
2 in the name and on the faith and credit of the district to:

3 (1) purchase, construct, acquire, repair, or renovate
4 buildings or improvements;

5 (2) equip buildings or improvements for hospital
6 purposes; or

7 (3) acquire and operate a mobile emergency medical
8 service. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 7.01.)

9 Sec. 1036.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
10 the time general obligation bonds are issued by the district under
11 Section 1036.201, the board shall impose an ad valorem tax at a rate
12 sufficient to create an interest and sinking fund to pay the
13 principal of and interest on the bonds as the bonds mature.

14 (b) The tax required by this section together with any other
15 ad valorem tax the district imposes may not in any year exceed the
16 limit approved by the voters at the election authorizing the
17 imposition of the tax. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
18 7.02.)

19 Sec. 1036.203. BOND ELECTION. (a) The district may issue
20 general obligation bonds or other bonds secured wholly or partly by
21 an ad valorem tax, other than refunding bonds, only if the bonds are
22 authorized by a majority of the voters voting at an election held
23 for that purpose.

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

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

26 (1) the nature and date of the election;

27 (2) the hours during which the polls will be open;

- 1 (3) the location of the polling places;
- 2 (4) the amount of the bonds to be authorized; and
- 3 (5) the maximum maturity of the bonds.

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

6 (e) The board shall declare the results of the election.
7 (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 7.03, 7.12 (part).)

8 Sec. 1036.204. REVENUE BONDS. (a) The board may issue
9 revenue bonds to:

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

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

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

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

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

21 (d) The bonds must be issued in the manner provided by
22 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
23 Code, for issuance of revenue bonds by a county hospital authority.
24 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 7.04.)

25 Sec. 1036.205. REFUNDING BONDS. (a) The board may issue
26 refunding bonds to refund an outstanding indebtedness issued or
27 assumed by the district.

1 (b) Refunding bonds may be:

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

4 (2) exchanged wholly or partly for not less than a
5 similar principal amount of outstanding indebtedness. (Acts 70th
6 Leg., 2nd C.S., Ch. 42, Secs. 7.05(a), (c) (part).)

7 Sec. 1036.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF
8 BONDS. In addition to the authority to issue general obligation
9 bonds and revenue bonds under this subchapter, the board may
10 provide for the security and payment of district bonds from a pledge
11 of a combination of ad valorem taxes as authorized by Section
12 1036.202 and revenue and other sources authorized by Section
13 1036.204. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 7.12 (part).)

14 Sec. 1036.207. MATURITY OF BONDS. District bonds must
15 mature not later than 50 years after the date of issuance. (Acts
16 70th Leg., 2nd C.S., Ch. 42, Sec. 7.06 (part).)

17 Sec. 1036.208. EXECUTION OF BONDS. (a) The board president
18 shall execute district bonds in the district's name.

19 (b) The board secretary shall countersign the bonds in the
20 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,
21 2nd C.S., Ch. 42, Sec. 7.07.)

22 Sec. 1036.209. BONDS EXEMPT FROM TAXATION. The following
23 are exempt from taxation by this state or a political subdivision of
24 this state:

25 (1) bonds issued by the district;

26 (2) any transaction relating to the bonds; and

27 (3) profits made in the sale of the bonds. (Acts 70th

1 Leg., 2nd C.S., Ch. 42, Sec. 7.11 (part).)

2 [Sections 1036.210-1036.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1036.251. IMPOSITION OF AD VALOREM TAX. (a) The board
5 may impose a tax on all property in the district subject to district
6 taxation.

7 (b) The tax may be used to pay:

8 (1) indebtedness issued or assumed by the district;

9 and

10 (2) the maintenance and operating expenses of the
11 district.

12 (c) The district may not impose a tax to pay the principal of
13 or interest on revenue bonds issued under this chapter. (Acts 70th
14 Leg., 2nd C.S., Ch. 42, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

15 Sec. 1036.252. TAX RATE. (a) The board may impose the tax
16 at a rate not to exceed the limit approved by the voters at the
17 election authorizing the imposition of the tax.

18 (b) The tax rate for all purposes may not exceed 75 cents on
19 each \$100 valuation of all taxable property in the district.

20 (c) In setting the tax rate, the board shall consider the
21 income of the district from sources other than taxation. (Acts 70th
22 Leg., 2nd C.S., Ch. 42, Secs. 8.01(a), (b), 8.03 (part).)

23 Sec. 1036.253. TAX ASSESSOR-COLLECTOR. The board may
24 provide for the appointment of a tax assessor-collector for the
25 district or may contract for the assessment and collection of taxes
26 as provided by the Tax Code. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.
27 8.04(b).)

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13 Sec. 1037.208. BONDS EXEMPT FROM TAXATION

14 [Sections 1037.209-1037.250 reserved for expansion]

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16 Sec. 1037.251. IMPOSITION OF AD VALOREM TAX

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18 Sec. 1037.253. TAX ASSESSOR-COLLECTOR

19 CHAPTER 1037. HAMLIN HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1037.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the
23 district.

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

25 (3) "District" means the Hamlin Hospital District.

26 (Acts 63rd Leg., R.S., Ch. 561, Sec. 1 (part); New.)

27 Sec. 1037.002. AUTHORITY FOR CREATION. The district is

1 created under the authority of Section 9, Article IX, Texas
2 Constitution. The district has the rights, powers, and duties
3 conferred by this chapter and general laws relating to hospital
4 districts. (Acts 63rd Leg., R.S., Ch. 561, Secs. 1 (part), 2
5 (part).)

6 Sec. 1037.003. ESSENTIAL PUBLIC FUNCTION. The district
7 performs an essential public function in carrying out the purposes
8 of this chapter. (Acts 63rd Leg., R.S., Ch. 561, Sec. 22 (part).)

9 Sec. 1037.004. DISTRICT TERRITORY. The district is
10 composed of the territory described by Section 1, Chapter 561, Acts
11 of the 63rd Legislature, Regular Session, 1973. (New.)

12 Sec. 1037.005. CORRECTION OF INVALID PROCEDURES. If a
13 court holds that any procedure under this chapter violates the
14 constitution of this state or of the United States, the district by
15 resolution may provide an alternative procedure that conforms with
16 the constitution. (Acts 63rd Leg., R.S., Ch. 561, Sec. 24 (part).)

17 Sec. 1037.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
18 OBLIGATION. The support and maintenance of the district may not
19 become a charge against or obligation of this state. (Acts 63rd
20 Leg., R.S., Ch. 561, Sec. 21 (part).)

21 [Sections 1037.007-1037.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 1037.051. BOARD ELECTION; TERM. (a) The board
24 consists of seven directors elected from the district at large.

25 (b) Unless four-year terms are established under Section
26 285.081, Health and Safety Code:

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

1 (2) the terms of four directors expire in odd-numbered
2 years and the terms of three directors expire in even-numbered
3 years.

4 (c) The election order must state the time, place, and
5 purpose of the election. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(a)
6 (part).)

7 Sec. 1037.052. NOTICE OF ELECTION. At least five days
8 before the date of an election of directors, notice of the election
9 shall be published one time in a newspaper of general circulation in
10 the district. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(a) (part).)

11 Sec. 1037.053. BALLOT PETITION. A person who wants to have
12 the person's name printed on the ballot as a candidate for director
13 must file with the board secretary a petition requesting that
14 action. The petition must be:

15 (1) signed by at least 10 registered voters; and

16 (2) filed at least 25 days before the date of the
17 election. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(a) (part).)

18 Sec. 1037.054. QUALIFICATIONS FOR OFFICE. To be eligible
19 to hold office as a director, a person must be a resident
20 property-owning taxpaying voter of the district. (Acts 63rd Leg.,
21 R.S., Ch. 561, Sec. 4(b) (part).)

22 Sec. 1037.055. BOARD VACANCY. If a vacancy occurs in the
23 office of director, the remaining directors by majority vote shall
24 appoint a director for the unexpired term. (Acts 63rd Leg., R.S.,
25 Ch. 561, Sec. 4(a) (part).)

26 Sec. 1037.056. OFFICERS. (a) The board shall elect from
27 among its members a president, vice president, secretary, and other

1 officers as in the judgment of the board are necessary.

2 (b) The president is the chief executive officer of the
3 district and has the same right to vote as any other director.

4 (c) If the president is absent or fails and declines to act,
5 the vice president shall perform the president's duties and
6 exercise the president's powers under this chapter. (Acts 63rd
7 Leg., R.S., Ch. 561, Sec. 4(b) (part).)

8 Sec. 1037.057. COMPENSATION; EXPENSES. A director serves
9 without compensation but may receive actual expenses incurred in
10 attending to district business on approval of the expenses by the
11 remainder of the board. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(b)
12 (part).)

13 Sec. 1037.058. DISTRICT ADMINISTRATOR; ASSISTANT
14 ADMINISTRATOR. (a) The board shall appoint a qualified person as
15 district administrator.

16 (b) The board may appoint an assistant administrator.

17 (c) The district administrator and any assistant
18 administrator serve at the will of the board and are entitled to the
19 compensation determined by the board.

20 (d) On assuming the duties of district administrator, the
21 administrator shall execute a bond payable to the district in an
22 amount set by the board of not less than \$5,000 that:

23 (1) is conditioned on the administrator performing the
24 administrator's duties; and

25 (2) contains other conditions the board may require.
26 (Acts 63rd Leg., R.S., Ch. 561, Sec. 5 (part).)

27 Sec. 1037.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

1 Subject to the limitations prescribed by the board, the district
2 administrator shall:

3 (1) supervise the work and activities of the district;
4 and

5 (2) direct the affairs of the district. (Acts 63rd
6 Leg., R.S., Ch. 561, Sec. 5 (part).)

7 Sec. 1037.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
8 board may appoint to the staff any doctors the board considers
9 necessary for the efficient operation of the district and may make
10 temporary appointments as necessary.

11 (b) The board shall determine the type, number, and location
12 of district employees required to maintain an adequate hospital
13 system. The board may employ fiscal agents, accountants,
14 architects, attorneys, and other employees the board considers
15 proper.

16 (c) The board may delegate to the district administrator the
17 authority to hire district employees, including technicians and
18 nurses. (Acts 63rd Leg., R.S., Ch. 561, Secs. 5 (part), 10(a)
19 (part), 17.)

20 [Sections 1037.061-1037.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 1037.101. DISTRICT RESPONSIBILITY. The district has
23 full responsibility for providing hospital care for the district's
24 indigent residents. (Acts 63rd Leg., R.S., Ch. 561, Sec. 20
25 (part).)

26 Sec. 1037.102. RESTRICTION ON POLITICAL SUBDIVISION
27 TAXATION AND DEBT. A political subdivision located within the

1 district may not impose a tax or issue bonds or other obligations
2 for hospital purposes for the area of the district or to provide
3 medical care for district inhabitants. (Acts 63rd Leg., R.S., Ch.
4 561, Sec. 20 (part).)

5 Sec. 1037.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

6 (a) The board shall manage, control, and administer the hospital
7 system and the district's money and resources.

8 (b) Unless specifically stated otherwise in this chapter,
9 the board has the power to do anything which, in their opinion, is
10 necessary for the good maintenance, operation, and welfare of the
11 district and the district's employees, patients, and property.
12 (Acts 63rd Leg., R.S., Ch. 561, Secs. 5 (part), 21 (part).)

13 Sec. 1037.104. HOSPITAL SYSTEM. (a) The district shall
14 provide for the establishment of a hospital system by:

15 (1) purchasing, constructing, acquiring, repairing,
16 or renovating buildings and equipment;

17 (2) equipping the buildings; and

18 (3) administering the buildings and equipment for
19 hospital purposes.

20 (b) The hospital system may include:

21 (1) facilities for domiciliary care of the sick,
22 injured, or geriatric;

23 (2) facilities for outpatient clinics;

24 (3) dispensaries;

25 (4) convalescent home facilities;

26 (5) necessary nurses' domiciliaries and training
27 centers;

- 1 (6) blood banks;
- 2 (7) research centers or laboratories; and
- 3 (8) ambulance and other facilities or services the
- 4 board considers necessary for hospital care. (Acts 63rd Leg.,
- 5 R.S., Ch. 561, Secs. 2 (part), 10(a) (part).)

6 Sec. 1037.105. RULES. The board may adopt rules governing

7 the operation of the hospital, the hospital system, and the

8 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 561,

9 Sec. 5 (part).)

10 Sec. 1037.106. PURCHASING AND ACCOUNTING PROCEDURES. The

11 board may prescribe:

12 (1) the method and manner of making purchases and

13 expenditures by and for the district; and

14 (2) all accounting and control procedures. (Acts 63rd

15 Leg., R.S., Ch. 561, Sec. 11 (part).)

16 Sec. 1037.107. DISTRICT PROPERTY, FACILITIES, AND

17 EQUIPMENT. (a) The board shall determine the type of equipment and

18 the type, number, and location of buildings required to maintain an

19 adequate hospital system.

20 (b) The board may lease all or part of the district's

21 buildings and other facilities on terms considered to be in the best

22 interest of the district's inhabitants. The term of the lease may

23 not exceed 25 years.

24 (c) The district may acquire equipment for use in the

25 district's hospital system and mortgage or pledge the property as

26 security for the payment of the purchase price. A contract entered

27 into under this subsection must provide that the entire obligation

1 be retired not later than the fifth anniversary of the date of the
2 contract.

3 (d) The district may sell or otherwise dispose of any
4 property, including equipment, on terms the board finds are in the
5 best interest of the district's inhabitants. The board may not sell
6 or dispose of any real property unless the board affirmatively
7 finds that the real property is not needed for the operation of the
8 hospital system. (Acts 63rd Leg., R.S., Ch. 561, Secs. 10(a)
9 (part), (b) (part), 11 (part).)

10 Sec. 1037.108. EMINENT DOMAIN. (a) The district may
11 exercise the power of eminent domain to acquire a fee simple or
12 other interest in any type of property located in district
13 territory if the interest is necessary for the district to exercise
14 a power, right, or privilege conferred by this chapter.

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

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

21 (1) pay in advance or provide a bond or other security
22 for costs in the trial court;

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

25 (3) provide a bond for costs or a supersedeas bond on
26 any appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 561, Sec.
27 15.)

1 Sec. 1037.109. GIFTS AND ENDOWMENTS. The board may accept
2 for the district a gift or endowment for hospital purposes to be
3 held in trust and administered by the board for the purposes and
4 under the directions, limitations, or other provisions prescribed
5 in writing by the donor that are not inconsistent with the proper
6 management and objectives of the district. (Acts 63rd Leg., R.S.,
7 Ch. 561, Sec. 19.)

8 Sec. 1037.110. CONSTRUCTION CONTRACTS. A construction
9 contract that involves the expenditure of more than \$2,000 may be
10 made only after advertising in the manner provided by Chapter 252
11 and Subchapter C, Chapter 262, Local Government Code. (Acts 63rd
12 Leg., R.S., Ch. 561, Sec. 11 (part).)

13 Sec. 1037.111. OPERATING AND MANAGEMENT CONTRACTS. The
14 board may enter into an operating or management contract relating
15 to a district facility. (Acts 63rd Leg., R.S., Ch. 561, Sec. 10(b)
16 (part).)

17 Sec. 1037.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
18 CARE AND TREATMENT. (a) The board may contract with a county or
19 municipality located outside the district's boundaries for the care
20 and treatment of a sick or injured person of that county or
21 municipality.

22 (b) The board may contract with this state or a federal
23 agency for the treatment of a sick or injured person. (Acts 63rd
24 Leg., R.S., Ch. 561, Sec. 5 (part).)

25 Sec. 1037.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
26 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
27 political subdivision or governmental agency for the district

1 to provide investigatory or other services for the medical,
2 hospital, or welfare needs of district inhabitants. (Acts 63rd
3 Leg., R.S., Ch. 561, Sec. 5 (part).)

4 Sec. 1037.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
5 When a patient who resides in the district is admitted to a district
6 facility, the district administrator may have an inquiry made into
7 the circumstances of:

8 (1) the patient; and

9 (2) the patient's relatives who are legally liable for
10 the patient's support.

11 (b) If the district administrator determines that the
12 patient or those relatives cannot pay all or part of the costs of
13 the care and treatment in the hospital, the amount of the costs that
14 cannot be paid becomes a charge against the district.

15 (c) If the district administrator determines that the
16 patient or those relatives can pay for all or part of the costs of
17 the patient's care and treatment, the patient or those relatives
18 shall be ordered to pay the district a specified amount each week
19 for the patient's care and support. The amount ordered must be
20 proportionate to the person's financial ability.

21 (d) The district administrator may collect the amount from
22 the patient's estate, or from any relative who is legally liable for
23 the patient's support, in the manner provided by law for the
24 collection of expenses of the last illness of a deceased person.

25 (e) If there is a dispute as to the ability to pay, or doubt
26 in the mind of the district administrator, the board shall hold a
27 hearing and, after calling witnesses, shall:

1 (1) resolve the dispute or doubt; and

2 (2) issue any appropriate orders.

3 (f) The final order of the board may be appealed to the
4 district court. The substantial evidence rule applies to the
5 appeal. (Acts 63rd Leg., R.S., Ch. 561, Sec. 18.)

6 Sec. 1037.115. AUTHORITY TO SUE AND BE SUED. The district,
7 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.
8 561, Sec. 5 (part).)

9 [Sections 1037.116-1037.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1037.151. BUDGET. (a) The district administrator
12 shall prepare an annual budget for approval by the board.

13 (b) The proposed budget must contain a complete financial
14 statement of:

15 (1) the outstanding obligations of the district;

16 (2) the cash on hand in each district fund;

17 (3) the money received by the district from all
18 sources during the previous year;

19 (4) the money available to the district from all
20 sources during the ensuing year;

21 (5) the balances expected at the end of the year in
22 which the budget is being prepared;

23 (6) the estimated revenue and balances available to
24 cover the proposed budget;

25 (7) the estimated tax rate required; and

26 (8) the proposed expenditures and disbursements and
27 the estimated receipts and collections for the following fiscal

1 year. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(a) (part).)

2 Sec. 1037.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

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

8 (c) Any district resident is entitled to be present and
9 participate at the hearing in accordance with the rules of decorum
10 and procedures prescribed by the board.

11 (d) At the conclusion of the hearing, the board shall adopt
12 a final budget by acting on the budget proposed by the district
13 administrator. The board may make any changes in the proposed
14 budget that the board judges to be in the interests of the taxpayers
15 and that the law warrants. (Acts 63rd Leg., R.S., Ch. 561, Secs.
16 6(a) (part), (b) (part).)

17 Sec. 1037.153. AMENDMENTS TO BUDGET. The annual budget may
18 be amended as required by circumstances. The board must approve all
19 amendments. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(b) (part).)

20 Sec. 1037.154. FISCAL YEAR. (a) The district operates on a
21 fiscal year established by the board.

22 (b) The fiscal year may not be changed more than once in a
23 24-month period. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(a) (part).)

24 Sec. 1037.155. AUDIT. (a) The board shall have an
25 independent audit made of the district's financial condition for
26 the fiscal year.

27 (b) As soon as the audit is completed, the audit shall be

1 filed at the district's principal office. (Acts 63rd Leg., R.S.,
2 Ch. 561, Sec. 6(a) (part).)

3 Sec. 1037.156. INSPECTION OF AUDIT AND DISTRICT RECORDS.
4 The audit and other district records shall be open to inspection at
5 the district's principal office. (Acts 63rd Leg., R.S., Ch. 561,
6 Sec. 6(a) (part).)

7 Sec. 1037.157. FINANCIAL REPORT. As soon as practicable
8 after the close of each fiscal year, the district administrator
9 shall prepare for the board:

10 (1) a complete sworn statement of all district money;
11 and

12 (2) a complete account of the disbursements of that
13 money. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(b) (part).)

14 Sec. 1037.158. DEPOSITORY. (a) The board shall select one
15 or more banks inside or outside the district to serve as a
16 depository for district money.

17 (b) District money, other than money invested as provided by
18 Section 1037.159(b), and money transmitted to a bank for payment of
19 bonds or obligations issued or assumed by the district, shall be
20 deposited as received with the depository bank and shall remain on
21 deposit.

22 (c) This chapter, including Subsection (b), does not limit
23 the power of the board to place a part of district money on time
24 deposit or to purchase certificates of deposit. (Acts 63rd Leg.,
25 R.S., Ch. 561, Sec. 12.)

26 Sec. 1037.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)
27 Except as otherwise provided by Section 1037.107(c) and by

1 Subchapter E, the board may not incur an obligation payable from
2 district revenue other than the revenue on hand or to be on hand in
3 the current and following district fiscal years.

4 (b) The board may invest operating, depreciation, or
5 building reserves only in funds or securities specified by Chapter
6 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 561, Secs. 5
7 (part), 11 (part).)

8 [Sections 1037.160-1037.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1037.201. GENERAL OBLIGATION BONDS. The board may
11 issue and sell general obligation bonds in the name and on the faith
12 and credit of the district for any purpose relating to:

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

15 (2) equipping buildings or improvements for hospital
16 purposes. (Acts 63rd Leg., R.S., Ch. 561, Sec. 7 (part).)

17 Sec. 1037.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
18 the time general obligation bonds are issued under Section
19 1037.201, the board shall impose an ad valorem tax at a rate
20 sufficient to create an interest and sinking fund to pay the
21 principal of and interest on the bonds as the bonds mature.

22 (b) The tax required by this section together with any other
23 ad valorem tax the district imposes may not in any year exceed the
24 tax rate approved by the voters at the election authorizing the
25 imposition of the tax. (Acts 63rd Leg., R.S., Ch. 561, Sec. 7
26 (part).)

27 Sec. 1037.203. GENERAL OBLIGATION BOND ELECTION. (a) The

1 district may issue general obligation bonds only if the bonds are
2 authorized by a majority of the district voters voting at an
3 election held for that purpose.

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

- 6 (1) the date of the election;
- 7 (2) the location of the polling places;
- 8 (3) the presiding and alternate election judges for
9 each polling place;
- 10 (4) the amount of the bonds to be authorized;
- 11 (5) the maximum maturity of the bonds; and
- 12 (6) the maximum interest rate of the bonds.

13 (c) Notice of a bond election shall be given as provided by
14 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 561,
15 Sec. 7 (part).)

16 Sec. 1037.204. REVENUE BONDS. (a) The board may, without
17 an election, issue revenue bonds to:

- 18 (1) purchase, construct, acquire, repair, renovate,
19 or equip buildings or improvements for hospital purposes; or
- 20 (2) acquire sites to be used for hospital purposes.

21 (b) The bonds must be payable from and secured by a pledge of
22 all or part of the revenue derived from the operation of the
23 district's hospitals.

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

26 (d) The bonds must be issued in the manner and in accordance
27 with the procedures and requirements prescribed by Sections

1 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
2 issuance of revenue bonds by a county hospital authority. (Acts
3 63rd Leg., R.S., Ch. 561, Secs. 7 (part), 8(b) (part).)

4 Sec. 1037.205. REFUNDING BONDS. (a) The board may, without
5 an election, issue refunding bonds to refund outstanding
6 indebtedness issued or assumed by the district.

7 (b) A refunding bond may be:

8 (1) sold, with the proceeds of the refunding bond
9 applied to the payment of the outstanding indebtedness; or

10 (2) exchanged wholly or partly for not less than a
11 similar principal amount of outstanding indebtedness. (Acts 63rd
12 Leg., R.S., Ch. 561, Secs. 7 (part), 8(a) (part), (b) (part).)

13 Sec. 1037.206. MATURITY OF BONDS. District bonds must
14 mature not later than 40 years after the date of issuance. (Acts
15 63rd Leg., R.S., Ch. 561, Sec. 9 (part).)

16 Sec. 1037.207. EXECUTION OF BONDS. (a) The board president
17 shall execute the district's bonds in the district's name.

18 (b) The board secretary shall countersign the bonds in the
19 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,
20 R.S., Ch. 561, Sec. 9 (part).)

21 Sec. 1037.208. BONDS EXEMPT FROM TAXATION. The following
22 are exempt from taxation by this state or a political subdivision of
23 this state:

24 (1) bonds issued by the district;

25 (2) the transfer and issuance of the bonds; and

26 (3) profits made in the sale of the bonds. (Acts 63rd
27 Leg., R.S., Ch. 561, Sec. 22 (part).)

1 [Sections 1037.209-1037.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1037.251. IMPOSITION OF AD VALOREM TAX. (a) The board
4 shall impose a tax on all property in the district subject to
5 district taxation.

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

7 (1) pay the interest on and create a sinking fund for
8 bonds and other obligations issued or assumed by the district for
9 hospital purposes;

10 (2) provide for the operation and maintenance of the
11 district and hospital system, based on the final budget;

12 (3) make improvements and additions to the hospital
13 system; and

14 (4) acquire necessary sites for the hospital system by
15 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 561,
16 Secs. 3 (part), 13 (part).)

17 Sec. 1037.252. TAX RATE. (a) The board may impose the tax
18 at a rate not to exceed 75 cents on each \$100 valuation of taxable
19 property in the district.

20 (b) In setting the tax rate, the board shall consider the
21 income of the district from sources other than taxation. (Acts 63rd
22 Leg., R.S., Ch. 561, Secs. 3 (part), 13 (part).)

23 Sec. 1037.253. TAX ASSESSOR-COLLECTOR. (a) The board
24 shall appoint a tax assessor-collector to assess and collect taxes
25 imposed by the district.

26 (b) The district tax assessor-collector must reside in the
27 district.

1 (c) The board shall set for the district tax
2 assessor-collector:

- 3 (1) the term of employment; and
- 4 (2) compensation. (Acts 63rd Leg., R.S., Ch. 561,
5 Sec. 16 (part).)

6 CHAPTER 1038. HARDEMAN COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1038.001. DEFINITIONS

9 Sec. 1038.002. AUTHORITY FOR OPERATION

10 Sec. 1038.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1038.004. DISTRICT TERRITORY

12 Sec. 1038.005. DISTRICT SUPPORT AND MAINTENANCE NOT
13 STATE OBLIGATION

14 Sec. 1038.006. RESTRICTION ON STATE FINANCIAL
15 ASSISTANCE

16 Sec. 1038.007. ELECTION DATE

17 [Sections 1038.008-1038.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1038.051. BOARD ELECTION; TERM

20 Sec. 1038.052. NOTICE OF ELECTION

21 Sec. 1038.053. QUALIFICATIONS FOR OFFICE

22 Sec. 1038.054. BOND; RECORD OF BOND AND OATH OR
23 AFFIRMATION OF OFFICE

24 Sec. 1038.055. BOARD VACANCY

25 Sec. 1038.056. OFFICERS

26 Sec. 1038.057. COMPENSATION; EXPENSES

27 Sec. 1038.058. VOTING REQUIREMENT

- 1 Sec. 1038.059. DISTRICT ADMINISTRATOR
- 2 Sec. 1038.060. GENERAL DUTIES OF DISTRICT
- 3 ADMINISTRATOR
- 4 Sec. 1038.061. ATTORNEY; ASSISTANT DISTRICT
- 5 ADMINISTRATOR
- 6 Sec. 1038.062. APPOINTMENT AND RECRUITMENT OF STAFF
- 7 AND EMPLOYEES
- 8 Sec. 1038.063. PERSONNEL CONTRACTS
- 9 Sec. 1038.064. RETIREMENT BENEFITS
- 10 [Sections 1038.065-1038.100 reserved for expansion]
- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 1038.101. DISTRICT RESPONSIBILITY
- 13 Sec. 1038.102. RESTRICTION ON POLITICAL SUBDIVISION
- 14 TAXATION AND DEBT
- 15 Sec. 1038.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 16 Sec. 1038.104. HOSPITAL SYSTEM
- 17 Sec. 1038.105. RULES
- 18 Sec. 1038.106. PURCHASING AND ACCOUNTING PROCEDURES
- 19 Sec. 1038.107. DISTRICT PROPERTY, FACILITIES, AND
- 20 EQUIPMENT
- 21 Sec. 1038.108. EMINENT DOMAIN
- 22 Sec. 1038.109. COST OF RELOCATING OR ALTERING PROPERTY
- 23 Sec. 1038.110. GIFTS AND ENDOWMENTS
- 24 Sec. 1038.111. CONSTRUCTION CONTRACTS
- 25 Sec. 1038.112. OPERATING AND MANAGEMENT CONTRACTS
- 26 Sec. 1038.113. INTERLOCAL AGREEMENT

- 1 Sec. 1038.114. CONTRACTS WITH GOVERNMENTAL ENTITIES
2 FOR CARE AND TREATMENT
3 Sec. 1038.115. CONTRACTS WITH GOVERNMENTAL ENTITIES
4 FOR INVESTIGATORY OR OTHER SERVICES
5 Sec. 1038.116. PAYMENT FOR TREATMENT; PROCEDURES
6 Sec. 1038.117. NONPROFIT CORPORATION
7 Sec. 1038.118. AUTHORITY TO SUE AND BE SUED
8 [Sections 1038.119-1038.150 reserved for expansion]
9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
10 Sec. 1038.151. BUDGET
11 Sec. 1038.152. NOTICE; HEARING; ADOPTION OF BUDGET
12 Sec. 1038.153. AMENDMENTS TO BUDGET
13 Sec. 1038.154. RESTRICTION ON EXPENDITURES
14 Sec. 1038.155. FISCAL YEAR
15 Sec. 1038.156. ANNUAL AUDIT
16 Sec. 1038.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
17 RECORDS
18 Sec. 1038.158. FINANCIAL REPORT
19 Sec. 1038.159. DEPOSITORY
20 Sec. 1038.160. SPENDING AND INVESTMENT RESTRICTIONS
21 Sec. 1038.161. AUTHORITY TO BORROW MONEY; SECURITY
22 [Sections 1038.162-1038.200 reserved for expansion]
23 SUBCHAPTER E. BONDS
24 Sec. 1038.201. GENERAL OBLIGATION BONDS
25 Sec. 1038.202. TAX TO PAY GENERAL OBLIGATION BONDS
26 Sec. 1038.203. BOND ELECTION
27 Sec. 1038.204. MATURITY OF GENERAL OBLIGATION BONDS

1 Sec. 1038.205. EXECUTION OF GENERAL OBLIGATION BONDS

2 Sec. 1038.206. REVENUE BONDS

3 Sec. 1038.207. REFUNDING BONDS

4 Sec. 1038.208. ADDITIONAL MEANS OF SECURING REPAYMENT
5 OF BONDS

6 Sec. 1038.209. USE OF BOND PROCEEDS

7 Sec. 1038.210. BONDS EXEMPT FROM TAXATION

8 [Sections 1038.211-1038.250 reserved for expansion]

9 SUBCHAPTER F. TAXES

10 Sec. 1038.251. IMPOSITION OF AD VALOREM TAX

11 Sec. 1038.252. TAX RATE

12 Sec. 1038.253. TAX ASSESSOR-COLLECTOR

13 [Sections 1038.254-1038.300 reserved for expansion]

14 SUBCHAPTER G. DISSOLUTION

15 Sec. 1038.301. DISSOLUTION; ELECTION

16 Sec. 1038.302. NOTICE OF ELECTION

17 Sec. 1038.303. BALLOT

18 Sec. 1038.304. ELECTION RESULTS

19 Sec. 1038.305. TRANSFER OR ADMINISTRATION OF ASSETS

20 Sec. 1038.306. SALE OR TRANSFER OF ASSETS AND
21 LIABILITIES

22 Sec. 1038.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
23 TAXES

24 Sec. 1038.308. REPORT; DISSOLUTION ORDER

25 CHAPTER 1038. HARDEMAN COUNTY HOSPITAL DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 1038.001. DEFINITIONS. In this chapter:

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

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

4 (3) "District" means the Hardeman County Hospital
5 District. (New.)

6 Sec. 1038.002. AUTHORITY FOR OPERATION. The district
7 operates and is administered and financed in accordance with
8 Section 9, Article IX, Texas Constitution, and has the rights,
9 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,
10 Ch. 214, Sec. 1 (part).)

11 Sec. 1038.003. ESSENTIAL PUBLIC FUNCTION. The district
12 performs an essential public function in carrying out the purposes
13 of this chapter. (Acts 66th Leg., R.S., Ch. 214, Sec. 20 (part).)

14 Sec. 1038.004. DISTRICT TERRITORY. The boundaries of the
15 district are coextensive with the boundaries of County
16 Commissioners Precincts Nos. 1, 2, and 4 of Hardeman County, Texas,
17 as those boundaries existed on May 17, 1979. (Acts 66th Leg., R.S.,
18 Ch. 214, Sec. 1 (part).)

19 Sec. 1038.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
20 OBLIGATION. The support and maintenance of the district may not
21 become a charge against or obligation of this state. (Acts 66th
22 Leg., R.S., Ch. 214, Sec. 19 (part).)

23 Sec. 1038.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
24 The legislature may not make a direct appropriation for the
25 construction, maintenance, or improvement of a district facility.
26 (Acts 66th Leg., R.S., Ch. 214, Sec. 19 (part).)

27 Sec. 1038.007. ELECTION DATE. Except as provided by

1 Section 1038.051, Section 41.001(a), Election Code, does not apply
2 to an election held under this chapter. (Acts 66th Leg., R.S., Ch.
3 214, Secs. 3(a) (part), 6(a) (part), 21A(c) (part).)

4 [Sections 1038.008-1038.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT ADMINISTRATION

6 Sec. 1038.051. BOARD ELECTION; TERM. (a) The board
7 consists of seven directors elected from the district at large.

8 (b) The board shall declare the results of the election.

9 (c) Directors serve staggered two-year terms unless
10 four-year terms are established under Section 285.081, Health and
11 Safety Code.

12 (d) Section 41.001, Election Code, applies to an election
13 held under this section. (Acts 66th Leg., R.S., Ch. 214, Secs. 3(d)
14 (part), (f) (part).)

15 Sec. 1038.052. NOTICE OF ELECTION. At least 30 days before
16 the date of an election of directors, the board shall publish notice
17 of the election one time in a newspaper or newspapers that
18 individually or collectively have general circulation in the
19 district. (Acts 66th Leg., R.S., Ch. 214, Sec. 3(f) (part).)

20 Sec. 1038.053. QUALIFICATIONS FOR OFFICE. (a) A person may
21 not be elected or appointed as a director unless the person is:

22 (1) a district resident; and

23 (2) a qualified voter.

24 (b) A person is not eligible to serve as a director if the
25 person is:

26 (1) the district administrator;

27 (2) the attorney for the district; or

1 (3) a district employee. (Acts 66th Leg., R.S., Ch.
2 214, Sec. 3(h).)

3 Sec. 1038.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
4 OF OFFICE. (a) Each director may be required to execute a good and
5 sufficient bond for \$5,000 that is:

6 (1) approved by the Commissioners Court of Hardeman
7 County;

8 (2) payable to the district; and

9 (3) conditioned on the faithful performance of the
10 director's duties.

11 (b) The district may provide for a director's bond with
12 district money.

13 (c) Each director's bond and constitutional oath or
14 affirmation of office shall be kept in the district's permanent
15 records. (Acts 66th Leg., R.S., Ch. 214, Secs. 3(a) (part), (g).)

16 Sec. 1038.055. BOARD VACANCY. If a vacancy occurs in the
17 office of director, the remaining directors shall appoint a
18 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 214,
19 Sec. 3(f) (part).)

20 Sec. 1038.056. OFFICERS. (a) The board shall elect:

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

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

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

25 (c) The board shall fill a vacancy in a board office for the
26 unexpired term. (Acts 66th Leg., R.S., Ch. 214, Sec. 3(i) (part).)

27 Sec. 1038.057. COMPENSATION; EXPENSES. A director or

1 officer serves without compensation but may be reimbursed for
2 actual expenses incurred in the performance of official duties.
3 The expenses must be:

- 4 (1) reported in the district's records; and
- 5 (2) approved by the board. (Acts 66th Leg., R.S., Ch.
6 214, Sec. 3(i) (part).)

7 Sec. 1038.058. VOTING REQUIREMENT. A concurrence of four
8 directors is sufficient in any matter relating to district
9 business. (Acts 66th Leg., R.S., Ch. 214, Sec. 3(i) (part).)

10 Sec. 1038.059. DISTRICT ADMINISTRATOR. (a) The board may
11 appoint a qualified person as district administrator.

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

14 (c) On assuming the duties of district administrator, the
15 administrator may execute a bond payable to the district in an
16 amount set by the board of not less than \$5,000 that:

- 17 (1) is conditioned on the administrator performing the
18 administrator's duties; and
- 19 (2) contains other conditions the board may require.

20 (d) The board may pay for the bond with district money.
21 (Acts 66th Leg., R.S., Ch. 214, Sec. 4(a) (part).)

22 Sec. 1038.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
23 Subject to the limitations prescribed by the board, the district
24 administrator shall:

- 25 (1) supervise the work and activities of the district;
- 26 and
- 27 (2) direct the affairs of the district. (Acts 66th

1 Leg., R.S., Ch. 214, Sec. 4(a) (part).)

2 Sec. 1038.061. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR.

3 (a) The board may appoint qualified persons as:

4 (1) the attorney for the district; and

5 (2) the assistant district administrator.

6 (b) The attorney for the district and the assistant district
7 administrator serve at the will of the board and are entitled to the
8 compensation determined by the board. (Acts 66th Leg., R.S., Ch.
9 214, Sec. 4(a) (part).)

10 Sec. 1038.062. APPOINTMENT AND RECRUITMENT OF STAFF AND
11 EMPLOYEES. (a) The board may appoint to the staff any doctors the
12 board considers necessary for the efficient operation of the
13 district and may make temporary appointments as necessary.

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

16 (c) The board may delegate to the district administrator the
17 authority to employ district employees, including technicians and
18 nurses.

19 (d) The board may spend district money to recruit
20 physicians, nurses, and other trained medical personnel. The board
21 may pay the tuition or other expenses of a full-time medical student
22 or other student in a health occupation who:

23 (1) is enrolled in and is in good standing at an
24 accredited medical school, college, or university; and

25 (2) contractually agrees to become a district employee
26 or independent contractor in return for that assistance. (Acts
27 66th Leg., R.S., Ch. 214, Secs. 4(a) (part), (h), 15.)

1 Sec. 1038.063. PERSONNEL CONTRACTS. (a) The board may
2 contract to provide administrative or other personnel for the
3 operation of the hospital facilities.

4 (b) The term of the contract may not exceed 25 years. (Acts
5 66th Leg., R.S., Ch. 214, Sec. 4(e).)

6 Sec. 1038.064. RETIREMENT BENEFITS. The board may provide
7 retirement benefits for district employees by:

8 (1) establishing or administering a retirement
9 program; or

10 (2) participating in:

11 (A) the Texas County and District Retirement
12 System; or

13 (B) another statewide retirement system in which
14 the district is eligible to participate. (Acts 66th Leg., R.S., Ch.
15 214, Sec. 4(g).)

16 [Sections 1038.065-1038.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1038.101. DISTRICT RESPONSIBILITY. The district has
19 full responsibility for:

20 (1) operating all hospital facilities; and

21 (2) providing medical and hospital care for the
22 district's needy inhabitants. (Acts 66th Leg., R.S., Ch. 214, Sec.
23 18 (part).)

24 Sec. 1038.102. RESTRICTION ON POLITICAL SUBDIVISION
25 TAXATION AND DEBT. A political subdivision located wholly or partly
26 within the district may not impose a tax or issue bonds or other
27 obligations for hospital purposes or to provide medical care for

1 district residents. (Acts 66th Leg., R.S., Ch. 214, Sec. 18
2 (part).)

3 Sec. 1038.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
4 The board shall manage, control, and administer the hospital system
5 and the district's money and resources. (Acts 66th Leg., R.S., Ch.
6 214, Sec. 4(a) (part).)

7 Sec. 1038.104. HOSPITAL SYSTEM. (a) The district shall
8 provide for the establishment of a hospital system by:

- 9 (1) purchasing, constructing, acquiring, repairing,
10 or renovating buildings and equipment;
11 (2) equipping the buildings; and
12 (3) administering the system for hospital purposes.

13 (b) The hospital system may include any facilities the board
14 considers necessary for hospital care. (Acts 66th Leg., R.S., Ch.
15 214, Secs. 2 (part), 9(a) (part).)

16 Sec. 1038.105. RULES. The board may adopt rules governing
17 the operation of the hospital, the hospital system, and the
18 district's staff and employees. (Acts 66th Leg., R.S., Ch. 214,
19 Sec. 4(a) (part).)

20 Sec. 1038.106. PURCHASING AND ACCOUNTING PROCEDURES. The
21 board may prescribe:

- 22 (1) the method and manner of making purchases and
23 expenditures by and for the district; and
24 (2) all accounting and control procedures. (Acts 66th
25 Leg., R.S., Ch. 214, Sec. 9(b) (part).)

26 Sec. 1038.107. DISTRICT PROPERTY, FACILITIES, AND
27 EQUIPMENT. (a) The board shall determine the type, number, and

1 location of buildings required to maintain an adequate hospital
2 system.

3 (b) The board may:

4 (1) purchase or lease property, including facilities
5 or equipment, for the district to use in the hospital system; and

6 (2) mortgage or pledge the property as security for
7 the payment of the purchase price.

8 (c) The board may lease district hospital facilities to
9 individuals, corporations, or other legal entities.

10 (d) The board may sell or otherwise dispose of the
11 district's property. (Acts 66th Leg., R.S., Ch. 214, Secs. 4(b),
12 (f), 9(a) (part), (b) (part).)

13 Sec. 1038.108. EMINENT DOMAIN. (a) The district may
14 exercise the power of eminent domain to acquire a fee simple or
15 other interest in any type of property located in district
16 territory if the interest is necessary or convenient for the
17 district to exercise a power, right, or privilege conferred by this
18 chapter.

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

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

25 (1) pay in advance or provide a bond or other security
26 for costs in the trial court;

27 (2) provide a bond for the issuance of a temporary

1 restraining order or a temporary injunction; or

2 (3) provide a bond for costs or a supersedeas bond on
3 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 214, Sec.
4 13(a).)

5 Sec. 1038.109. COST OF RELOCATING OR ALTERING PROPERTY. In
6 exercising the power of eminent domain, if the board requires
7 relocating, raising, lowering, rerouting, changing the grade of, or
8 altering the construction of any railroad, electric transmission,
9 telegraph or telephone line, conduit, pole, or facility, or
10 pipeline, the district must bear the actual cost of relocating,
11 raising, lowering, rerouting, changing the grade, or altering the
12 construction to provide comparable replacement without enhancement
13 of facilities, after deducting the net salvage value derived from
14 the old facility. (Acts 66th Leg., R.S., Ch. 214, Sec. 13(b).)

15 Sec. 1038.110. GIFTS AND ENDOWMENTS. The board may accept
16 for the district a gift or endowment to be held in trust for the
17 purposes and under the directions, limitations, or other provisions
18 prescribed in writing by the donor that are consistent with the
19 proper management and objectives of the district. (Acts 66th Leg.,
20 R.S., Ch. 214, Sec. 17.)

21 Sec. 1038.111. CONSTRUCTION CONTRACTS. A construction
22 contract that requires the expenditure of more than the amount
23 provided by Section 271.024, Local Government Code, may be made
24 only after competitive bidding as provided by Subchapter B, Chapter
25 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 214, Sec.
26 9(b) (part).)

27 Sec. 1038.112. OPERATING AND MANAGEMENT CONTRACTS. The

1 board may enter into an operating or management contract relating
2 to a district facility. (Acts 66th Leg., R.S., Ch. 214, Sec. 9(a)
3 (part).)

4 Sec. 1038.113. INTERLOCAL AGREEMENT. The board may enter
5 into an interlocal agreement with another political subdivision to
6 operate the district. (Acts 66th Leg., R.S., Ch. 214, Sec. 4(d).)

7 Sec. 1038.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
8 CARE AND TREATMENT. (a) The board may contract with a county or
9 municipality located outside the district's boundaries to
10 reimburse the district for the care and treatment of a sick or
11 injured person of that county or municipality.

12 (b) The district may contract with this state or a federal
13 agency for reimbursement for the treatment of a sick or injured
14 person. (Acts 66th Leg., R.S., Ch. 214, Sec. 4(c) (part).)

15 Sec. 1038.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
16 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
17 political subdivision or governmental agency as to the district to
18 provide investigatory or other services as to facilities for the
19 medical care, hospital, or welfare needs of district inhabitants.
20 (Acts 66th Leg., R.S., Ch. 214, Sec. 4(c) (part).)

21 Sec. 1038.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)
22 When a patient who resides in the district is admitted to a district
23 facility, the district administrator may have an inquiry made into
24 the circumstances of:

25 (1) the patient; and

26 (2) the patient's relatives who are legally liable for
27 the patient's support.

1 (b) If the district administrator determines that the
2 patient or those relatives cannot pay all or part of the costs of
3 the care and treatment in the hospital, the amount of the costs that
4 cannot be paid becomes a charge against the district.

5 (c) If the district administrator determines that the
6 patient or those relatives can pay for all or part of the costs of
7 the patient's care and treatment, the patient or those relatives
8 shall be ordered to pay the district a specified amount each week
9 for the patient's care and support. The amount ordered must be
10 proportionate to the person's financial ability.

11 (d) The district administrator may collect the amount from
12 the patient's estate, or from any relative who is legally liable for
13 the patient's support, in the manner provided by law for the
14 collection of expenses of the last illness of a deceased person.

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

18 (1) resolve the dispute or doubt; and

19 (2) issue a final order.

20 (f) A final order of the board may be appealed to the
21 district court. The substantial evidence rule applies to the
22 appeal. (Acts 66th Leg., R.S., Ch. 214, Sec. 16.)

23 Sec. 1038.117. NONPROFIT CORPORATION. (a) The district
24 may create and sponsor a nonprofit corporation under the Business
25 Organizations Code and may contribute money to or solicit money for
26 the corporation.

27 (a-1) On or before December 31, 2009, the district may

1 create and sponsor a nonprofit corporation under the Texas
2 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
3 Texas Civil Statutes) or the Business Organizations Code, as
4 applicable, and may contribute money to or solicit money for the
5 corporation.

6 (b) The corporation may use district money only to provide
7 health care or other services the district is authorized to provide
8 under this chapter.

9 (c) The corporation may invest the corporation's money in
10 any manner in which the district may invest the district's money,
11 including investing money as authorized by Chapter 2256, Government
12 Code.

13 (d) The board shall establish controls to ensure that the
14 corporation uses its money as required by this section.

15 (e) This subsection and Subsection (a-1) expire December
16 31, 2009. (Acts 66th Leg., R.S., Ch. 214, Sec. 4(j).)

17 Sec. 1038.118. AUTHORITY TO SUE AND BE SUED. The district,
18 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.
19 214, Sec. 4(a) (part).)

20 [Sections 1038.119-1038.150 reserved for expansion]

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 1038.151. BUDGET. (a) The district administrator
23 shall prepare an annual budget for approval by the board.

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

26 (1) the outstanding obligations of the district;

27 (2) the cash on hand in each district fund;

1 (3) the money received by the district from all
2 sources during the previous year;

3 (4) the money available to the district from all
4 sources during the ensuing year;

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

7 (6) the estimated revenue and balances available to
8 cover the proposed budget; and

9 (7) the estimated tax rate required. (Acts 66th Leg.,
10 R.S., Ch. 214, Sec. 5 (part).)

11 Sec. 1038.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
12 The board shall hold a public hearing on the proposed annual budget.

13 (b) The board shall publish notice of the hearing in
14 accordance with Subchapter C, Chapter 551, Government Code.

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

17 (d) At the conclusion of the hearing, the board shall adopt
18 a budget by acting on the budget proposed by the district
19 administrator. The board may make any changes in the proposed
20 budget that the board judges to be in the interests of the taxpayers
21 and that the law warrants. (Acts 66th Leg., R.S., Ch. 214, Sec. 5
22 (part).)

23 Sec. 1038.153. AMENDMENTS TO BUDGET. The budget may be
24 amended as required by circumstances. The board must approve all
25 amendments. (Acts 66th Leg., R.S., Ch. 214, Sec. 5 (part).)

26 Sec. 1038.154. RESTRICTION ON EXPENDITURES. Money may be
27 spent only for an expense included in the budget or an amendment to

1 the budget. (Acts 66th Leg., R.S., Ch. 214, Sec. 5 (part).)

2 Sec. 1038.155. FISCAL YEAR. (a) The district operates on a
3 fiscal year established by the board.

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

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

7 (2) more than once in a 24-month period. (Acts 66th
8 Leg., R.S., Ch. 214, Sec. 5 (part).)

9 Sec. 1038.156. ANNUAL AUDIT. The board annually shall have
10 an audit made of the district's financial condition. (Acts 66th
11 Leg., R.S., Ch. 214, Sec. 5 (part).)

12 Sec. 1038.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
13 RECORDS. The annual audit and other district records shall be open
14 to inspection at the district's principal office. (Acts 66th Leg.,
15 R.S., Ch. 214, Sec. 5 (part).)

16 Sec. 1038.158. FINANCIAL REPORT. As soon as practicable
17 after the close of each fiscal year, the district administrator
18 shall prepare for the board:

19 (1) a complete sworn statement of all district money;
20 and

21 (2) a complete account of the disbursements of that
22 money. (Acts 66th Leg., R.S., Ch. 214, Sec. 5 (part).)

23 Sec. 1038.159. DEPOSITORY. (a) The board shall select one
24 or more banks inside or outside the district to serve as a
25 depository for district money.

26 (b) District money, other than money invested as provided by
27 Section 1038.160(b) and money transmitted to a bank for payment of

1 bonds or obligations issued or assumed by the district, shall be
2 deposited as received with the depository bank and shall remain on
3 deposit.

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

7 (d) The district may not deposit money with a bank in an
8 amount that exceeds the maximum amount secured by the Federal
9 Deposit Insurance Corporation unless the bank first executes a bond
10 or other security in an amount sufficient to secure from loss the
11 district money that exceeds the amount secured by the Federal
12 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 214,
13 Sec. 10.)

14 Sec. 1038.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
15 Except as otherwise provided by this chapter, the district may not
16 incur an obligation payable from district revenue other than the
17 revenue on hand or to be on hand in the current and following
18 district fiscal years.

19 (b) The board shall invest operating, depreciation, or
20 building reserves in accordance with Chapter 2256, Government Code.
21 (Acts 66th Leg., R.S., Ch. 214, Secs. 4(a) (part), 9(b) (part).)

22 Sec. 1038.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
23 The board may borrow money for district obligations at the time the
24 loan is made.

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

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

1 (2) a district tax to be imposed by the district in the
2 next 12-month period that is not pledged to pay the principal of or
3 interest on district bonds; or

4 (3) district bonds that have been authorized but not
5 sold.

6 (c) A loan for which taxes or bonds are pledged must mature
7 not later than the first anniversary of the date the loan is made. A
8 loan for which district revenue is pledged must mature not later
9 than the fifth anniversary of the date the loan is made. (Acts 66th
10 Leg., R.S., Ch. 214, Sec. 14A.)

11 [Sections 1038.162-1038.200 reserved for expansion]

12 SUBCHAPTER E. BONDS

13 Sec. 1038.201. GENERAL OBLIGATION BONDS. The board may
14 issue and sell general obligation bonds in the name and on the faith
15 and credit of the district for any purpose relating to:

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

18 (2) equipping buildings or improvements for hospital
19 purposes. (Acts 66th Leg., R.S., Ch. 214, Sec. 6(a) (part).)

20 Sec. 1038.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
21 the time general obligation bonds are issued by the district under
22 Section 1038.201, the board shall impose an ad valorem tax at a rate
23 sufficient to create an interest and sinking fund to pay the
24 principal of and interest on the bonds as the bonds mature.

25 (b) The tax required by this section together with any other
26 ad valorem tax the district imposes may not in any year exceed the
27 limit approved by the voters at the election authorizing the

1 imposition of the tax. (Acts 66th Leg., R.S., Ch. 214, Sec. 6(a)
2 (part).)

3 Sec. 1038.203. BOND ELECTION. (a) The district may issue
4 bonds, other than refunding bonds, wholly or partly secured by an ad
5 valorem tax only if the bonds are authorized by a majority of the
6 district voters voting at an election held in the district.

7 (b) Except as otherwise provided by this chapter, the
8 election shall be conducted in accordance with Chapter 1251,
9 Government Code. (Acts 66th Leg., R.S., Ch. 214, Secs. 6(a) (part),
10 8A (part).)

11 Sec. 1038.204. MATURITY OF GENERAL OBLIGATION BONDS.
12 District general obligation bonds must mature not later than 40
13 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 214,
14 Sec. 6(c) (part).)

15 Sec. 1038.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
16 The board president shall execute the general obligation bonds in
17 the district's name.

18 (b) The board secretary shall countersign the bonds in the
19 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,
20 R.S., Ch. 214, Sec. 6(c) (part).)

21 Sec. 1038.206. REVENUE BONDS. (a) The board may issue
22 revenue bonds to:

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

25 (2) acquire sites to be used for hospital purposes.

26 (b) The bonds must be payable from and secured by a pledge of
27 all or part of the revenue derived from the operation of the

1 district's hospitals.

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

4 (d) The bonds must be issued in the manner and in accordance
5 with the procedures and requirements prescribed by Sections
6 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
7 issuance of revenue bonds by a county hospital authority. (Acts
8 66th Leg., R.S., Ch. 214, Sec. 8 (part).)

9 Sec. 1038.207. REFUNDING BONDS. (a) The board may, without
10 an election, issue refunding bonds to refund outstanding
11 indebtedness issued or assumed by the district.

12 (b) Refunding bonds may be:

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

15 (2) exchanged wholly or partly for not less than a
16 similar principal amount of outstanding indebtedness.

17 (c) A refunding bond must mature not later than the 40th
18 anniversary of the date of issuance. (Acts 66th Leg., R.S., Ch.
19 214, Secs. 6(a) (part), (b) (part), 8 (part), 14B(b) (part).)

20 Sec. 1038.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF
21 BONDS. In addition to the authority to issue general obligation
22 bonds and revenue bonds under this subchapter, the board may
23 provide for the security and payment of district bonds from a pledge
24 of a combination of ad valorem taxes as authorized by Section
25 1038.202 and revenue and other sources as authorized by Section
26 1038.206. (Acts 66th Leg., R.S., Ch. 214, Sec. 8A (part).)

27 Sec. 1038.209. USE OF BOND PROCEEDS. The district may use

1 the proceeds of bonds issued under this subchapter to pay:

2 (1) any expense the board determines is reasonable and
3 necessary to issue, sell, and deliver the bonds;

4 (2) interest payments on the bonds during a period of
5 acquisition or construction of a project or facility to be provided
6 through the bonds, not to exceed five years;

7 (3) costs related to the operation and maintenance of
8 a project or facility to be provided through the bonds:

9 (A) during an estimated period of acquisition or
10 construction, not to exceed five years; and

11 (B) for one year after the project or facility is
12 acquired or constructed;

13 (4) costs related to the financing of the bond funds,
14 including debt service reserve and contingency funds;

15 (5) costs related to the bond issuance;

16 (6) costs related to the acquisition of land or
17 interests in land for a project or facility to be provided through
18 the bonds; and

19 (7) costs of construction of a project or facility to
20 be provided through the bonds, including the payment of related
21 professional services and expenses. (Acts 66th Leg., R.S., Ch.
22 214, Sec. 8B.)

23 Sec. 1038.210. BONDS EXEMPT FROM TAXATION. The following
24 are exempt from taxation by this state or a political subdivision of
25 this state:

26 (1) bonds issued by the district;

27 (2) the transfer and issuance of the bonds; and

1 (3) profits made in the sale of the bonds. (Acts 66th
2 Leg., R.S., Ch. 214, Sec. 20 (part).)

3 [Sections 1038.211-1038.250 reserved for expansion]

4 SUBCHAPTER F. TAXES

5 Sec. 1038.251. IMPOSITION OF AD VALOREM TAX. (a) The board
6 may impose a tax on all property in the district subject to district
7 taxation.

8 (b) The tax may be used to pay:

9 (1) indebtedness issued or assumed by the district;
10 and

11 (2) the maintenance and operating expenses of the
12 district.

13 (c) The board may not impose a tax to pay the principal of or
14 interest on revenue bonds issued under this chapter. (Acts 66th
15 Leg., R.S., Ch. 214, Secs. 11(a) (part), 14(a) (part), (c), (d).)

16 Sec. 1038.252. TAX RATE. (a) The board may impose the tax
17 at a rate not to exceed the limit approved by the voters at the
18 election authorizing the imposition of the tax.

19 (b) The tax rate for all purposes may not exceed 75 cents on
20 each \$100 valuation of all taxable property in the district.

21 (c) In setting the tax rate, the board shall consider the
22 income of the district from sources other than taxation. (Acts 66th
23 Leg., R.S., Ch. 214, Secs. 11(a) (part), (b) (part), 14(b).)

24 Sec. 1038.253. TAX ASSESSOR-COLLECTOR. The board may
25 provide for the appointment of a tax assessor-collector for the
26 district or may contract for the assessment and collection of taxes
27 as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 214, Sec.

1 14(f).)

2 [Sections 1038.254-1038.300 reserved for expansion]

3 SUBCHAPTER G. DISSOLUTION

4 Sec. 1038.301. DISSOLUTION; ELECTION. (a) The district
5 may be dissolved only on approval of a majority of the district
6 voters voting in an election held for that purpose.

7 (b) The board may order an election on the question of
8 dissolving the district and disposing of the district's assets and
9 obligations.

10 (c) The board shall order an election if the board receives
11 a petition requesting an election that is signed by a number of
12 district residents equal to at least 15 percent of the registered
13 voters in the district.

14 (d) The order calling the election must state:

15 (1) the nature of the election, including the
16 proposition to appear on the ballot;

17 (2) the date of the election;

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

19 (4) the location of the polling places. (Acts 66th
20 Leg., R.S., Ch. 214, Secs. 21A(a), (b), (c) (part).)

21 Sec. 1038.302. NOTICE OF ELECTION. (a) The board shall
22 give notice of an election under this subchapter by publishing once
23 a week for two consecutive weeks the election order in a newspaper
24 with general circulation in the district.

25 (b) The first publication of the notice must appear not
26 later than the 35th day before the date set for the election. (Acts
27 66th Leg., R.S., Ch. 214, Sec. 21A(d) (part).)

1 Sec. 1038.303. BALLOT. The ballot for an election under
2 this subchapter must be printed to permit voting for or against the
3 proposition: "The dissolution of the Hardeman County Hospital
4 District." (Acts 66th Leg., R.S., Ch. 214, Sec. 21A(d) (part).)

5 Sec. 1038.304. ELECTION RESULTS. (a) If a majority of the
6 votes in an election under this subchapter favor dissolution, the
7 board shall find that the district is dissolved.

8 (b) If a majority of the votes in the election do not favor
9 dissolution, the board shall continue to administer the district
10 and another election on the question of dissolution may not be held
11 before the first anniversary of the date of the most recent election
12 to dissolve the district. (Acts 66th Leg., R.S., Ch. 214, Sec.
13 21A(e).)

14 Sec. 1038.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
15 If a majority of the votes in the election held under this
16 subchapter favor dissolution, the board shall:

17 (1) transfer the land, buildings, improvements,
18 equipment, and other assets that belong to the district to Hardeman
19 County or another governmental agency in Hardeman County; or

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

23 (b) If the board makes the transfer under Subsection (a)(1),
24 the county or agency assumes all debts and obligations of the
25 district at the time of the transfer and the district is dissolved.
26 (Acts 66th Leg., R.S., Ch. 214, Secs. 21A(f), (g).)

27 Sec. 1038.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

1 (a) The district may not be dissolved unless the board provides for
2 the sale or transfer of the district's assets and liabilities to
3 another person.

4 (b) The dissolution of the district and the sale or transfer
5 of the district's assets or liabilities may not contravene a trust
6 indenture or bond resolution relating to the district's outstanding
7 bonds. The dissolution and sale or transfer does not diminish or
8 impair the rights of a holder of an outstanding bond, warrant, or
9 other obligation of the district.

10 (c) The sale or transfer of the district's assets and
11 liabilities must satisfy the debt and bond obligations of the
12 district in a manner that protects the interests of district
13 residents, including the residents' collective property rights in
14 the district's assets.

15 (d) The district may not transfer or dispose of the
16 district's assets except for due compensation unless:

17 (1) the transfer is made to another governmental
18 agency that serves the district; and

19 (2) the transferred assets are to be used for the
20 benefit of the district's residents.

21 (e) A grant from federal funds is an obligation to be repaid
22 in satisfaction. (Acts 66th Leg., R.S., Ch. 214, Secs. 21A(m),
23 (n).)

24 Sec. 1038.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
25 TAXES. (a) After the board finds that the district is dissolved,
26 the board shall:

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

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

4 (b) On the payment of all outstanding debts and obligations
5 of the district, the board shall order the secretary to return to
6 each district taxpayer the taxpayer's pro rata share of all unused
7 tax money.

8 (c) A taxpayer may request that the taxpayer's share of
9 surplus tax money be credited to the taxpayer's county taxes. If a
10 taxpayer requests the credit, the board shall direct the secretary
11 to transmit the money to the county tax assessor-collector. (Acts
12 66th Leg., R.S., Ch. 214, Secs. 21A(h), (i), (j).)

13 Sec. 1038.308. REPORT; DISSOLUTION ORDER. (a) After the
14 district has paid all district debts and has disposed of all
15 district money and other assets as prescribed by this subchapter,
16 the board shall file a written report with the Commissioners Court
17 of Hardeman County summarizing the board's actions in dissolving
18 the district.

19 (b) Not later than the 10th day after the date the
20 Commissioners Court of Hardeman County receives the report and
21 determines that the requirements of this subchapter have been
22 fulfilled, the commissioners court shall enter an order dissolving
23 the district and releasing the board from any further duty or
24 obligation. (Acts 66th Leg., R.S., Ch. 214, Secs. 21A(k), (l).)

25 CHAPTER 1039. HEMPHILL COUNTY HOSPITAL DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 1039.001. DEFINITIONS

- 1 Sec. 1039.002. AUTHORITY FOR OPERATION
- 2 Sec. 1039.003. ESSENTIAL PUBLIC FUNCTION
- 3 Sec. 1039.004. DISTRICT TERRITORY
- 4 Sec. 1039.005. DISTRICT SUPPORT AND MAINTENANCE NOT
- 5 STATE OBLIGATION
- 6 Sec. 1039.006. RESTRICTION ON STATE FINANCIAL
- 7 ASSISTANCE
- 8 [Sections 1039.007-1039.050 reserved for expansion]
- 9 SUBCHAPTER B. DISTRICT ADMINISTRATION
- 10 Sec. 1039.051. BOARD ELECTION; TERM
- 11 Sec. 1039.052. ALTERNATIVE DIRECTOR ELECTION
- 12 Sec. 1039.053. NOTICE OF ELECTION
- 13 Sec. 1039.054. QUALIFICATIONS FOR OFFICE
- 14 Sec. 1039.055. BOARD VACANCY
- 15 Sec. 1039.056. OFFICERS
- 16 Sec. 1039.057. COMPENSATION; EXPENSES
- 17 Sec. 1039.058. VOTING REQUIREMENT
- 18 Sec. 1039.059. DISTRICT ADMINISTRATOR; ASSISTANT
- 19 ADMINISTRATOR
- 20 Sec. 1039.060. GENERAL DUTIES OF DISTRICT
- 21 ADMINISTRATOR
- 22 Sec. 1039.061. EMERGENCY ACTION
- 23 Sec. 1039.062. EMPLOYEES; APPOINTMENT OF STAFF
- 24 [Sections 1039.063-1039.100 reserved for expansion]
- 25 SUBCHAPTER C. POWERS AND DUTIES
- 26 Sec. 1039.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1039.102. RESTRICTION ON POLITICAL SUBDIVISION
2 TAXATION AND DEBT
3 Sec. 1039.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
4 Sec. 1039.104. HOSPITAL SYSTEM
5 Sec. 1039.105. RULES
6 Sec. 1039.106. PURCHASING AND ACCOUNTING PROCEDURES
7 Sec. 1039.107. DISTRICT PROPERTY, FACILITIES,
8 EQUIPMENT, AND SERVICES
9 Sec. 1039.108. EMINENT DOMAIN
10 Sec. 1039.109. COST OF RELOCATING OR ALTERING PROPERTY
11 Sec. 1039.110. GIFTS AND ENDOWMENTS
12 Sec. 1039.111. CONSTRUCTION CONTRACTS
13 Sec. 1039.112. OPERATING AND MANAGEMENT CONTRACTS
14 Sec. 1039.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
15 FOR TREATMENT
16 Sec. 1039.114. CONTRACTS WITH GOVERNMENTAL ENTITIES
17 FOR INVESTIGATORY OR OTHER SERVICES
18 Sec. 1039.115. JOINT OWNERSHIP ARRANGEMENT
19 Sec. 1039.116. PAYMENT FOR TREATMENT; PROCEDURES
20 Sec. 1039.117. AUTHORITY TO SUE AND BE SUED
21 Sec. 1039.118. ELECTION DATE
22 [Sections 1039.119-1039.150 reserved for expansion]
23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
24 Sec. 1039.151. BUDGET
25 Sec. 1039.152. NOTICE; HEARING; ADOPTION OF BUDGET
26 Sec. 1039.153. AMENDMENTS TO BUDGET
27 Sec. 1039.154. RESTRICTION ON EXPENDITURES

1 Sec. 1039.155. FISCAL YEAR

2 Sec. 1039.156. ANNUAL AUDIT

3 Sec. 1039.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
4 RECORDS

5 Sec. 1039.158. DEPOSITORY

6 Sec. 1039.159. SPENDING AND INVESTMENT RESTRICTIONS

7 Sec. 1039.160. TAX EXEMPTION

8 [Sections 1039.161-1039.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1039.201. GENERAL OBLIGATION BONDS

11 Sec. 1039.202. TAX TO PAY GENERAL OBLIGATION BONDS

12 Sec. 1039.203. GENERAL OBLIGATION BOND ELECTION

13 Sec. 1039.204. REVENUE BONDS

14 Sec. 1039.205. REFUNDING BONDS

15 Sec. 1039.206. MATURITY OF BONDS

16 Sec. 1039.207. EXECUTION OF BONDS

17 Sec. 1039.208. BONDS EXEMPT FROM TAXATION

18 [Sections 1039.209-1039.250 reserved for expansion]

19 SUBCHAPTER F. TAXES

20 Sec. 1039.251. IMPOSITION OF AD VALOREM TAX

21 Sec. 1039.252. TAX RATE

22 Sec. 1039.253. TAX ASSESSOR-COLLECTOR

23 CHAPTER 1039. HEMPHILL COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1039.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the
27 district.

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

2 (3) "District" means the Hemphill County Hospital
3 District. (New.)

4 Sec. 1039.002. AUTHORITY FOR OPERATION. The district
5 operates and is administered and financed in accordance with
6 Section 9, Article IX, Texas Constitution, and has the rights,
7 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,
8 Ch. 424, Sec. 1 (part).)

9 Sec. 1039.003. ESSENTIAL PUBLIC FUNCTION. The district
10 performs an essential public function in carrying out the purposes
11 of this chapter. (Acts 66th Leg., R.S., Ch. 424, Sec. 22 (part).)

12 Sec. 1039.004. DISTRICT TERRITORY. The boundaries of the
13 district are coextensive with the boundaries of Hemphill County,
14 Texas. (Acts 66th Leg., R.S., Ch. 424, Sec. 1 (part).)

15 Sec. 1039.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
16 OBLIGATION. The support and maintenance of the district may not
17 become a charge against or obligation of this state. (Acts 66th
18 Leg., R.S., Ch. 424, Sec. 21 (part).)

19 Sec. 1039.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
20 The legislature may not make a direct appropriation for the
21 construction, maintenance, or improvement of a district facility.
22 (Acts 66th Leg., R.S., Ch. 424, Sec. 21 (part).)

23 [Sections 1039.007-1039.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1039.051. BOARD ELECTION; TERM. (a) Except as
26 provided by Section 1039.052, the board consists of five directors
27 elected from the district at large.

1 (b) Directors serve staggered two-year terms unless
2 four-year terms are established under Section 285.081, Health and
3 Safety Code. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(c) (part).)

4 Sec. 1039.052. ALTERNATIVE DIRECTOR ELECTION. (a) As an
5 alternative to electing directors at large, the board may:

6 (1) provide for all or some directors to be elected
7 from single-member districts; and

8 (2) devise and implement for the directors' election a
9 plan of apportionment as determined to be in the best interest of
10 the district and district inhabitants.

11 (b) Before implementing the apportionment plan, the plan
12 must be approved by a majority of the district voters voting at an
13 election held for that purpose.

14 (c) The election must be held in the same manner as an
15 election required for the issuance of bonds. (Acts 66th Leg., R.S.,
16 Ch. 424, Sec. 3(f).)

17 Sec. 1039.053. NOTICE OF ELECTION. At least 30 days before
18 the date of an election of directors, notice of the election shall
19 be published one time in a newspaper or newspapers that
20 individually or collectively have general circulation in the
21 district. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(c) (part).)

22 Sec. 1039.054. QUALIFICATIONS FOR OFFICE. (a) A person may
23 not be elected or appointed as a director unless the person is:

24 (1) a district resident; and

25 (2) a qualified voter.

26 (b) A person is not eligible to serve as a director if the
27 person is:

1 (1) the district administrator; or

2 (2) a district employee. (Acts 66th Leg., R.S., Ch.
3 424, Sec. 4(d).)

4 Sec. 1039.055. BOARD VACANCY. If a vacancy occurs in the
5 office of director, the remaining directors shall appoint a
6 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 424,
7 Sec. 4(c) (part).)

8 Sec. 1039.056. OFFICERS. (a) The board shall elect:

9 (1) a president and a vice president from among its
10 members; and

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

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

13 (c) The board shall fill a vacancy in a board office for the
14 unexpired term. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(e) (part).)

15 Sec. 1039.057. COMPENSATION; EXPENSES. A director or
16 officer serves without compensation but may be reimbursed for
17 actual expenses incurred in the performance of official duties.
18 The expenses must be:

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

20 (2) approved by the board. (Acts 66th Leg., R.S., Ch.
21 424, Sec. 4(e) (part).)

22 Sec. 1039.058. VOTING REQUIREMENT. A concurrence of three
23 directors is sufficient in any matter relating to district
24 business. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(e) (part).)

25 Sec. 1039.059. DISTRICT ADMINISTRATOR; ASSISTANT
26 ADMINISTRATOR. (a) The board shall appoint a qualified person to
27 serve as district administrator of the hospital system and

1 ancillary health care system.

2 (b) The board may appoint an assistant administrator.

3 (c) The district administrator and any assistant
4 administrator serve at the will of the board and are entitled to the
5 compensation determined by the board.

6 (d) On assuming the duties of district administrator, the
7 administrator shall execute a bond payable to the district in an
8 amount set by the board of not less than \$5,000 that:

9 (1) is conditioned on the administrator performing the
10 administrator's duties; and

11 (2) contains other conditions the board may require.
12 (Acts 66th Leg., R.S., Ch. 424, Sec. 5(c) (part).)

13 Sec. 1039.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
14 Subject to the limitations prescribed by the board, the district
15 administrator shall:

16 (1) supervise the work and activities of the district;
17 and

18 (2) direct the affairs of the district. (Acts 66th
19 Leg., R.S., Ch. 424, Sec. 5(c) (part).)

20 Sec. 1039.061. EMERGENCY ACTION. (a) In an emergency, the
21 district administrator may take any lawful action necessary to
22 preserve district assets or protect patient health and safety.

23 (b) As soon as practicable after an emergency action is
24 taken, the district administrator shall report the action to the
25 board, and the board shall amend the annual budget to reflect any
26 costs of the action. (Acts 66th Leg., R.S., Ch. 424, Sec. 6A.)

27 Sec. 1039.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The

1 board may appoint to the staff any doctors the board considers
2 necessary for the efficient operation of the hospital system and
3 the ancillary health care system and may make temporary
4 appointments as necessary.

5 (b) The district may employ fiscal agents, accountants,
6 architects, and additional attorneys the board considers proper.

7 (c) The board may delegate to the district administrator the
8 authority to hire employees, including technicians and nurses, for
9 the district, the hospital system, and the ancillary health care
10 system. (Acts 66th Leg., R.S., Ch. 424, Secs. 5(d), (e), 17.)

11 [Sections 1039.063-1039.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1039.101. DISTRICT RESPONSIBILITY. The district has
14 full responsibility for operating all hospital facilities for
15 providing medical and hospital care for the district's needy
16 inhabitants. (Acts 66th Leg., R.S., Ch. 424, Sec. 20 (part).)

17 Sec. 1039.102. RESTRICTION ON POLITICAL SUBDIVISION
18 TAXATION AND DEBT. A political subdivision located wholly or
19 partly within the district may not impose a tax or issue bonds or
20 other obligations for hospital purposes or to provide medical care
21 for district residents. (Acts 66th Leg., R.S., Ch. 424, Sec. 20
22 (part).)

23 Sec. 1039.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
24 The board shall manage, control, and administer the hospital system
25 and ancillary health care system and the district's money and
26 resources. (Acts 66th Leg., R.S., Ch. 424, Sec. 5(a) (part).)

27 Sec. 1039.104. HOSPITAL SYSTEM. (a) The district shall

1 provide for the establishment of a hospital system by:

2 (1) purchasing, constructing, acquiring, repairing,
3 or renovating buildings and equipment;

4 (2) equipping the buildings; and

5 (3) administering the system for hospital purposes.

6 (b) The hospital system and ancillary health care system may
7 include equipment, facilities, and services the board considers
8 necessary for hospital care and ancillary health care, including:

9 (1) domiciliary care and treatment of sick or injured
10 patients;

11 (2) geriatric services;

12 (3) outpatient clinics;

13 (4) rural health clinics;

14 (5) convalescent home facilities;

15 (6) physician's offices;

16 (7) home health services;

17 (8) long-term care;

18 (9) skilled nursing care;

19 (10) intermediate nursing care;

20 (11) assisted living facilities;

21 (12) hospice care;

22 (13) ambulatory surgery centers;

23 (14) urgent care facilities; and

24 (15) operation of a mobile emergency medical service.

25 (Acts 66th Leg., R.S., Ch. 424, Secs. 2 (part), 11(a) (part).)

26 Sec. 1039.105. RULES. The board may adopt rules governing
27 the operation of the district, the hospital system and ancillary

1 health care system, and the district's staff and employees. (Acts
2 66th Leg., R.S., Ch. 424, Sec. 5(b) (part).)

3 Sec. 1039.106. PURCHASING AND ACCOUNTING PROCEDURES. The
4 board may prescribe:

5 (1) the method of making purchases and expenditures by
6 and for the district; and

7 (2) all accounting and control procedures. (Acts 66th
8 Leg., R.S., Ch. 424, Sec. 11(d) (part).)

9 Sec. 1039.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT,
10 AND SERVICES. (a) The board shall determine the type, number, and
11 location, either inside or outside the district, of facilities and
12 services required to maintain an adequate hospital system and
13 ancillary health care system.

14 (b) The board may:

15 (1) acquire by lease, purchase, or lease to purchase
16 property, including facilities, supplies, and equipment, for the
17 district for use in the hospital system and ancillary health care
18 system; and

19 (2) mortgage or pledge the property as security for
20 the payment of the purchase price.

21 (c) The board may lease, sell, or otherwise dispose of all
22 or part of the district's property of any nature, including the
23 district's hospital, ancillary health care or other facilities,
24 buildings, supplies, or equipment, to a public or private entity on
25 terms the board finds are in the best interest of the district's
26 inhabitants. (Acts 66th Leg., R.S., Ch. 424, Secs. 11(a) (part),
27 (c), (e) (part).)

1 Sec. 1039.108. EMINENT DOMAIN. (a) The district may
2 exercise the power of eminent domain to acquire a fee simple or
3 other interest in any type of property located in district
4 territory if the interest is necessary or convenient for the
5 district to exercise a right, power, or privilege conferred by this
6 chapter.

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

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

13 (1) pay in advance or provide a bond or other security
14 for costs in the trial court;

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

17 (3) provide a bond for costs or a supersedeas bond on
18 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 424, Sec.
19 15(a).)

20 Sec. 1039.109. COST OF RELOCATING OR ALTERING PROPERTY. In
21 exercising the power of eminent domain, if the board requires
22 relocating, raising, lowering, rerouting, changing the grade, or
23 altering the construction of any railroad, electric transmission,
24 telegraph or telephone line, conduit, pole, or facility, or
25 pipeline, the district must bear the actual cost of relocating,
26 raising, lowering, rerouting, changing the grade, or altering the
27 construction to provide comparable replacement without enhancement

1 of facilities, after deducting the net salvage value derived from
2 the old facility. (Acts 66th Leg., R.S., Ch. 424, Sec. 15(b).)

3 Sec. 1039.110. GIFTS AND ENDOWMENTS. The board may accept
4 for the district a gift or endowment to be held in trust and
5 administered by the board for the purposes and under the
6 directions, limitations, or other provisions prescribed in writing
7 by the donor that are not inconsistent with the proper management
8 and objectives of the district. (Acts 66th Leg., R.S., Ch. 424,
9 Sec. 19.)

10 Sec. 1039.111. CONSTRUCTION CONTRACTS. A construction
11 contract must be made in the manner provided by Subchapter B,
12 Chapter 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 424,
13 Sec. 11(d) (part).)

14 Sec. 1039.112. OPERATING AND MANAGEMENT CONTRACTS. The
15 board may enter into an operating or management contract with one or
16 more public or private entities relating to a district facility or
17 service. (Acts 66th Leg., R.S., Ch. 424, Sec. 11(b) (part).)

18 Sec. 1039.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
19 TREATMENT. The board may contract with a county, a municipality,
20 this state, or a federal agency for the treatment of a sick or
21 injured person. (Acts 66th Leg., R.S., Ch. 424, Sec. 5(f) (part).)

22 Sec. 1039.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
23 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
24 political subdivision or governmental agency for the district
25 to provide investigatory or other services as to the medical,
26 hospital, or welfare needs of district inhabitants. (Acts 66th
27 Leg., R.S., Ch. 424, Sec. 5(f) (part).)

1 Sec. 1039.115. JOINT OWNERSHIP ARRANGEMENT. The board may
2 enter into a joint ownership arrangement for the district with a
3 public or private entity to provide management or operating
4 services if the board determines that the joint ownership
5 arrangement is in the district's best interest and does not violate
6 Section 52, Article III, Texas Constitution. (Acts 66th Leg.,
7 R.S., Ch. 424, Sec. 11(b) (part).)

8 Sec. 1039.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)
9 When a patient who resides in the district is admitted to a district
10 facility, the district administrator may have an inquiry made into
11 the circumstances of:

12 (1) the patient; and

13 (2) the patient's relatives who are legally liable for
14 the patient's support.

15 (b) If the district administrator determines that the
16 patient or those relatives cannot pay all or part of the costs of
17 the care and treatment in the hospital, the amount of the costs that
18 cannot be paid becomes a charge against the district.

19 (c) If the district administrator determines that the
20 patient or those relatives can pay for all or part of the costs of
21 the patient's care and treatment, the patient or those relatives
22 shall be ordered to pay the district a specified amount each week
23 for the patient's care and support. The amount ordered must be
24 proportionate to the person's financial ability.

25 (d) The district administrator may collect the amount from
26 the patient's estate, or from any relative who is legally liable for
27 the patient's support, in the manner provided by law for the

1 collection of expenses of the last illness of a deceased person.

2 (e) If there is a dispute as to the ability to pay, or doubt
3 in the mind of the district administrator, the board shall hold a
4 hearing and, after calling witnesses, shall:

5 (1) resolve the dispute or doubt; and

6 (2) issue a final order.

7 (f) A final order of the board may be appealed to the
8 district court. The substantial evidence rule applies to the
9 appeal. (Acts 66th Leg., R.S., Ch. 424, Secs. 18(b), (c), (d), (e),
10 (f).)

11 Sec. 1039.117. AUTHORITY TO SUE AND BE SUED. The district,
12 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.
13 424, Sec. 5(b) (part).)

14 Sec. 1039.118. ELECTION DATE. Notwithstanding Section
15 41.001(a), Election Code, the board may choose the date for an
16 election held under this chapter. (Acts 66th Leg., R.S., Ch. 424,
17 Sec. 3(e).)

18 [Sections 1039.119-1039.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1039.151. BUDGET. (a) The district administrator
21 shall prepare an annual budget for approval by the board.

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

24 (1) the outstanding obligations of the district;

25 (2) the cash on hand in each district fund;

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

1 (4) the money available to the district from all
2 sources during the ensuing year;

3 (5) the balances expected at the end of the year in
4 which the budget is being prepared;

5 (6) the estimated revenue and balances available to
6 cover the proposed budget; and

7 (7) the estimated tax rate required. (Acts 66th Leg.,
8 R.S., Ch. 424, Secs. 6(c), (d).)

9 Sec. 1039.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
10 The board shall hold a public hearing on the proposed annual budget.

11 (b) Notice of the hearing must be published one time in a
12 newspaper of general circulation in the district at least 10 days
13 before the date of the hearing.

14 (c) Any district resident may be present and participate at
15 the hearing.

16 (d) At the conclusion of the hearing, the board shall adopt
17 a budget by acting on the budget proposed by the district
18 administrator. The board may make any changes in the proposed
19 budget that the board judges to be in the interests of the taxpayers
20 and that the law warrants. (Acts 66th Leg., R.S., Ch. 424, Secs.
21 6(e), (f) (part).)

22 Sec. 1039.153. AMENDMENTS TO BUDGET. The budget may be
23 amended as required by circumstances. The board must approve all
24 amendments. (Acts 66th Leg., R.S., Ch. 424, Sec. 6(f) (part).)

25 Sec. 1039.154. RESTRICTION ON EXPENDITURES. Money may be
26 spent only for an expense included in the budget or an amendment to
27 the budget. (Acts 66th Leg., R.S., Ch. 424, Sec. 6(f) (part).)

1 Sec. 1039.155. FISCAL YEAR. (a) The district operates on a
2 fiscal year established by the board.

3 (b) The fiscal year may not be changed more than once in a
4 24-month period. (Acts 66th Leg., R.S., Ch. 424, Sec. 6(a).)

5 Sec. 1039.156. ANNUAL AUDIT. (a) As soon as practicable
6 after the end of each district fiscal year, the board shall have an
7 audit made of the district's finances that contains a detailed
8 accounting of disbursements.

9 (b) The board shall select a qualified independent
10 accounting firm to perform the audit. (Acts 66th Leg., R.S., Ch.
11 424, Sec. 6(b) (part).)

12 Sec. 1039.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
13 RECORDS. The annual audit and other district records shall be open
14 to inspection at the district's principal office. (Acts 66th Leg.,
15 R.S., Ch. 424, Sec. 6(b) (part).)

16 Sec. 1039.158. DEPOSITORY. (a) The board shall select one
17 or more banks inside or outside the district to serve as a
18 depository for district money.

19 (b) District money, other than money invested as provided by
20 Section 1039.159(b) and money transmitted to a bank for payment of
21 bonds or obligations issued or assumed by the district, shall be
22 deposited as received with the depository bank and shall remain on
23 deposit.

24 (c) This chapter, including Subsection (b), does not limit
25 the power of the board to place a part of district money on time
26 deposit or to purchase certificates of deposit of a state or
27 national bank that is a member of the Federal Deposit Insurance

1 Corporation.

2 (d) The district may not deposit money with a bank in an
3 amount that exceeds the maximum amount insured by the Federal
4 Deposit Insurance Corporation unless the bank first executes a bond
5 or provides other security in an amount sufficient to secure from
6 loss the district money that exceeds the amount insured by the
7 Federal Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch.
8 424, Sec. 12.)

9 Sec. 1039.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)
10 Except as otherwise provided by Section 1039.107(c) and by
11 Subchapter E, the district may not incur an obligation payable from
12 district revenue other than the revenue on hand or to be on hand in
13 the current and following district fiscal years.

14 (b) The board may invest operating, depreciation, or
15 building reserves only in funds or securities specified by
16 Subchapter A, Chapter 2256, Government Code. (Acts 66th Leg.,
17 R.S., Ch. 424, Secs. 5(a) (part), 11(e) (part).)

18 Sec. 1039.160. TAX EXEMPTION. All property owned by the
19 district is exempt from taxation by this state or a political
20 subdivision of this state. (Acts 66th Leg., R.S., Ch. 424, Sec. 22
21 (part).)

22 [Sections 1039.161-1039.200 reserved for expansion]

23 SUBCHAPTER E. BONDS

24 Sec. 1039.201. GENERAL OBLIGATION BONDS. The board may
25 issue and sell general obligation bonds in the name and on the faith
26 and credit of the district for:

27 (1) the purchase, construction, acquisition, repair,

1 or renovation of buildings or improvements; and

2 (2) equipping buildings or improvements for hospital
3 and ancillary health care purposes. (Acts 66th Leg., R.S., Ch. 424,
4 Sec. 7(a) (part).)

5 Sec. 1039.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
6 the time general obligation bonds are issued by the district under
7 Section 1039.201, the board shall impose an ad valorem tax at a rate
8 sufficient to create an interest and sinking fund to pay the
9 principal of and interest on the bonds as the bonds mature.

10 (b) The tax required by this section together with any other
11 ad valorem tax the district imposes may not in any year exceed 75
12 cents on each \$100 valuation of all taxable property in the
13 district. (Acts 66th Leg., R.S., Ch. 424, Sec. 7(a) (part).)

14 Sec. 1039.203. GENERAL OBLIGATION BOND ELECTION. (a) The
15 district may issue bonds payable from taxes only if the bonds are
16 authorized by a majority of the district voters.

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

19 (1) the date of the election;

20 (2) the location of the polling places;

21 (3) the presiding and alternate election judges for
22 each polling place;

23 (4) the amount of the bonds to be authorized; and

24 (5) the maximum maturity of the bonds.

25 (c) Notice of a bond election shall be given by publishing a
26 copy of the election order in a newspaper of general circulation in
27 the district once a week for two consecutive weeks. The first

1 publication must appear at least 30 days before the date of the
2 election. (Acts 66th Leg., R.S., Ch. 424, Sec. 7(a) (part).)

3 Sec. 1039.204. REVENUE BONDS. (a) The board may issue
4 revenue bonds to:

5 (1) purchase, construct, acquire, repair, renovate,
6 or equip buildings or improvements for hospital and ancillary
7 health care purposes; or

8 (2) acquire sites to be used for hospital and
9 ancillary health care purposes.

10 (b) The bonds must be payable from and secured by a pledge of
11 all or part of the revenue derived from the operation of the
12 district's hospital, hospital system, or ancillary health care
13 system.

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

16 (d) The bonds must be issued in the manner and in accordance
17 with the procedures and requirements prescribed by Sections
18 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
19 issuance of revenue bonds by a county hospital authority. (Acts
20 66th Leg., R.S., Ch. 424, Sec. 8 (part).)

21 Sec. 1039.205. REFUNDING BONDS. (a) The board may, without
22 an election, issue refunding bonds payable from taxes or revenue to
23 refund outstanding indebtedness issued, incurred, or assumed by the
24 district.

25 (b) A refunding bond may be:

26 (1) sold, with the proceeds of the refunding bonds
27 applied to the payment of the indebtedness to be refunded; or

1 (2) exchanged wholly or partly for not less than the
2 principal amount of outstanding indebtedness. (Acts 66th Leg.,
3 R.S., Ch. 424, Secs. 7(a) (part), 8 (part), 9 (part).)

4 Sec. 1039.206. MATURITY OF BONDS. District bonds payable
5 from taxes or revenue must mature not later than 40 years after the
6 date of issuance. (Acts 66th Leg., R.S., Ch. 424, Sec. 10 (part).)

7 Sec. 1039.207. EXECUTION OF BONDS. (a) The board president
8 shall execute, in the district's name, district bonds payable from
9 taxes or revenue.

10 (b) The board secretary shall countersign the bonds in the
11 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,
12 R.S., Ch. 424, Sec. 10 (part).)

13 Sec. 1039.208. BONDS EXEMPT FROM TAXATION. The following
14 are exempt from taxation by this state or a political subdivision of
15 this state:

- 16 (1) bonds issued by the district;
17 (2) the transfer and issuance of the bonds; and
18 (3) profits made in the sale of the bonds. (Acts 66th
19 Leg., R.S., Ch. 424, Sec. 22 (part).)

20 [Sections 1039.209-1039.250 reserved for expansion]

21 SUBCHAPTER F. TAXES

22 Sec. 1039.251. IMPOSITION OF AD VALOREM TAX. (a) The board
23 shall annually impose a tax on all property in the district subject
24 to district taxation.

25 (b) The board shall impose the tax to pay:

- 26 (1) indebtedness issued or assumed by the district;
27 and

1 (2) the maintenance and operating expenses of the
2 district.

3 (c) The district may not impose a tax to pay the principal of
4 or interest on revenue bonds issued under this chapter. (Acts 66th
5 Leg., R.S., Ch. 424, Secs. 13(a) (part), 16(a) (part).)

6 Sec. 1039.252. TAX RATE. (a) The board may impose the tax
7 at a rate not to exceed 75 cents on each \$100 valuation of taxable
8 property in the district.

9 (b) In setting the tax rate, the board shall consider the
10 income of the district from sources other than taxation. (Acts 66th
11 Leg., R.S., Ch. 424, Secs. 3(b) (part), 13(a) (part), (b) (part).)

12 Sec. 1039.253. TAX ASSESSOR-COLLECTOR. The board may
13 provide for the appointment of a tax assessor-collector for the
14 district or may contract for the assessment and collection of taxes
15 as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 424, Sec.
16 16(c).)

17 CHAPTER 1040. HASKELL COUNTY HOSPITAL DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1040.001. DEFINITIONS

20 Sec. 1040.002. AUTHORITY FOR OPERATION

21 Sec. 1040.003. POLITICAL SUBDIVISION

22 Sec. 1040.004. DISTRICT TERRITORY

23 Sec. 1040.005. CORRECTION OF INVALID PROCEDURES

24 [Sections 1040.006-1040.050 reserved for expansion]

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26 Sec. 1040.051. BOARD; TERM

27 Sec. 1040.052. QUALIFICATIONS FOR OFFICE

- 1 Sec. 1040.053. BOND; RECORD OF BOND AND OATH OR
2 AFFIRMATION OF OFFICE
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4 Sec. 1040.055. COMPENSATION; EXPENSES
5 Sec. 1040.056. VOTING REQUIREMENT
6 Sec. 1040.057. EMPLOYEES
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8 INSPECTION
9 Sec. 1040.059. SEAL
10 [Sections 1040.060-1040.100 reserved for expansion]
11 SUBCHAPTER C. POWERS AND DUTIES
12 Sec. 1040.101. DISTRICT RESPONSIBILITY
13 Sec. 1040.102. RESTRICTION ON COUNTY OR MUNICIPALITY
14 TAXATION
15 Sec. 1040.103. MANAGEMENT AND CONTROL
16 Sec. 1040.104. RULES
17 Sec. 1040.105. PURCHASING AND ACCOUNTING PROCEDURES
18 Sec. 1040.106. EMINENT DOMAIN
19 Sec. 1040.107. GIFTS AND ENDOWMENTS
20 Sec. 1040.108. PAYMENT FOR TREATMENT; PROCEDURES
21 Sec. 1040.109. AUTHORITY TO SUE AND BE SUED
22 [Sections 1040.110-1040.150 reserved for expansion]
23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
24 Sec. 1040.151. BUDGET
25 Sec. 1040.152. PROPOSED BUDGET: NOTICE AND HEARING
26 Sec. 1040.153. FISCAL YEAR
27 Sec. 1040.154. ANNUAL AUDIT

1 Sec. 1040.155. DEPOSITORY OR TREASURER

2 [Sections 1040.156-1040.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Sec. 1040.201. GENERAL OBLIGATION BONDS

5 Sec. 1040.202. TAX TO PAY GENERAL OBLIGATION BONDS

6 Sec. 1040.203. GENERAL OBLIGATION BOND ELECTION

7 Sec. 1040.204. MATURITY OF GENERAL OBLIGATION BONDS

8 Sec. 1040.205. EXECUTION OF GENERAL OBLIGATION BONDS

9 Sec. 1040.206. REFUNDING BONDS

10 [Sections 1040.207-1040.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1040.251. IMPOSITION OF AD VALOREM TAX

13 Sec. 1040.252. TAX RATE

14 Sec. 1040.253. TAX ASSESSOR-COLLECTOR

15 CHAPTER 1040. HASKELL COUNTY HOSPITAL DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1040.001. DEFINITIONS. In this chapter:

18 (1) "Board" means the board of directors of the
19 district.

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

21 (3) "District" means the Haskell County Hospital
22 District. (New.)

23 Sec. 1040.002. AUTHORITY FOR OPERATION. The district
24 operates in accordance with and has the powers and responsibilities
25 provided by Section 9, Article IX, Texas Constitution. (Acts 60th
26 Leg., R.S., Ch. 528, Sec. 1 (part).)

27 Sec. 1040.003. POLITICAL SUBDIVISION. The district is a

1 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
2 528, Sec. 18 (part).)

3 Sec. 1040.004. DISTRICT TERRITORY. The boundaries of the
4 district are coextensive with the boundaries of Haskell County,
5 except the district does not include any territory located in the
6 Stamford Hospital District as the Stamford Hospital District
7 existed on June 14, 1967. (Acts 60th Leg., R.S., Ch. 528, Sec. 1
8 (part).)

9 Sec. 1040.005. CORRECTION OF INVALID PROCEDURES. If a
10 court holds that any procedure under this chapter violates the
11 constitution of this state or of the United States, the district by
12 resolution may provide an alternative procedure that conforms with
13 the constitution. (Acts 60th Leg., R.S., Ch. 528, Sec. 19 (part).)

14 [Sections 1040.006-1040.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1040.051. BOARD; TERM. (a) The board consists of six
17 directors appointed by the Commissioners Court of Haskell County.

18 (b) Directors serve staggered two-year terms, with three
19 directors appointed each year. (Acts 60th Leg., R.S., Ch. 528, Sec.
20 3 (part).)

21 Sec. 1040.052. QUALIFICATIONS FOR OFFICE. A person may not
22 be appointed as a director unless the person:

23 (1) is a district resident; and

24 (2) owns land in the district subject to taxation.

25 (Acts 60th Leg., R.S., Ch. 528, Sec. 3 (part).)

26 Sec. 1040.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
27 OF OFFICE. (a) Each director shall execute a good and sufficient

1 bond for \$1,000 that is:

2 (1) payable to the district; and

3 (2) conditioned on the faithful performance of the
4 director's duties.

5 (b) Each director's bond and constitutional oath or
6 affirmation of office shall be deposited with the district's
7 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 528,
8 Sec. 3 (part).)

9 Sec. 1040.054. OFFICERS. The board shall elect from among
10 its members a president, a vice president, and a secretary. (Acts
11 60th Leg., R.S., Ch. 528, Sec. 3 (part).)

12 Sec. 1040.055. COMPENSATION; EXPENSES. A director serves
13 without compensation but may be reimbursed for actual expenses
14 incurred in the performance of official duties on approval of the
15 expenses by the entire board. (Acts 60th Leg., R.S., Ch. 528, Sec.
16 4 (part).)

17 Sec. 1040.056. VOTING REQUIREMENT. A concurrence of four
18 directors is sufficient in any matter relating to district
19 business. (Acts 60th Leg., R.S., Ch. 528, Sec. 3 (part).)

20 Sec. 1040.057. EMPLOYEES. The board may employ a general
21 manager and other necessary professional and clerical personnel.
22 (Acts 60th Leg., R.S., Ch. 528, Sec. 9 (part).)

23 Sec. 1040.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
24 Except as provided by Section 1040.053, all district records,
25 including books, accounts, notices, minutes, and all other matters
26 of the district and the operation of its facilities, shall be:

27 (1) maintained at the district office; and

1 (2) open to public inspection at the district office
2 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 528, Sec. 9
3 (part).)

4 Sec. 1040.059. SEAL. The board may adopt a seal for the
5 district. (Acts 60th Leg., R.S., Ch. 528, Sec. 9 (part).)

6 [Sections 1040.060-1040.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 1040.101. DISTRICT RESPONSIBILITY. The district has
9 full responsibility for providing medical and hospital care for the
10 district's needy and indigent residents. (Acts 60th Leg., R.S.,
11 Ch. 528, Secs. 2 (part), 14 (part).)

12 Sec. 1040.102. RESTRICTION ON COUNTY OR MUNICIPALITY
13 TAXATION. Haskell County or a municipality in Haskell County may
14 not impose a tax for hospital purposes. (Acts 60th Leg., R.S., Ch.
15 528, Sec. 14 (part).)

16 Sec. 1040.103. MANAGEMENT AND CONTROL. The management and
17 control of the district is vested in the board. (Acts 60th Leg.,
18 R.S., Ch. 528, Sec. 4 (part).)

19 Sec. 1040.104. RULES. (a) The board may adopt rules
20 governing the operation of the district, including district
21 facilities.

22 (b) On approval by the board, the rules may be published in
23 booklet form at district expense and made available to any taxpayer
24 on request. (Acts 60th Leg., R.S., Ch. 528, Sec. 9 (part).)

25 Sec. 1040.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)
26 The board may prescribe the method and manner of making purchases
27 and expenditures by and for the district.

1 (b) The board shall prescribe:

2 (1) all accounting and control procedures; and

3 (2) the method of purchasing necessary supplies,
4 materials, and equipment. (Acts 60th Leg., R.S., Ch. 528, Sec. 9
5 (part).)

6 Sec. 1040.106. EMINENT DOMAIN. (a) The district may
7 exercise the power of eminent domain to acquire a fee simple or
8 other interest in any type of property, real, personal, or mixed,
9 located in district territory, if the interest is necessary or
10 convenient for the district to exercise a right, power, privilege,
11 or function conferred on the district by this chapter.

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

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

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

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

22 (3) provide a bond for costs or a supersedeas bond on
23 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 528, Sec.
24 11.)

25 Sec. 1040.107. GIFTS AND ENDOWMENTS. The board may accept
26 for the district a gift or endowment to be held in trust and
27 administered by the board for the purposes and under the

1 directions, limitations, or other provisions prescribed in writing
2 by the donor that are not inconsistent with the proper management
3 and objectives of the district. (Acts 60th Leg., R.S., Ch. 528,
4 Sec. 16.)

5 Sec. 1040.108. PAYMENT FOR TREATMENT; PROCEDURES. (a)
6 When a patient is admitted to a district facility, the board shall
7 have an inquiry made into the circumstances of:

- 8 (1) the patient; and
9 (2) the patient's relatives who are legally liable for
10 the patient's support.

11 (b) If an agent designated by the district to handle the
12 inquiry determines that the patient or those relatives cannot pay
13 all or part of the costs of the care and treatment in the hospital,
14 the amount of the costs that cannot be paid becomes a charge against
15 the district.

16 (c) If it is determined that the patient or those relatives
17 are liable to pay for all or part of the costs of the patient's care
18 and treatment, the patient or those relatives shall be ordered to
19 pay to the district's treasurer a specified amount each week for the
20 patient's support. The amount ordered must be proportionate to
21 financial ability and may not exceed the actual per capita cost of
22 maintenance.

23 (d) The district may collect the amount from the patient's
24 estate, or from a relative who is legally liable for the patient's
25 support, in the manner provided by law for the collection of
26 expenses of the last illness of a deceased person.

27 (e) If there is a dispute as to the ability to pay or doubt

1 in the mind of the district's designated agent, the board shall hold
2 a hearing and, after calling witnesses, shall:

3 (1) resolve the dispute or doubt; and

4 (2) issue an appropriate order.

5 (f) Either party to the dispute may appeal the order to the
6 district court. (Acts 60th Leg., R.S., Ch. 528, Sec. 15.)

7 Sec. 1040.109. AUTHORITY TO SUE AND BE SUED. As a
8 governmental agency, the district may sue and be sued in its own
9 name in any court in this state. (Acts 60th Leg., R.S., Ch. 528,
10 Sec. 18 (part).)

11 [Sections 1040.110-1040.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 1040.151. BUDGET. The board annually shall require a
14 budget to be prepared for the next fiscal year that includes:

15 (1) proposed expenditures and disbursements;

16 (2) estimated receipts and collections; and

17 (3) the amount of taxes required to be imposed for the
18 year. (Acts 60th Leg., R.S., Ch. 528, Sec. 10 (part).)

19 Sec. 1040.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
20 The board shall hold a public hearing on the proposed budget.

21 (b) Notice of the hearing must be published at least once in
22 a newspaper of general circulation in Haskell County not later than
23 the 10th day before the date of the hearing.

24 (c) Any district taxpayer is entitled to:

25 (1) appear at the time and place designated in the
26 notice; and

27 (2) be heard regarding any item included in the

1 proposed budget. (Acts 60th Leg., R.S., Ch. 528, Sec. 10 (part).)

2 Sec. 1040.153. FISCAL YEAR. The district operates on a
3 fiscal year that begins on October 1 and ends on September 30.
4 (Acts 60th Leg., R.S., Ch. 528, Sec. 10 (part).)

5 Sec. 1040.154. ANNUAL AUDIT. (a) The board annually shall
6 have an independent audit made of the district's books and records
7 for the fiscal year.

8 (b) Not later than December 31 each year, the audit shall be
9 filed:

10 (1) with the comptroller; and

11 (2) at the district office. (Acts 60th Leg., R.S., Ch.
12 528, Sec. 10 (part).)

13 Sec. 1040.155. DEPOSITORY OR TREASURER. (a) The board by
14 resolution shall designate a bank or banks in Haskell County as the
15 district's depository or treasurer. A designated bank serves for
16 two years and until a successor is designated.

17 (b) All income received by the district shall be deposited
18 with the district depository.

19 (c) All district money shall be secured in the manner
20 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 528,
21 Secs. 5 (part), 12.)

22 [Sections 1040.156-1040.200 reserved for expansion]

23 SUBCHAPTER E. BONDS

24 Sec. 1040.201. GENERAL OBLIGATION BONDS. The board may
25 issue and sell general obligation bonds in the name and on the faith
26 and credit of the district for any purpose relating to:

27 (1) the purchase, construction, acquisition, repair,

1 or renovation of buildings or improvements; and

2 (2) equipping buildings and improvements for hospital
3 purposes. (Acts 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

4 Sec. 1040.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
5 The board shall impose an ad valorem tax at a rate sufficient to
6 create an interest and sinking fund to pay the principal of and
7 interest on general obligation bonds issued by the district under
8 Section 1040.201 as the bonds mature.

9 (b) The tax required by this section together with any
10 maintenance and operation tax the district imposes may not in any
11 year exceed 75 cents on each \$100 valuation of all taxable property
12 in the district. (Acts 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

13 Sec. 1040.203. GENERAL OBLIGATION BOND ELECTION. (a) The
14 district may issue general obligation bonds only if the bonds are
15 authorized by a majority of the district voters voting at an
16 election held for that purpose.

17 (b) The board may order the election on its own motion.

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

- 19 (1) the location of the polling places;
20 (2) the presiding election officers;
21 (3) the purpose of the bond issuance;
22 (4) the amount of the bonds to be authorized;
23 (5) the maximum interest rate of the bonds; and
24 (6) the maximum maturity date of the bonds.

25 (d) Notice of a bond election shall be given by publishing a
26 substantial copy of the order calling the election in a newspaper of
27 general circulation in Haskell County once each week for two

1 consecutive weeks before the date of the election. The first
2 publication must occur at least 14 days before the date of the
3 election. (Acts 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

4 Sec. 1040.204. MATURITY OF GENERAL OBLIGATION BONDS.
5 District general obligation bonds must mature not later than 40
6 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 528,
7 Sec. 8 (part).)

8 Sec. 1040.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
9 The board president shall execute the general obligation bonds in
10 the district's name.

11 (b) The board secretary shall countersign the bonds. (Acts
12 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

13 Sec. 1040.206. REFUNDING BONDS. (a) The board may, without
14 an election, issue refunding bonds in the manner provided by this
15 subchapter to refund outstanding bonds issued by the district.

16 (b) A refunding bond may be:

17 (1) sold, with the proceeds of the refunding bond
18 applied to the payment of the bonds to be refunded; or

19 (2) exchanged wholly or partly for not less than a
20 similar amount of the outstanding bonds and the unpaid matured
21 interest on those bonds. (Acts 60th Leg., R.S., Ch. 528, Sec. 8
22 (part).)

23 [Sections 1040.207-1040.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1040.251. IMPOSITION OF AD VALOREM TAX. (a) On final
26 approval of the annual budget, the board shall impose a tax on all
27 property in the district subject to district taxation.

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

2 (1) pay the interest on and create a sinking fund for
3 bonds issued or assumed by the district for hospital purposes;

4 (2) provide for the operation and maintenance of the
5 hospital or hospital system;

6 (3) make improvements and additions to the hospital
7 system; and

8 (4) acquire necessary sites for the hospital system by
9 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 528,
10 Secs. 5 (part), 10 (part).)

11 Sec. 1040.252. TAX RATE. The board may impose the tax at a
12 rate not to exceed 75 cents on each \$100 valuation of all taxable
13 property in the district. (Acts 60th Leg., R.S., Ch. 528, Sec. 5
14 (part).)

15 Sec. 1040.253. TAX ASSESSOR-COLLECTOR. The tax
16 assessor-collector of Haskell County shall assess and collect taxes
17 imposed by the district. (Acts 60th Leg., R.S., Ch. 528, Secs. 5
18 (part), 10 (part).)

19 CHAPTER 1041. HIGGINS-LIPSCOMB HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1041.001. DEFINITIONS

22 Sec. 1041.002. AUTHORITY FOR OPERATION

23 Sec. 1041.003. POLITICAL SUBDIVISION

24 Sec. 1041.004. DISTRICT TERRITORY

25 [Sections 1041.005-1041.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Sec. 1041.051. BOARD ELECTION; TERM

- 1 Sec. 1041.052. BOARD VACANCY
2 Sec. 1041.053. OFFICERS
3 Sec. 1041.054. COMPENSATION; EXPENSES
4 Sec. 1041.055. EMPLOYEES
5 Sec. 1041.056. MAINTENANCE OF RECORDS; PUBLIC
6 INSPECTION
7 Sec. 1041.057. SEAL
8 [Sections 1041.058-1041.100 reserved for expansion]
9 SUBCHAPTER C. POWERS AND DUTIES
10 Sec. 1041.101. DISTRICT RESPONSIBILITY
11 Sec. 1041.102. RESTRICTION ON POLITICAL SUBDIVISION
12 TAXATION AND DEBT
13 Sec. 1041.103. MANAGEMENT AND CONTROL
14 Sec. 1041.104. HOSPITAL SYSTEM
15 Sec. 1041.105. RULES
16 Sec. 1041.106. PURCHASING AND ACCOUNTING PROCEDURES
17 Sec. 1041.107. EMINENT DOMAIN
18 Sec. 1041.108. GIFTS AND ENDOWMENTS
19 Sec. 1041.109. PAYMENT FOR TREATMENT; PROCEDURES
20 Sec. 1041.110. AUTHORITY TO SUE AND BE SUED
21 [Sections 1041.111-1041.150 reserved for expansion]
22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
23 Sec. 1041.151. BUDGET
24 Sec. 1041.152. PROPOSED BUDGET: NOTICE AND HEARING
25 Sec. 1041.153. FISCAL YEAR
26 Sec. 1041.154. ANNUAL AUDIT
27 Sec. 1041.155. DEPOSITORY OR TREASURER

1 [Sections 1041.156-1041.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 1041.201. GENERAL OBLIGATION BONDS

4 Sec. 1041.202. TAX TO PAY GENERAL OBLIGATION BONDS

5 Sec. 1041.203. GENERAL OBLIGATION BOND ELECTION

6 Sec. 1041.204. MATURITY OF GENERAL OBLIGATION BONDS

7 Sec. 1041.205. EXECUTION OF GENERAL OBLIGATION BONDS

8 Sec. 1041.206. REFUNDING BONDS

9 [Sections 1041.207-1041.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

11 Sec. 1041.251. IMPOSITION OF AD VALOREM TAX

12 Sec. 1041.252. TAX RATE

13 Sec. 1041.253. TAX ASSESSOR-COLLECTOR

14 CHAPTER 1041. HIGGINS-LIPSCOMB HOSPITAL DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 1041.001. DEFINITIONS. In this chapter:

17 (1) "Board" means the board of directors of the
18 district.

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

20 (3) "District" means the Higgins-Lipscomb Hospital
21 District. (New.)

22 Sec. 1041.002. AUTHORITY FOR OPERATION. The district
23 operates and is financed in accordance with Section 9, Article IX,
24 Texas Constitution. (Acts 64th Leg., R.S., Ch. 666, Sec. 1
25 (part).)

26 Sec. 1041.003. POLITICAL SUBDIVISION. The district is a
27 political subdivision of this state. (Acts 64th Leg., R.S., Ch.

1 666, Sec. 16 (part).)

2 Sec. 1041.004. DISTRICT TERRITORY. The district is
3 composed of the territory described by:

4 (1) Section 1, Chapter 666, Acts of the 64th
5 Legislature, Regular Session, 1975; and

6 (2) Section 1, Chapter 667, Acts of the 64th
7 Legislature, Regular Session, 1975. (Acts 64th Leg., R.S., Ch.
8 666, Secs. 1 (part), 4A(h) (part); New.)

9 [Sections 1041.005-1041.050 reserved for expansion]

10 SUBCHAPTER B. DISTRICT ADMINISTRATION

11 Sec. 1041.051. BOARD ELECTION; TERM. (a) The board
12 consists of six directors elected from the district at large.

13 (b) Unless four-year terms are established under Section
14 285.081, Health and Safety Code:

15 (1) directors serve staggered two-year terms with
16 three directors elected each year; and

17 (2) a directors' election shall be held on the uniform
18 election date in May of each year.

19 (c) If two or more persons tie for the third-highest vote in
20 a directors' election, those persons shall draw lots to determine
21 which person is elected.

22 (d) A director's term begins on June 1 following the
23 director's election. (Acts 64th Leg., R.S., Ch. 666, Secs. 3A(a),
24 4C(c) (part), (d), (e) (part), (f).)

25 Sec. 1041.052. BOARD VACANCY. If a vacancy occurs in the
26 office of director, the remaining directors shall appoint a
27 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 666,

1 Sec. 3A(b).)

2 Sec. 1041.053. OFFICERS. (a) The board shall elect a
3 president, vice president, and secretary-treasurer from among its
4 members.

5 (b) Each officer of the board serves until the next
6 directors' election. (Acts 64th Leg., R.S., Ch. 666, Sec. 4(a)
7 (part).)

8 Sec. 1041.054. COMPENSATION; EXPENSES. A director serves
9 without compensation but may be reimbursed for actual expenses
10 incurred in the performance of official duties on approval of the
11 expenses by the entire board. (Acts 64th Leg., R.S., Ch. 666, Sec.
12 4(b).)

13 Sec. 1041.055. EMPLOYEES. The board may employ a general
14 manager, attorneys, financial advisors, bookkeepers, and
15 architects. (Acts 64th Leg., R.S., Ch. 666, Sec. 7(a) (part).)

16 Sec. 1041.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
17 All district records, including books, accounts, notices, minutes,
18 and all other matters of the district and the operation of its
19 facilities, shall be:

20 (1) maintained at the district office; and

21 (2) open to public inspection at reasonable hours.

22 (Acts 64th Leg., R.S., Ch. 666, Sec. 7(b).)

23 Sec. 1041.057. SEAL. The board may adopt a seal for the
24 district. (Acts 64th Leg., R.S., Ch. 666, Sec. 7(a) (part).)

25 [Sections 1041.058-1041.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1041.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for:

- 2 (1) operating all hospital facilities; and
3 (2) providing hospital care for the district's needy
4 inhabitants. (Acts 64th Leg., R.S., Ch. 666, Sec. 12(a) (part).)

5 Sec. 1041.102. RESTRICTION ON POLITICAL SUBDIVISION
6 TAXATION AND DEBT. (a) A political subdivision within the
7 district, other than the district, may not impose a tax or issue
8 bonds or other obligations for hospital purposes or to provide
9 medical care for district inhabitants.

10 (b) A governmental entity other than the district may not
11 impose a tax or issue bonds or other obligations on property in the
12 district for hospital purposes or to provide medical care for needy
13 district inhabitants. (Acts 64th Leg., R.S., Ch. 666, Sec. 12(a)
14 (part).)

15 Sec. 1041.103. MANAGEMENT AND CONTROL. The board has full
16 management and control of all district business, including the
17 power to:

- 18 (1) negotiate and contract with any person;
19 (2) purchase or lease land; and
20 (3) construct, equip, operate, and maintain a hospital
21 system. (Acts 64th Leg., R.S., Ch. 666, Sec. 4(a) (part).)

22 Sec. 1041.104. HOSPITAL SYSTEM. The district shall provide
23 for the establishment of a hospital system to provide medical and
24 hospital care to the district's residents. (Acts 64th Leg., R.S.,
25 Ch. 666, Sec. 2 (part).)

26 Sec. 1041.105. RULES. (a) The board may adopt rules
27 governing the operation of the district, including district

1 facilities.

2 (b) On approval by the board, the rules may be published in
3 booklet form at district expense and made available to any resident
4 on request. (Acts 64th Leg., R.S., Ch. 666, Sec. 7(c).)

5 Sec. 1041.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
6 The board may prescribe the method and manner of making purchases
7 and expenditures for the district.

8 (b) The board shall prescribe:

9 (1) all accounting and control procedures; and

10 (2) the method of purchasing necessary supplies,
11 materials, and equipment. (Acts 64th Leg., R.S., Ch. 666, Sec.
12 7(a) (part).)

13 Sec. 1041.107. EMINENT DOMAIN. (a) The district may
14 exercise the power of eminent domain to acquire a fee simple or
15 other interest in any type of property located in district
16 territory if the interest is necessary or convenient for the
17 district to exercise a right, power, privilege, or function
18 conferred on the district by this chapter.

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

23 (c) In a condemnation proceeding, the district is not
24 required to:

25 (1) pay in advance or provide a bond or other security
26 for costs in the trial court;

27 (2) provide a bond for the issuance of a temporary

1 restraining order or a temporary injunction; or

2 (3) provide a bond for costs or a supersedeas bond on
3 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 666, Sec. 9.)

4 Sec. 1041.108. GIFTS AND ENDOWMENTS. The board may accept
5 for the district a gift or endowment to be held in trust and
6 administered by the board for the purposes and under the
7 directions, limitations, or other provisions prescribed in writing
8 by the donor that are not inconsistent with the proper management
9 and objectives of the district. (Acts 64th Leg., R.S., Ch. 666,
10 Sec. 14.)

11 Sec. 1041.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)
12 When a patient from Lipscomb County is admitted to a district
13 facility, the board shall have an inquiry made into the
14 circumstances of:

15 (1) the patient; and

16 (2) the patient's relatives who are legally liable for
17 the patient's support.

18 (b) If an agent designated by the district determines that
19 the patient or those relatives cannot pay all or part of the costs
20 of the care and treatment in the hospital, the expense of that care
21 becomes a charge against the district.

22 (c) If an agent designated by the district determines that
23 the patient or those relatives are liable to pay for all or part of
24 the costs of the patient's care and treatment, the patient or those
25 relatives shall be ordered to pay the district's treasurer a
26 specified amount each week for the patient's support. The amount
27 ordered must be proportionate to the person's financial ability and

1 may not exceed the actual per capita cost of maintenance.

2 (d) The district may collect the amount from the patient's
3 estate, or from any relative who is legally liable for the patient's
4 support, in the manner provided by law for the collection of
5 expenses of the last illness of a deceased person.

6 (e) If there is a dispute as to the ability to pay, the board
7 shall hold a hearing and, after calling witnesses, shall resolve
8 the dispute.

9 (f) Either party to the dispute may appeal the district's
10 determination to the district court. (Acts 64th Leg., R.S., Ch.
11 666, Sec. 13.)

12 Sec. 1041.110. AUTHORITY TO SUE AND BE SUED. The district
13 may sue and be sued in its own name in any court of this state. (Acts
14 64th Leg., R.S., Ch. 666, Sec. 16 (part).)

15 [Sections 1041.111-1041.150 reserved for expansion]

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 1041.151. BUDGET. The board annually shall have a
18 budget prepared for the next fiscal year that includes:

- 19 (1) proposed expenditures and disbursements;
20 (2) estimated receipts and collections; and
21 (3) the amount of taxes required to be imposed for the
22 year. (Acts 64th Leg., R.S., Ch. 666, Sec. 8(b) (part).)

23 Sec. 1041.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
24 The board shall hold a public hearing on the proposed budget.

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

1 (c) Any district resident is entitled to:

2 (1) appear at the time and place designated in the
3 notice; and

4 (2) be heard regarding any item included in the
5 proposed budget. (Acts 64th Leg., R.S., Ch. 666, Sec. 8(b)
6 (part).)

7 Sec. 1041.153. FISCAL YEAR. The district operates on a
8 fiscal year that begins on October 1 and ends on September 30.
9 (Acts 64th Leg., R.S., Ch. 666, Sec. 8(a) (part).)

10 Sec. 1041.154. ANNUAL AUDIT. (a) The board annually shall
11 have an independent audit made of the district's books and records
12 for the fiscal year.

13 (b) Not later than December 31 of each year, the audit shall
14 be filed:

15 (1) with the comptroller; and

16 (2) at the district office. (Acts 64th Leg., R.S., Ch.
17 666, Sec. 8(a) (part).)

18 Sec. 1041.155. DEPOSITORY OR TREASURER. (a) The board by
19 resolution shall designate a bank or banks in the district as the
20 district's depository or treasurer. A designated bank serves for
21 two years and until a successor is designated.

22 (b) All income received by the district shall be deposited
23 with the district depository.

24 (c) All district money shall be secured in the manner
25 provided for securing county funds. (Acts 64th Leg., R.S., Ch. 666,
26 Secs. 5(b) (part), 10.)

27 [Sections 1041.156-1041.200 reserved for expansion]

SUBCHAPTER E. BONDS

1
2 Sec. 1041.201. GENERAL OBLIGATION BONDS. The board may
3 issue and sell general obligation bonds in the name and on the faith
4 and credit of the district for any purpose relating to:

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

7 (2) equipping buildings or improvements for hospital
8 purposes. (Acts 64th Leg., R.S., Ch. 666, Sec. 6(a) (part).)

9 Sec. 1041.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
10 The board shall impose an ad valorem tax at a rate sufficient to
11 create an interest and sinking fund to pay the principal of and
12 interest on general obligation bonds issued under Section 1041.201.

13 (b) The tax required by this section together with any other
14 ad valorem tax the district imposes may not in any year exceed 75
15 cents on each \$100 valuation of all taxable property in the
16 district. (Acts 64th Leg., R.S., Ch. 666, Sec. 6(a) (part).)

17 Sec. 1041.203. GENERAL OBLIGATION BOND ELECTION. (a) The
18 district may issue general obligation bonds only if the bonds are
19 authorized by a majority of the district voters voting at an
20 election.

21 (b) The board may order the election on its own motion.

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

23 (1) the location of the polling places;

24 (2) the presiding election officers;

25 (3) the purpose of the bond issuance;

26 (4) the amount of the bonds to be authorized; and

27 (5) the maximum interest rate provided by law.

1 (d) Notice of a bond election shall be given by publishing a
2 substantial copy of the order calling the election in a newspaper of
3 general circulation in the district once each week for two
4 consecutive weeks before the date of the election. The first
5 publication must occur at least 20 days before the date of the
6 election. (Acts 64th Leg., R.S., Ch. 666, Sec. 6(b) (part).)

7 Sec. 1041.204. MATURITY OF GENERAL OBLIGATION BONDS.
8 District general obligation bonds must mature not later than 40
9 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 666,
10 Sec. 6(b) (part).)

11 Sec. 1041.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
12 The board president shall execute the general obligation bonds in
13 the district's name.

14 (b) The board secretary shall countersign the bonds. (Acts
15 64th Leg., R.S., Ch. 666, Sec. 6(a) (part).)

16 Sec. 1041.206. REFUNDING BONDS. (a) The board may, without
17 an election, issue refunding bonds to refund outstanding bonds
18 issued or assumed by the district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bond
21 applied to the payment of the bonds to be refunded; or

22 (2) exchanged wholly or partly for not less than a
23 similar amount of outstanding bonds and the unpaid matured interest
24 on the bonds. (Acts 64th Leg., R.S., Ch. 666, Secs. 6(b) (part),
25 (c) (part).)

26 [Sections 1041.207-1041.250 reserved for expansion]

27 SUBCHAPTER F. TAXES

1 Sec. 1041.251. IMPOSITION OF AD VALOREM TAX. (a) On final
2 approval of the annual budget, the board shall impose a tax on all
3 property in the district subject to district taxation.

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

5 (1) pay the interest on and create a sinking fund for
6 bonds issued or assumed by the district for hospital purposes;

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

9 (3) make improvements and additions to the hospital
10 system; and

11 (4) acquire necessary sites by purchase, lease, or
12 condemnation. (Acts 64th Leg., R.S., Ch. 666, Secs. 5(a) (part),
13 (b) (part), 8(b) (part).)

14 Sec. 1041.252. TAX RATE. The board may impose the tax at a
15 rate not to exceed 75 cents on each \$100 valuation of all taxable
16 property in the district. (Acts 64th Leg., R.S., Ch. 666, Sec. 5(a)
17 (part).)

18 Sec. 1041.253. TAX ASSESSOR-COLLECTOR. (a) Except as
19 provided by Subsection (b), the tax assessor-collector of Lipscomb
20 County shall assess and collect taxes imposed by the district.

21 (b) By majority vote the board may appoint a district tax
22 assessor-collector under Section 285.041, Health and Safety Code.
23 (Acts 64th Leg., R.S., Ch. 666, Secs. 5(b) (part), (c) (part), 8(b)
24 (part).)

25 CHAPTER 1042. HOOD COUNTY HOSPITAL DISTRICT OF HOOD COUNTY, TEXAS

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 1042.001. DEFINITIONS

- 1 Sec. 1042.002. AUTHORITY FOR CREATION
2 Sec. 1042.003. DISTRICT TERRITORY
3 Sec. 1042.004. DISTRICT SUPPORT AND MAINTENANCE NOT
4 STATE OBLIGATION
5 Sec. 1042.005. RESTRICTION ON STATE FINANCIAL
6 ASSISTANCE
7 [Sections 1042.006-1042.050 reserved for expansion]
8 SUBCHAPTER B. DISTRICT ADMINISTRATION
9 Sec. 1042.051. BOARD; TERMS
10 Sec. 1042.052. BOND; RECORD OF BOND AND OATH OR
11 AFFIRMATION OF OFFICE
12 Sec. 1042.053. BOARD VACANCY
13 Sec. 1042.054. OFFICERS
14 Sec. 1042.055. COMPENSATION; EXPENSES
15 Sec. 1042.056. DISTRICT ADMINISTRATOR
16 Sec. 1042.057. EMPLOYEES
17 Sec. 1042.058. MAINTENANCE OF RECORDS; PUBLIC
18 INSPECTION
19 [Sections 1042.059-1042.100 reserved for expansion]
20 SUBCHAPTER C. POWERS AND DUTIES
21 Sec. 1042.101. DISTRICT RESPONSIBILITY
22 Sec. 1042.102. RESTRICTION ON POLITICAL SUBDIVISION
23 TAXATION AND DEBT
24 Sec. 1042.103. MANAGEMENT AND CONTROL OF DISTRICT
25 Sec. 1042.104. HOSPITAL SYSTEM
26 Sec. 1042.105. RULES
27 Sec. 1042.106. PURCHASING AND ACCOUNTING PROCEDURES

- 1 Sec. 1042.107. SURPLUS PROPERTY
- 2 Sec. 1042.108. EMINENT DOMAIN
- 3 Sec. 1042.109. GIFTS AND ENDOWMENTS
- 4 Sec. 1042.110. CONTRACTS WITH POLITICAL SUBDIVISIONS
- 5 FOR HOSPITAL AND MEDICAL CARE
- 6 Sec. 1042.111. PAYMENT FOR TREATMENT; PROCEDURE
- 7 [Sections 1042.112-1042.150 reserved for expansion]
- 8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 9 Sec. 1042.151. BUDGET
- 10 Sec. 1042.152. PROPOSED BUDGET: NOTICE AND HEARING
- 11 Sec. 1042.153. FISCAL YEAR
- 12 Sec. 1042.154. ANNUAL AUDIT
- 13 Sec. 1042.155. DEPOSITORY
- 14 [Sections 1042.156-1042.200 reserved for expansion]
- 15 SUBCHAPTER E. BONDS
- 16 Sec. 1042.201. BONDS
- 17 Sec. 1042.202. TAX TO PAY BONDS
- 18 Sec. 1042.203. BOND ELECTION
- 19 Sec. 1042.204. MATURITY OF BONDS
- 20 Sec. 1042.205. EXECUTION OF BONDS
- 21 [Sections 1042.206-1042.250 reserved for expansion]
- 22 SUBCHAPTER F. TAXES
- 23 Sec. 1042.251. IMPOSITION OF AD VALOREM TAX
- 24 Sec. 1042.252. TAX RATE
- 25 Sec. 1042.253. TAX ASSESSOR-COLLECTOR

1 CHAPTER 1042. HOOD COUNTY HOSPITAL DISTRICT OF HOOD COUNTY, TEXAS

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1042.001. DEFINITIONS. In this chapter:

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

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

7 (3) "District" means the Hood County Hospital District
8 of Hood County, Texas. (New.)

9 Sec. 1042.002. AUTHORITY FOR CREATION. The district of
10 Hood County, Texas, is created under the authority of Section 9,
11 Article IX, Texas Constitution. (Acts 62nd Leg., R.S., Ch. 852,
12 Sec. 1.)

13 Sec. 1042.003. DISTRICT TERRITORY. The boundaries of the
14 district are coextensive with the boundaries of Hood County. (Acts
15 62nd Leg., R.S., Ch. 852, Sec. 2.)

16 Sec. 1042.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
17 OBLIGATION. The support and maintenance of the district's hospital
18 system and any indebtedness incurred by the district under this
19 chapter may not become a charge against or obligation of this state.
20 (Acts 62nd Leg., R.S., Ch. 852, Sec. 18 (part).)

21 Sec. 1042.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
22 The legislature may not make a direct appropriation for the
23 construction, maintenance, or improvement of a district facility.
24 (Acts 62nd Leg., R.S., Ch. 852, Sec. 18 (part).)

25 [Sections 1042.006-1042.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Sec. 1042.051. BOARD; TERMS. (a) The board consists of:

1 (1) the members of the Commissioners Court of Hood
2 County, including the county judge; and

3 (2) four persons appointed by the county judge.

4 (b) One director appointed by the county judge must be:

5 (1) a doctor of medicine; or

6 (2) a doctor of osteopathy.

7 (c) An appointed director serves a two-year term. (Acts
8 62nd Leg., R.S., Ch. 852, Secs. 4(a) (part), 5(a) (part), (b), (c).)

9 Sec. 1042.052. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
10 OF OFFICE. (a) Each appointed director shall execute a good and
11 sufficient commercial bond for \$1,000 that is:

12 (1) payable to the district; and

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

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

16 (c) Each director's bond and constitutional oath or
17 affirmation of office shall be deposited with the district's
18 depository for safekeeping. (Acts 62nd Leg., R.S., Ch. 852, Sec.
19 6(a).)

20 Sec. 1042.053. BOARD VACANCY. If a vacancy occurs in the
21 office of director, the county judge shall appoint a director.
22 (Acts 62nd Leg., R.S., Ch. 852, Sec. 5(d).)

23 Sec. 1042.054. OFFICERS. The board shall elect from among
24 its members a president, a secretary, and a treasurer at the first
25 meeting after directors are appointed under Section 1042.051.
26 (Acts 62nd Leg., R.S., Ch. 852, Sec. 6(b).)

27 Sec. 1042.055. COMPENSATION; EXPENSES. A director serves

1 without compensation but is entitled to reimbursement for necessary
2 expenses incurred in the performance of official duties. (Acts
3 62nd Leg., R.S., Ch. 852, Sec. 6(c).)

4 Sec. 1042.056. DISTRICT ADMINISTRATOR. (a) The board may
5 employ a district administrator to manage the operations of the
6 hospital system.

7 (b) The district administrator may:

8 (1) employ necessary personnel to perform the services
9 provided by the hospital system; and

10 (2) appoint to the staff any physicians considered
11 advisable for the efficient operation of the hospital system.
12 (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(e) (part).)

13 Sec. 1042.057. EMPLOYEES. The board may employ an
14 attorney, general manager, bookkeeper, architect, and other
15 employees necessary for the efficient operation of the district.
16 (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(e) (part).)

17 Sec. 1042.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
18 The board shall:

19 (1) maintain all district records, including books,
20 accounts, notices, minutes, and all other matters of the district
21 and its operation, at the district office; and

22 (2) make those records available for public inspection
23 at reasonable times. (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(b).)

24 [Sections 1042.059-1042.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1042.101. DISTRICT RESPONSIBILITY. The district shall
27 provide all necessary hospital and medical care for the district's

1 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 852, Sec. 3 (part).)

2 Sec. 1042.102. RESTRICTION ON POLITICAL SUBDIVISION
3 TAXATION AND DEBT. A political subdivision of this state, other
4 than the district, may not impose a tax or issue bonds or other
5 obligations to provide hospital service or medical care in the
6 district. (Acts 62nd Leg., R.S., Ch. 852, Sec. 3 (part).)

7 Sec. 1042.103. MANAGEMENT AND CONTROL OF DISTRICT. The
8 management and control of the district is vested in the board, and
9 the board has full power to manage and control the district. (Acts
10 62nd Leg., R.S., Ch. 852, Secs. 5(a) (part), 12(a) (part).)

11 Sec. 1042.104. HOSPITAL SYSTEM. The district has the
12 responsibility to establish a hospital or hospital system within
13 its boundaries to provide hospital and medical care to the
14 district's residents. (Acts 62nd Leg., R.S., Ch. 852, Sec. 3
15 (part).)

16 Sec. 1042.105. RULES. (a) The board shall adopt rules for
17 the efficient operation of the district, including district
18 facilities.

19 (b) The board shall:

20 (1) publish the rules in book form; and

21 (2) provide copies to interested persons on request at
22 district expense. (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(c).)

23 Sec. 1042.106. PURCHASING AND ACCOUNTING PROCEDURES. The
24 board may prescribe the method of making purchases and expenditures
25 and the manner of accounting and control used by the district.
26 (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(e) (part).)

27 Sec. 1042.107. SURPLUS PROPERTY. The board may sell or

1 otherwise dispose of district property if the board finds the
2 property exceeds the district's present and future needs. (Acts
3 62nd Leg., R.S., Ch. 852, Sec. 12(h) (part).)

4 Sec. 1042.108. EMINENT DOMAIN. (a) The district may
5 exercise the power of eminent domain to acquire a fee simple or
6 other interest in real, personal, or mixed property located in
7 district territory if the interest is necessary or convenient for
8 the district to exercise a power or duty conferred on the district
9 by this chapter.

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

14 (c) In a condemnation proceeding, the district is not
15 required to:

16 (1) pay in advance or provide a bond or other security
17 for costs in the trial court; or

18 (2) provide a bond for costs or a supersedeas bond on
19 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 852, Sec.
20 15.)

21 Sec. 1042.109. GIFTS AND ENDOWMENTS. The board may accept
22 for the district a gift or endowment to be held in trust and
23 administered by the board under the directions, limitations, or
24 other provisions prescribed in writing by the donor that are not
25 inconsistent with the proper management of the district. (Acts
26 62nd Leg., R.S., Ch. 852, Sec. 12(f).)

27 Sec. 1042.110. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR

1 HOSPITAL AND MEDICAL CARE. The board may contract with another
2 political subdivision to provide hospital and medical care for
3 needy persons who reside outside the district. (Acts 62nd Leg.,
4 R.S., Ch. 852, Sec. 12(g).)

5 Sec. 1042.111. PAYMENT FOR TREATMENT; PROCEDURE. (a) A
6 person who resides in the district is entitled to receive necessary
7 medical and hospital care regardless of whether the person has the
8 ability to pay for the care and may apply to receive this care
9 without cost.

10 (b) The board or the district administrator shall employ a
11 person to investigate the ability of the patient and any relative
12 who is liable for the patient's support to pay for the medical and
13 hospital care received by the patient.

14 (c) If the investigator determines that the patient or
15 relative legally liable for the patient's support cannot pay all or
16 part of the costs of the patient's care, the expense of the care
17 becomes a charge against the district.

18 (d) If the patient or a relative legally liable for the
19 patient's support can pay for all or part of the costs of the
20 patient's care, the board shall order the patient or relative to pay
21 to the treasurer each week an amount specified in the order. The
22 amount must be proportionate to the person's ability to pay.

23 (e) The district may collect the amount from the patient's
24 estate, or from any relative who is liable for the patient's
25 support, in the manner provided by law for the collection of
26 expenses of the last illness of a deceased person.

27 (f) If there is a dispute as to the ability to pay, or doubt

1 in the mind of the investigator, the board shall hold a hearing and,
2 after calling witnesses, shall:

- 3 (1) determine the question; and
4 (2) make the proper order based on the board's
5 findings.

6 (g) A party to the hearing who is not satisfied with the
7 result of the order may appeal to the district court. The appeal is
8 de novo. (Acts 62nd Leg., R.S., Ch. 852, Sec. 14.)

9 [Sections 1042.112-1042.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1042.151. BUDGET. The board shall prepare a budget
12 that includes:

- 13 (1) proposed expenditures and disbursements;
14 (2) estimated receipts and collections for the next
15 fiscal year; and
16 (3) the amount of taxes required to be imposed to meet
17 the proposed budget. (Acts 62nd Leg., R.S., Ch. 852, Sec. 13(b).)

18 Sec. 1042.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
19 The board shall hold a public hearing on the proposed budget.

20 (b) Notice of the hearing must be published at least once in
21 a newspaper of general circulation in the district not later than
22 the 11th day before the date of the hearing.

23 (c) Any person who owns taxable property in the district and
24 has rendered that property for taxation is entitled to:

- 25 (1) appear at the hearing; and
26 (2) be heard regarding any item in the proposed
27 budget. (Acts 62nd Leg., R.S., Ch. 852, Secs. 13(c), (d).)

1 Sec. 1042.153. FISCAL YEAR. The district's fiscal year is
2 from October 1 to September 30. (Acts 62nd Leg., R.S., Ch. 852,
3 Sec. 13(a).)

4 Sec. 1042.154. ANNUAL AUDIT. (a) The board annually shall
5 require an independent audit of the district's books and records.

6 (b) Not later than December 1 of each year, the board shall
7 file a copy of the audit with:

8 (1) the comptroller; and

9 (2) the district. (Acts 62nd Leg., R.S., Ch. 852, Sec.
10 12(d).)

11 Sec. 1042.155. DEPOSITORY. (a) The board by resolution
12 shall designate a bank in Hood County as the district's depository.
13 A designated bank serves for two years and until a successor is
14 designated.

15 (b) All district money shall be deposited in the depository
16 and secured in the manner provided for securing county funds. (Acts
17 62nd Leg., R.S., Ch. 852, Sec. 16.)

18 [Sections 1042.156-1042.200 reserved for expansion]

19 SUBCHAPTER E. BONDS

20 Sec. 1042.201. BONDS. The district may issue bonds to:

21 (1) purchase, construct, acquire, repair, or renovate
22 buildings or improvements; and

23 (2) equip buildings for hospital purposes. (Acts 62nd
24 Leg., R.S., Ch. 852, Secs. 9(a) (part), 10(a) (part).)

25 Sec. 1042.202. TAX TO PAY BONDS. The board may issue bonds
26 under Section 1042.201 only if the board imposes an ad valorem tax
27 at a rate sufficient to create an interest and sinking fund to pay

1 the principal of and interest on the bonds as the bonds mature.
2 (Acts 62nd Leg., R.S., Ch. 852, Sec. 10(c).)

3 Sec. 1042.203. BOND ELECTION. (a) The board may issue
4 bonds under Section 1042.201 only if the bonds are authorized by a
5 majority of district voters voting in an election held for that
6 purpose. The total face value of the bonds may not exceed the amount
7 specified in the election order.

8 (b) The board may order a bond election at any time.

9 (c) The order calling an election must include:

- 10 (1) the time of the election;
11 (2) the location of the polling places;
12 (3) the form of the ballots;
13 (4) the presiding judge for each polling place;
14 (5) the purpose of the bond issuance;
15 (6) the amount of the bonds to be authorized;
16 (7) the maximum interest rate of the bonds; and
17 (8) the maximum maturity of the bonds.

18 (d) A substantial copy of the election order shall be
19 published in a newspaper of general circulation in the district
20 once a week for two consecutive weeks before the date of the
21 election. The first notice must be published not later than the
22 15th day before the date of the election.

23 (e) A copy of the election results must be filed with the
24 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.
25 852, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)
26 (part).)

27 Sec. 1042.204. MATURITY OF BONDS. District bonds must

1 mature not later than 40 years after the date of issuance. (Acts
2 62nd Leg., R.S., Ch. 852, Sec. 9(c).)

3 Sec. 1042.205. EXECUTION OF BONDS. (a) The board president
4 shall execute the district's bonds in the district's name.

5 (b) The board secretary shall countersign the bonds. (Acts
6 62nd Leg., R.S., Ch. 852, Sec. 10(b) (part).)

7 [Sections 1042.206-1042.250 reserved for expansion]

8 SUBCHAPTER F. TAXES

9 Sec. 1042.251. IMPOSITION OF AD VALOREM TAX. (a) The board
10 shall impose a tax on all property in the district subject to
11 district taxation.

12 (b) The tax may be used only to:

13 (1) pay the interest on and create a sinking fund for
14 bonds issued under this chapter;

15 (2) provide for the operation and maintenance of the
16 district and hospital system;

17 (3) make improvements and additions to the hospital
18 system; and

19 (4) acquire sites for additions to the hospital
20 system. (Acts 62nd Leg., R.S., Ch. 852, Secs. 8(a) (part), (c).)

21 Sec. 1042.252. TAX RATE. The board may impose the tax at a
22 rate not to exceed 75 cents on each \$100 valuation of all taxable
23 property in the district. (Acts 62nd Leg., R.S., Ch. 852, Sec. 8(a)
24 (part).)

25 Sec. 1042.253. TAX ASSESSOR-COLLECTOR. The tax
26 assessor-collector for Hood County shall collect taxes for the
27 district. (Acts 62nd Leg., R.S., Ch. 852, Sec. 8(d) (part).)

1 CHAPTER 1043. HOPKINS COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1043.001. DEFINITIONS

4 Sec. 1043.002. AUTHORITY FOR OPERATION

5 Sec. 1043.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL
6 SUBDIVISION

7 Sec. 1043.004. DISTRICT TERRITORY

8 Sec. 1043.005. CORRECTION OF INVALID PROCEDURES

9 [Sections 1043.006-1043.050 reserved for expansion]

10 SUBCHAPTER B. DISTRICT ADMINISTRATION

11 Sec. 1043.051. BOARD ELECTION; TERM

12 Sec. 1043.052. NOTICE OF ELECTION

13 Sec. 1043.053. QUALIFICATIONS FOR OFFICE

14 Sec. 1043.054. BOND; RECORD OF BOND AND OATH OR
15 AFFIRMATION OF OFFICE

16 Sec. 1043.055. BOARD VACANCY

17 Sec. 1043.056. OFFICERS

18 Sec. 1043.057. COMPENSATION; EXPENSES

19 Sec. 1043.058. VOTING REQUIREMENT

20 Sec. 1043.059. APPOINTMENT AND RECRUITMENT OF STAFF
21 AND EMPLOYEES

22 Sec. 1043.060. MAINTENANCE OF RECORDS; PUBLIC
23 INSPECTION

24 Sec. 1043.061. SEAL

25 [Sections 1043.062-1043.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1043.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1043.102. RESTRICTION ON COUNTY OR MUNICIPALITY
2 TAXATION
- 3 Sec. 1043.103. MANAGEMENT AND CONTROL
- 4 Sec. 1043.104. HOSPITAL SYSTEM
- 5 Sec. 1043.105. RULES
- 6 Sec. 1043.106. PURCHASING AND ACCOUNTING PROCEDURES
- 7 Sec. 1043.107. DISTRICT PROPERTY, FACILITIES, AND
8 EQUIPMENT
- 9 Sec. 1043.108. PROPERTY, FACILITIES, AND EQUIPMENT FOR
10 STAFF PHYSICIANS
- 11 Sec. 1043.109. EMINENT DOMAIN
- 12 Sec. 1043.110. GIFTS AND ENDOWMENTS
- 13 Sec. 1043.111. JOINT OWNERSHIP ARRANGEMENT
- 14 Sec. 1043.112. PAYMENT FOR TREATMENT; PROCEDURES
- 15 Sec. 1043.113. NONPROFIT CORPORATION
- 16 Sec. 1043.114. AUTHORITY TO SUE AND BE SUED
- 17 [Sections 1043.115-1043.150 reserved for expansion]
- 18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 19 Sec. 1043.151. BUDGET
- 20 Sec. 1043.152. PROPOSED BUDGET: NOTICE AND HEARING
- 21 Sec. 1043.153. FISCAL YEAR
- 22 Sec. 1043.154. ANNUAL AUDIT
- 23 Sec. 1043.155. DEPOSITORY OR TREASURER
- 24 Sec. 1043.156. AUTHORITY TO BORROW MONEY; SECURITY
- 25 [Sections 1043.157-1043.200 reserved for expansion]
- 26 SUBCHAPTER E. BONDS
- 27 Sec. 1043.201. GENERAL OBLIGATION BONDS

- 1 Sec. 1043.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 2 Sec. 1043.203. GENERAL OBLIGATION BOND ELECTION
- 3 Sec. 1043.204. MATURITY OF GENERAL OBLIGATION BONDS
- 4 Sec. 1043.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 5 Sec. 1043.206. REVENUE BONDS
- 6 Sec. 1043.207. REFUNDING BONDS
- 7 Sec. 1043.208. BONDS EXEMPT FROM TAXATION

8 [Sections 1043.209-1043.250 reserved for expansion]

9 SUBCHAPTER F. TAXES

- 10 Sec. 1043.251. IMPOSITION OF AD VALOREM TAX
- 11 Sec. 1043.252. TAX RATE
- 12 Sec. 1043.253. ELECTION TO INCREASE MAXIMUM TAX RATE
- 13 Sec. 1043.254. TAX ASSESSOR-COLLECTOR

14 [Sections 1043.255-1043.300 reserved for expansion]

15 SUBCHAPTER G. DISSOLUTION

- 16 Sec. 1043.301. DISSOLUTION; ELECTION
- 17 Sec. 1043.302. NOTICE OF ELECTION
- 18 Sec. 1043.303. BALLOT
- 19 Sec. 1043.304. ELECTION RESULTS
- 20 Sec. 1043.305. SALE OR TRANSFER OF ASSETS AND

21 LIABILITIES

22 CHAPTER 1043. HOPKINS COUNTY HOSPITAL DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1043.001. DEFINITIONS. In this chapter:

25 (1) "Board" means the board of directors of the
26 district.

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

1 (3) "District" means the Hopkins County Hospital
2 District. (New.)

3 Sec. 1043.002. AUTHORITY FOR OPERATION. The district
4 operates under the authority of and has the powers and
5 responsibilities provided by Section 11, Article IX, Texas
6 Constitution. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 1 (part),
7 5(a) (part).)

8 Sec. 1043.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL
9 SUBDIVISION. The district is:

10 (1) a public entity performing an essential public
11 function; and

12 (2) a political subdivision of this state. (Acts 57th
13 Leg., 1st C.S., Ch. 43, Secs. 6D(d) (part), 18 (part).)

14 Sec. 1043.004. DISTRICT TERRITORY. The boundaries of the
15 district are coextensive with the boundaries of Hopkins County.
16 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 1 (part).)

17 Sec. 1043.005. CORRECTION OF INVALID PROCEDURES. If a
18 court holds that any procedure under this chapter violates the
19 constitution of this state or of the United States, the district by
20 resolution may provide an alternative procedure that conforms with
21 the constitution. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 19
22 (part).)

23 [Sections 1043.006-1043.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1043.051. BOARD ELECTION; TERM. (a) The board
26 consists of seven elected directors.

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

1 (c) An election shall be held on the uniform election date
2 in May of each year to elect the appropriate number of directors.
3 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 3 (part).)

4 Sec. 1043.052. NOTICE OF ELECTION. At least 10 days before
5 the date of an election of directors, notice of the election shall
6 be published one time in a newspaper of general circulation in
7 Hopkins County. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 3 (part).)

8 Sec. 1043.053. QUALIFICATIONS FOR OFFICE. (a) A person may
9 not be elected or appointed as a director unless the person is:

- 10 (1) a district resident;
11 (2) a qualified voter of the district; and
12 (3) more than 21 years of age at the time of election
13 or appointment.

14 (b) A district employee may not serve as a director. (Acts
15 57th Leg., 1st C.S., Ch. 43, Sec. 3 (part).)

16 Sec. 1043.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
17 OF OFFICE. (a) Each director shall execute a good and sufficient
18 bond for \$1,000 that is:

- 19 (1) payable to the district; and
20 (2) conditioned on the faithful performance of the
21 director's duties.

22 (b) Each director's bond and constitutional oath or
23 affirmation of office shall be deposited with the district's
24 depository bank for safekeeping. (Acts 57th Leg., 1st C.S., Ch. 43,
25 Sec. 3 (part).)

26 Sec. 1043.055. BOARD VACANCY. (a) If a vacancy occurs in
27 the office of director, the remaining directors shall appoint a

1 director for the unexpired term.

2 (b) If the number of directors is reduced to less than the
3 number that constitutes a majority for any reason, the remaining
4 directors shall immediately call a special election to fill the
5 vacancies. If the remaining directors do not call the election, a
6 district court, on application of a district voter or taxpayer, may
7 order the directors to hold the election. (Acts 57th Leg., 1st
8 C.S., Ch. 43, Sec. 3 (part).)

9 Sec. 1043.056. OFFICERS. The board shall elect a
10 president, vice president, and secretary. (Acts 57th Leg., 1st
11 C.S., Ch. 43, Sec. 3 (part).)

12 Sec. 1043.057. COMPENSATION; EXPENSES. A director serves
13 without compensation but may be reimbursed for actual expenses
14 incurred in the performance of official duties on approval of the
15 expenses by the entire board. (Acts 57th Leg., 1st C.S., Ch. 43,
16 Sec. 4 (part).)

17 Sec. 1043.058. VOTING REQUIREMENT. A concurrence of a
18 majority of the directors is sufficient in any matter relating to
19 district business. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 3
20 (part).)

21 Sec. 1043.059. APPOINTMENT AND RECRUITMENT OF STAFF AND
22 EMPLOYEES. (a) The board may employ a general manager, attorney,
23 bookkeeper, and architect.

24 (b) The board may spend district money to recruit
25 physicians, nurses, or other trained medical personnel to the
26 hospital staff.

27 (c) The board may agree to pay all or part of the tuition or

1 other costs of a medical technician or nursing student who:

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

4 (2) contractually agrees to serve as a district
5 employee on terms prescribed by the board.

6 (d) Subject to Subsection (e), the board may provide
7 financial inducements, including income subsidies or guarantees
8 and reimbursement of relocation expenses, to a full-time medical
9 intern or resident physician serving in a hospital who
10 contractually agrees to:

11 (1) reside and practice in Hopkins County; and

12 (2) provide care and treatment to its needy residents.

13 (e) The board may offer financial inducements only to
14 attract qualified physicians who possess medical expertise that is
15 not available in the county. (Acts 57th Leg., 1st C.S., Ch. 43,
16 Secs. 8 (part), 8A.)

17 Sec. 1043.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
18 Except as provided by Section 1043.054, all district records,
19 including books, accounts, notices, minutes, and all other matters
20 of the district and the operation of its facilities, shall be:

21 (1) maintained at the district office; and

22 (2) open to public inspection at the district office
23 at all reasonable hours. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8
24 (part).)

25 Sec. 1043.061. SEAL. The board may adopt a seal for the
26 district. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8 (part).)

27 [Sections 1043.062-1043.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1043.101. DISTRICT RESPONSIBILITY. The district has
3 full responsibility for providing medical and hospital care for the
4 district's needy and indigent residents. (Acts 57th Leg., 1st
5 C.S., Ch. 43, Sec. 13 (part).)

6 Sec. 1043.102. RESTRICTION ON COUNTY OR MUNICIPALITY
7 TAXATION. Hopkins County or a municipality in Hopkins County may
8 not impose a tax for hospital purposes. (Acts 57th Leg., 1st C.S.,
9 Ch. 43, Sec. 13 (part).)

10 Sec. 1043.103. MANAGEMENT AND CONTROL. The management and
11 control of the district is vested in the board. (Acts 57th Leg.,
12 1st C.S., Ch. 43, Sec. 4 (part).)

13 Sec. 1043.104. HOSPITAL SYSTEM. The district may provide
14 for the establishment of a hospital or hospital system to provide
15 medical and hospital care to the district's needy residents. (Acts
16 57th Leg., 1st C.S., Ch. 43, Sec. 2 (part).)

17 Sec. 1043.105. RULES. (a) The board may adopt rules
18 governing the operation of the district, including district
19 facilities.

20 (b) On approval by the board, the rules may be published in
21 booklet form at district expense and made available to any taxpayer
22 on request. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8 (part).)

23 Sec. 1043.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
24 The board may prescribe the method and manner of making purchases
25 and expenditures by and for the district.

26 (b) The board shall prescribe:

27 (1) all accounting and control procedures; and

1 (2) the method of purchasing necessary supplies,
2 materials, and equipment. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8
3 (part).)

4 Sec. 1043.107. DISTRICT PROPERTY, FACILITIES, AND
5 EQUIPMENT. (a) The board shall determine the type, number, and
6 location, either inside or outside the district, of facilities
7 required to maintain an adequate hospital system and ancillary
8 health care system and the type of equipment necessary for
9 hospital care and ancillary health care services, including:

- 10 (1) domiciliary care and treatment of sick or injured
11 patients;
- 12 (2) geriatric services;
- 13 (3) outpatient clinics;
- 14 (4) rural health clinics;
- 15 (5) convalescent home facilities;
- 16 (6) physician's offices;
- 17 (7) home health services;
- 18 (8) durable medical equipment;
- 19 (9) long-term care;
- 20 (10) skilled nursing care;
- 21 (11) intermediate nursing care;
- 22 (12) hospice care;
- 23 (13) ambulatory surgery centers;
- 24 (14) urgent care facilities;
- 25 (15) operation of a mobile emergency medical service;
- 26 (16) extended care facilities;
- 27 (17) assisted living facilities; and

1 (18) any other facility or equipment the board
2 considers necessary for the delivery of hospital, medical, and
3 ancillary health care services.

4 (b) The board may:

5 (1) acquire by lease, purchase, or lease to purchase
6 property, including facilities, supplies, and equipment, for the
7 district for use in the hospital system and ancillary health care
8 system; and

9 (2) mortgage or pledge the property as security for
10 the payment of the purchase price.

11 (c) The board may lease, sell, or otherwise dispose of all
12 or part of the district's property for the district, including
13 facilities, supplies, or equipment, to a public or private entity,
14 but only to the extent necessary to maintain an adequate hospital
15 system for the residents of Hopkins County. (Acts 57th Leg., 1st
16 C.S., Ch. 43, Sec. 6C.)

17 Sec. 1043.108. PROPERTY, FACILITIES, AND EQUIPMENT FOR
18 STAFF PHYSICIANS. (a) The board shall determine the type, number,
19 and location of buildings required to establish and maintain office
20 facilities for staff physicians as necessary to provide adequate
21 medical care.

22 (b) The board may:

23 (1) acquire property, including equipment, and
24 construct facilities for the district for use by staff physicians;
25 and

26 (2) mortgage or pledge the property or facilities as
27 security for the payment of the purchase or construction price.

1 (c) The board for the district may:

2 (1) lease the office facilities and equipment to staff
3 physicians; and

4 (2) sell or otherwise dispose of the property,
5 including facilities and equipment. (Acts 57th Leg., 1st C.S., Ch.
6 43, Sec. 6A.)

7 Sec. 1043.109. EMINENT DOMAIN. (a) The district may
8 exercise the power of eminent domain to acquire a fee simple or
9 other interest in any type of property, real, personal, or mixed,
10 located in district territory, if the interest is necessary or
11 convenient for the district to exercise a right, power, privilege,
12 or function conferred on the district by this chapter.

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

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

19 (1) pay in advance or provide a bond or other security
20 for costs in the trial court;

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

23 (3) provide a bond for costs or a supersedeas bond on
24 an appeal or writ of error. (Acts 57th Leg., 1st C.S., Ch. 43, Sec.
25 10.)

26 Sec. 1043.110. GIFTS AND ENDOWMENTS. The board may accept
27 for the district a gift or endowment to be held in trust and

1 administered by the board for any nonprofit purpose and under the
2 directions, limitations, or other provisions prescribed in writing
3 by the donor that are not inconsistent with the proper management
4 and objectives of the district. (Acts 57th Leg., 1st C.S., Ch. 43,
5 Sec. 16.)

6 Sec. 1043.111. JOINT OWNERSHIP ARRANGEMENT. (a) The board
7 may enter into a joint ownership arrangement for the district with
8 one or more public or private entities for:

9 (1) the provision of management or operating services;
10 and

11 (2) the ownership of all or part of real property,
12 facilities, equipment, or supplies.

13 (b) Before the board enters into the arrangement, the board
14 must determine that the arrangement is:

15 (1) in the district's best interest; and

16 (2) for a public purpose of the district. (Acts 57th
17 Leg., 1st C.S., Ch. 43, Sec. 7A.)

18 Sec. 1043.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)
19 When a patient is admitted to a district facility, the board shall
20 have an inquiry made into the circumstances of:

21 (1) the patient; and

22 (2) the patient's relatives who are legally liable for
23 the patient's support.

24 (b) The district without charge shall provide to a patient
25 who resides in the district the care and treatment that the patient
26 or a relative of the patient who is legally responsible for the
27 patient's support cannot pay.

1 (c) If it is determined that the patient or those relatives
2 are liable to pay for all or part of the costs of the patient's care
3 and treatment, the patient or those relatives shall be ordered to
4 pay to the district's treasurer a specified amount each week for the
5 patient's support. The amount ordered must be proportionate to the
6 person's financial ability and may not exceed the actual per capita
7 cost of maintenance.

8 (d) The district may collect the amount from the patient's
9 estate, or from any relative who is legally liable for the patient's
10 support, in the manner provided by law for the collection of
11 expenses of the last illness of a deceased person.

12 (e) If there is a dispute as to the ability to pay, or doubt
13 in the mind of the district's designated agent, the board shall hold
14 a hearing and, after calling witnesses, shall:

15 (1) resolve the dispute or doubt; and

16 (2) issue an appropriate order.

17 (f) Either party to the dispute may appeal the order to the
18 district court. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 14(a),
19 (c), (d), (e), (f).)

20 Sec. 1043.113. NONPROFIT CORPORATION. (a) The district may
21 become a member of a nonprofit corporation or enter into an
22 agreement with a nonprofit corporation to serve the purposes of
23 this chapter. Under an agreement with a nonprofit corporation, the
24 district may require that:

25 (1) the nonprofit corporation grant the district the
26 power to appoint one or more members of the corporation's board of
27 directors;

1 (2) the nonprofit corporation obtain the district's
2 consent before changing the corporation's articles of
3 incorporation or bylaws or before taking other action; and

4 (3) the district receive all or part of the net assets
5 of the nonprofit corporation on the corporation's dissolution,
6 merger, or consolidation.

7 (b) The district is not liable for any debt, obligation, or
8 other liability of the nonprofit corporation.

9 (c) This section does not affect the district's authority to
10 make payments to or otherwise provide money to the nonprofit
11 corporation. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 6B.)

12 Sec. 1043.114. AUTHORITY TO SUE AND BE SUED. As a
13 governmental agency, the district may sue and be sued in its own
14 name in any court of this state. (Acts 57th Leg., 1st C.S., Ch. 43,
15 Sec. 18 (part).)

16 [Sections 1043.115-1043.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 1043.151. BUDGET. The board annually shall require a
19 budget to be prepared for the next fiscal year that includes:

20 (1) proposed expenditures and disbursements;

21 (2) estimated receipts and collections; and

22 (3) the amount of taxes required to be imposed for the
23 year. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 9 (part).)

24 Sec. 1043.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
25 The board shall hold a public hearing on the proposed budget.

26 (b) Notice of the hearing must be published at least once in
27 a newspaper of general circulation in Hopkins County not later than

1 the 10th day before the date of the hearing.

2 (c) Any district taxpayer is entitled to:

3 (1) appear at the time and place designated in the
4 notice; and

5 (2) be heard regarding any item included in the
6 proposed budget. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 9 (part).)

7 Sec. 1043.153. FISCAL YEAR. The district operates on a
8 fiscal year that begins on October 1 and ends on September 30.
9 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 9 (part).)

10 Sec. 1043.154. ANNUAL AUDIT. (a) The board annually shall
11 have an independent audit made of the district's books and records
12 for the fiscal year.

13 (b) Not later than December 31 each year, the audit shall be
14 filed:

15 (1) with the comptroller; and

16 (2) at the district office. (Acts 57th Leg., 1st C.S.,
17 Ch. 43, Sec. 9 (part).)

18 Sec. 1043.155. DEPOSITORY OR TREASURER. (a) The board by
19 resolution shall designate a bank or banks in Hopkins County as the
20 district's depository or treasurer. A designated bank serves for
21 two years and until a successor is designated.

22 (b) All income received by the district shall be deposited
23 with the district depository.

24 (c) All district money shall be secured in the manner
25 provided for securing county funds. (Acts 57th Leg., 1st C.S., Ch.
26 43, Subsec. (a), Sec. 5 (part), Sec. 11.)

27 Sec. 1043.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) If

1 the board declares that money is not available to meet authorized
2 district obligations, the board may:

3 (1) by majority vote borrow money to satisfy the
4 obligations in an amount not to exceed, at any one time in the
5 aggregate, 10 percent of the annual district operational expenses
6 for the prior fiscal year; and

7 (2) by unanimous vote borrow additional money if the
8 obligations exceed the amount described by Subdivision (1).

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

10 (1) district revenue that is not pledged to pay the
11 district's bonded indebtedness; or

12 (2) a district tax to be imposed by the district in the
13 next 12-month period that is not pledged to pay the principal of or
14 interest on district bonds.

15 (c) A loan for which taxes are pledged must mature and be
16 paid not later than the first anniversary of the date the loan is
17 made.

18 (d) The board may not spend money obtained from a loan under
19 this section for any purpose other than:

20 (1) the purpose for which the board declared an
21 emergency; and

22 (2) if district taxes are pledged to pay the loan, the
23 purposes for which the pledged taxes were imposed. (Acts 57th Leg.,
24 1st C.S., Ch. 43, Sec. 8B.)

25 [Sections 1043.157-1043.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1043.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith
2 and credit of the district for any purpose relating to:

3 (1) the purchase, construction, acquisition, repair,
4 or renovation of buildings or improvements, including medical
5 facilities; and

6 (2) equipping buildings or improvements for hospital
7 or medical purposes. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 5(a)
8 (part), 6 (part).)

9 Sec. 1043.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
10 The board shall impose an ad valorem tax at a rate sufficient to
11 create an interest and sinking fund to pay the principal of and
12 interest on general obligation bonds issued by the district under
13 Section 1043.201 as the bonds mature.

14 (b) The tax required by this section together with any other
15 ad valorem tax the district imposes may not in any year exceed:

16 (1) 25 cents on each \$100 valuation of all taxable
17 property in the district; or

18 (2) the maximum tax rate approved under Section
19 1043.253, which may not exceed 75 cents on each \$100 valuation of
20 all taxable property in the district. (Acts 57th Leg., 1st C.S.,
21 Ch. 43, Secs. 5(a) (part), 6 (part).)

22 Sec. 1043.203. GENERAL OBLIGATION BOND ELECTION. (a) The
23 district may issue general obligation bonds only if the bonds are
24 authorized by a majority of the district voters voting at an
25 election held for that purpose.

26 (b) The board may order the election on its own motion.

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

- 1 (1) the location of the polling places;
- 2 (2) the presiding election officers;
- 3 (3) the purpose of the bond issuance;
- 4 (4) the amount of the bonds to be authorized;
- 5 (5) the maximum interest rate of the bonds; and
- 6 (6) the maximum maturity of the bonds.

7 (d) Notice of a bond election shall be given by publishing a
8 substantial copy of the order calling the election in a newspaper of
9 general circulation in Hopkins County once a week for two
10 consecutive weeks before the date of the election. The first
11 publication must occur at least 14 days before the date of the
12 election. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 6 (part).)

13 Sec. 1043.204. MATURITY OF GENERAL OBLIGATION BONDS.
14 District general obligation bonds must mature not later than 40
15 years after the date of issuance. (Acts 57th Leg., 1st C.S., Ch.
16 43, Sec. 6 (part).)

17 Sec. 1043.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
18 The board president shall execute the general obligation bonds in
19 the district's name.

20 (b) The board secretary shall countersign the bonds. (Acts
21 57th Leg., 1st C.S., Ch. 43, Sec. 6 (part).)

22 Sec. 1043.206. REVENUE BONDS. (a) The board may issue
23 revenue bonds to:

24 (1) purchase, construct, acquire, repair, or renovate
25 buildings or improvements, including necessary equipment and
26 furnishings, for hospital purposes and the hospital system;

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

1 (3) acquire and operate a mobile emergency medical or
2 air ambulance service to assist the district in carrying out its
3 hospital purpose.

4 (b) The bonds may be secured by a mortgage or deed of trust
5 lien on all or part of district property.

6 (c) The bonds must be issued in the manner provided by
7 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
8 Code, for issuance of revenue bonds by a county hospital authority.
9 (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 6D(a), (b) (part), (c).)

10 Sec. 1043.207. REFUNDING BONDS. (a) The board may, without
11 an election, issue refunding bonds to refund outstanding bonds
12 issued or assumed by the district.

13 (b) A refunding bond may be:

14 (1) sold, with the proceeds of the refunding bond
15 applied to the payment of the bonds to be refunded; or

16 (2) exchanged wholly or partly for not less than a
17 similar amount of outstanding bonds and the unpaid matured interest
18 on the bonds. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 6 (part).)

19 Sec. 1043.208. BONDS EXEMPT FROM TAXATION. The following
20 are exempt from taxation by this state or a political subdivision of
21 this state:

22 (1) bonds issued by the district;

23 (2) any transaction relating to the bonds; and

24 (3) profits made in the sale of the bonds. (Acts 57th
25 Leg., 1st C.S., Ch. 43, Sec. 6D(d) (part).)

26 [Sections 1043.209-1043.250 reserved for expansion]

SUBCHAPTER F. TAXES

1
2 Sec. 1043.251. IMPOSITION OF AD VALOREM TAX. (a) On final
3 approval of the annual budget, the board shall impose a tax on all
4 property in the district subject to district taxation.

5 (b) The tax may be used for all hospital district purposes
6 mentioned in this chapter and in Section 11, Article IX, Texas
7 Constitution, including to:

8 (1) pay the indebtedness issued or assumed by the
9 district; and

10 (2) maintain and operate the district.

11 (c) The district may not impose a tax to pay the principal of
12 or interest on revenue bonds. (Acts 57th Leg., 1st C.S., Ch. 43,
13 Subsec. (a), Sec. 5 (part), Secs. 5(a) (part), 6D(b) (part), 9
14 (part).)

15 Sec. 1043.252. TAX RATE. The board may impose the tax at a
16 rate not to exceed 25 cents on each \$100 valuation of all taxable
17 property in the district unless the tax rate is increased as
18 provided by Section 1043.253. (Acts 57th Leg., 1st C.S., Ch. 43,
19 Subsec. (a), Sec. 5 (part), Sec. 5(a) (part).)

20 Sec. 1043.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
21 The board may order an election to increase the district's maximum
22 tax rate to a rate not to exceed 75 cents on each \$100 valuation of
23 taxable property in the district.

24 (b) The maximum tax rate may not be increased unless the
25 increase is approved by a majority of the district voters voting in
26 an election held for that purpose.

27 (c) The board shall give notice in the manner provided for a

1 bond election under Section 1043.203. (Acts 57th Leg., 1st C.S.,
2 Ch. 43, Sec. 5(a) (part).)

3 Sec. 1043.254. TAX ASSESSOR-COLLECTOR. (a) Except as
4 provided by Subsection (b), the tax assessor-collector of Hopkins
5 County shall assess and collect taxes imposed by the district.

6 (b) The board may provide for the appointment of a tax
7 assessor-collector for the district or may contract for the
8 assessment and collection of taxes as provided by the Tax Code.
9 (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 5(a) (part), (b) (part),
10 (part).)

11 [Sections 1043.255-1043.300 reserved for expansion]

12 SUBCHAPTER G. DISSOLUTION

13 Sec. 1043.301. DISSOLUTION; ELECTION. (a) The district
14 may be dissolved and the district's assets and liabilities sold or
15 transferred to another person only on approval of a majority of the
16 district voters voting at an election held for that purpose.

17 (b) The board may order an election on the question of
18 dissolving the district and transferring the district's assets and
19 liabilities.

20 (c) The board shall order an election if the board receives
21 a petition requesting an election that is signed by a number of
22 district residents equal to at least 15 percent of the registered
23 voters in the district, according to the most recent official list
24 of registered voters.

25 (d) The order calling the election must state:

26 (1) the nature of the election, including the
27 proposition to appear on the ballot;

- 1 (2) the date of the election;
- 2 (3) the hours during which the polls will be open; and
- 3 (4) the location of the polling places.

4 (e) Section 41.001(a), Election Code, does not apply to an
5 election ordered under this section. (Acts 57th Leg., 1st C.S., Ch.
6 43, Secs. 21(a), (b), (c) (part), (d), (g).)

7 Sec. 1043.302. NOTICE OF ELECTION. (a) The board shall
8 give notice of an election under this subchapter by publishing once
9 a week for two consecutive weeks a substantial copy of the election
10 order in a newspaper with general circulation in the district.

11 (b) The first publication of the notice must appear at least
12 35 days before the date set for the election. (Acts 57th Leg., 1st
13 C.S., Ch. 43, Sec. 21(e).)

14 Sec. 1043.303. BALLOT. The ballot for an election under
15 this subchapter must be printed to permit voting for or against the
16 proposition: "The dissolution of the Hopkins County Hospital
17 District and the transfer of its assets and liabilities in the
18 following manner: _____ (insert provisions for transfer)."
19 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 21(h).)

20 Sec. 1043.304. ELECTION RESULTS. (a) If the board finds
21 the election results favor the proposition to dissolve the
22 district, the board shall:

- 23 (1) issue an order declaring the district dissolved;

24 and

- 25 (2) proceed with the sale or transfer of the district's
26 assets and liabilities according to the plan proposed on the
27 ballot.

1 (b) If the board finds the election results do not favor the
2 proposition to dissolve the district, another dissolution election
3 may not be held before the first anniversary of the date of the
4 election in which voters disapproved the proposition. (Acts 57th
5 Leg., 1st C.S., Ch. 43, Secs. 21(j), (k).)

6 Sec. 1043.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

7 (a) The district may not be dissolved unless the board provides for
8 the sale or transfer of the district's assets and liabilities to
9 another person.

10 (b) The dissolution of the district and the sale or transfer
11 of the district's assets and liabilities may not:

12 (1) contravene a trust indenture or bond resolution
13 relating to the district's outstanding bonds; or

14 (2) diminish or impair the rights of the holders of any
15 outstanding bonds, warrants, or other obligations of the district.

16 (c) The sale or transfer of the district's assets and
17 liabilities must satisfy the debt and bond obligations of the
18 district in a manner that protects the interests of district
19 residents, including the residents' collective property rights in
20 the district's assets.

21 (d) The district may not transfer or dispose of the
22 district's assets except for due compensation unless:

23 (1) the transfer is made to another governmental
24 agency that serves the district; and

25 (2) the transferred assets are to be used for the
26 benefit of the district's residents.

27 (e) A grant from federal funds is an obligation to be repaid

1 in satisfaction. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 21(1),
2 (m).)

3 CHAPTER 1044. HUNT MEMORIAL HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1044.001. DEFINITIONS

6 Sec. 1044.002. AUTHORITY FOR OPERATION

7 Sec. 1044.003. POLITICAL SUBDIVISION

8 Sec. 1044.004. DISTRICT TERRITORY

9 Sec. 1044.005. CORRECTION OF INVALID PROCEDURES

10 Sec. 1044.006. PUBLIC PURPOSE; TAX EXEMPTION

11 [Sections 1044.007-1044.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1044.051. BOARD ELECTION; TERM

14 Sec. 1044.052. NOTICE OF ELECTION

15 Sec. 1044.053. BALLOT PETITION

16 Sec. 1044.054. QUALIFICATIONS FOR CANDIDACY

17 Sec. 1044.055. BOND; RECORD OF BOND AND OATH OR

18 AFFIRMATION OF OFFICE

19 Sec. 1044.056. BOARD VACANCY

20 Sec. 1044.057. OFFICERS

21 Sec. 1044.058. COMPENSATION; EXPENSES

22 Sec. 1044.059. VOTING REQUIREMENT

23 Sec. 1044.060. EMPLOYEES

24 Sec. 1044.061. MAINTENANCE OF RECORDS; PUBLIC

25 INSPECTION

26 Sec. 1044.062. SEAL

27 [Sections 1044.063-1044.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1044.101. DISTRICT RESPONSIBILITY

3 Sec. 1044.102. RESTRICTION ON POLITICAL SUBDIVISION

4 TAXATION

5 Sec. 1044.103. MEDICAL FACILITIES; LEGISLATIVE INTENT

6 Sec. 1044.104. RULES

7 Sec. 1044.105. PURCHASING AND ACCOUNTING PROCEDURES

8 Sec. 1044.106. EMINENT DOMAIN

9 Sec. 1044.107. GIFTS AND ENDOWMENTS

10 Sec. 1044.108. PAYMENT FOR TREATMENT; PROCEDURES

11 Sec. 1044.109. AUTHORITY TO SUE AND BE SUED

12 [Sections 1044.110-1044.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 1044.151. BUDGET

15 Sec. 1044.152. PROPOSED BUDGET: NOTICE AND HEARING

16 Sec. 1044.153. FISCAL YEAR

17 Sec. 1044.154. ANNUAL AUDIT

18 Sec. 1044.155. DEPOSITORY

19 [Sections 1044.156-1044.200 reserved for expansion]

20 SUBCHAPTER E. BONDS

21 Sec. 1044.201. GENERAL OBLIGATION BONDS

22 Sec. 1044.202. TAX TO PAY GENERAL OBLIGATION BONDS

23 Sec. 1044.203. GENERAL OBLIGATION BOND ELECTION

24 Sec. 1044.204. MATURITY OF GENERAL OBLIGATION BONDS

25 Sec. 1044.205. EXECUTION OF GENERAL OBLIGATION BONDS

26 [Sections 1044.206-1044.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Sec. 1044.251. IMPOSITION OF AD VALOREM TAX

3 Sec. 1044.252. TAX RATE

4 Sec. 1044.253. TAX ASSESSOR-COLLECTOR

5 CHAPTER 1044. HUNT MEMORIAL HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1044.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the board of directors of the
9 district.

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

11 (3) "District" means the Hunt Memorial Hospital
12 District. (New.)

13 Sec. 1044.002. AUTHORITY FOR OPERATION. The district
14 operates in accordance with Section 9, Article IX, Texas
15 Constitution. (Acts 60th Leg., R.S., Ch. 125, Sec. 1.)

16 Sec. 1044.003. POLITICAL SUBDIVISION. The district is a
17 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
18 125, Sec. 18 (part).)

19 Sec. 1044.004. DISTRICT TERRITORY. The boundaries of the
20 district are coextensive with the boundaries of Hunt County. (Acts
21 60th Leg., R.S., Ch. 125, Sec. 4A(f) (part).)

22 Sec. 1044.005. CORRECTION OF INVALID PROCEDURES. If a
23 court holds that any procedure under this chapter violates the
24 constitution of this state or of the United States, the district by
25 resolution may provide an alternative procedure that conforms with
26 the constitution. (Acts 60th Leg., R.S., Ch. 125, Sec. 21 (part);
27 Acts 61st Leg., R.S., Ch. 853, Sec. 2 (part).)

1 Sec. 1044.006. PUBLIC PURPOSE; TAX EXEMPTION. All property
2 owned by the district:

3 (1) shall be held for public purposes; and

4 (2) is exempt from taxation of every character. (Acts
5 60th Leg., R.S., Chapter 125, Sec. 18 (part).)

6 [Sections 1044.007-1044.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1044.051. BOARD ELECTION; TERM. (a) The board
9 consists of nine directors elected as follows:

10 (1) two directors elected from each county
11 commissioners precinct; and

12 (2) one director elected from the district at large.

13 (b) The two candidates from each county commissioners
14 precinct receiving the highest number of votes from that precinct
15 are elected as directors from that precinct. The candidate from the
16 district at large receiving the highest number of votes from the
17 district at large is elected as the director from the district at
18 large.

19 (c) Directors serve staggered four-year terms.

20 (d) The board shall provide for clerks as in county
21 elections.

22 (e) The board shall enter an order declaring the results of
23 the election. (Acts 60th Leg., R.S., Ch. 125, Secs. 3 (part), 4
24 (part).)

25 Sec. 1044.052. NOTICE OF ELECTION. At least 10 days before
26 the date of an election of directors, notice of the election shall
27 be published at least one time in a newspaper of general circulation

1 in the district. (Acts 60th Leg., R.S., Ch. 125, Sec. 4 (part).)

2 Sec. 1044.053. BALLOT PETITION. A person who wants to have
3 the person's name printed on the ballot as a candidate for director
4 must file with the board secretary a petition requesting that
5 action. The petition must:

6 (1) be signed by at least 25 registered voters who
7 reside in the district;

8 (2) be filed at least 31 days before the date of the
9 election; and

10 (3) specify the county commissioners precinct the
11 candidate wants to represent or specify that the candidate wants to
12 represent the district at large. (Acts 60th Leg., R.S., Ch. 125,
13 Sec. 3 (part).)

14 Sec. 1044.054. QUALIFICATIONS FOR CANDIDACY. (a) A person
15 may not be a candidate for director from the district at large
16 unless the person is a qualified voter of the district.

17 (b) A person may not be a candidate for director for a county
18 commissioners precinct unless the person is a qualified voter of
19 that precinct. (Acts 60th Leg., R.S., Ch. 125, Sec. 3 (part).)

20 Sec. 1044.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
21 OF OFFICE. (a) Each director shall execute a good and sufficient
22 bond for \$1,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the
25 director's duties.

26 (b) Each director's bond and constitutional oath or
27 affirmation of office shall be deposited with the district's

1 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 125,
2 Sec. 4 (part).)

3 Sec. 1044.056. BOARD VACANCY. If a vacancy occurs on the
4 board, the majority of the remaining directors shall appoint a
5 director for the unexpired term. (Acts 60th Leg., R.S., Ch. 125,
6 Sec. 4 (part).)

7 Sec. 1044.057. OFFICERS. The board shall elect:

8 (1) a president and a secretary from among its
9 members; and

10 (2) any other officers the board requires. (Acts 60th
11 Leg., R.S., Ch. 125, Sec. 4 (part).)

12 Sec. 1044.058. COMPENSATION; EXPENSES. A director serves
13 without compensation but may be reimbursed for actual expenses
14 incurred in the performance of official duties on approval of the
15 expenses by the board. (Acts 60th Leg., R.S., Ch. 125, Sec. 4
16 (part).)

17 Sec. 1044.059. VOTING REQUIREMENT. A concurrence of a
18 majority of the directors present is sufficient in any matter
19 relating to district business. (Acts 60th Leg., R.S., Ch. 125, Sec.
20 4 (part).)

21 Sec. 1044.060. EMPLOYEES. The board may employ a general
22 manager, attorneys, bookkeepers, architects, or any other
23 employees or consultants considered necessary for the efficient
24 financing, development, and operation of the district. (Acts 60th
25 Leg., R.S., Ch. 125, Sec. 9 (part).)

26 Sec. 1044.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
27 Except as provided by Section 1044.055, all district records,

1 including books, accounts, notices, minutes, and all other matters
2 of the district and the operation of its facilities, shall be:

- 3 (1) maintained at the district office; and
4 (2) open to public inspection at the district office
5 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 125, Sec. 9
6 (part).)

7 Sec. 1044.062. SEAL. The board may adopt a seal for the
8 district. (Acts 60th Leg., R.S., Ch. 125, Sec. 9 (part).)

9 [Sections 1044.063-1044.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 1044.101. DISTRICT RESPONSIBILITY. The district has
12 full responsibility for providing medical and hospital care for the
13 district's needy and indigent residents. (Acts 60th Leg., R.S., Ch.
14 125, Secs. 2, 14 (part).)

15 Sec. 1044.102. RESTRICTION ON POLITICAL SUBDIVISION
16 TAXATION. Hunt County or a political subdivision with boundaries
17 that overlap the district's boundaries may not impose a tax on
18 property in the district for hospital purposes. (Acts 60th Leg.,
19 R.S., Ch. 125, Sec. 14 (part).)

20 Sec. 1044.103. MEDICAL FACILITIES; LEGISLATIVE INTENT. It
21 is the intent of the legislature that the people of Hunt County be
22 provided with the best and most modern health care available. To
23 achieve that intent, the district may provide a medical facility in
24 the city of Commerce and in other areas of Hunt County if the board
25 finds that providing a facility is feasible and in the best interest
26 of district residents. (Acts 60th Leg., R.S., Ch. 125, Sec. 1A.)

27 Sec. 1044.104. RULES. (a) The board may adopt rules

1 governing the operation of the district, including district
2 facilities.

3 (b) On approval by the board, the rules may be published in
4 booklet form at district expense and made available to any taxpayer
5 on request. (Acts 60th Leg., R.S., Ch. 125, Sec. 9 (part).)

6 Sec. 1044.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)
7 The board may prescribe the method and manner of making purchases
8 and expenditures by and for the district.

9 (b) The board shall prescribe:

10 (1) all accounting and control procedures; and

11 (2) the method of purchasing necessary supplies,
12 materials, and equipment. (Acts 60th Leg., R.S., Ch. 125, Sec. 9
13 (part).)

14 Sec. 1044.106. EMINENT DOMAIN. (a) The district may
15 exercise the power of eminent domain to acquire a fee simple or
16 other interest in any type of property, real, personal, or mixed,
17 located in district territory, if the interest is necessary or
18 convenient for the district to exercise a right, power, privilege,
19 or function conferred on the district by this chapter.

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

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

26 (1) pay in advance or provide a bond or other security
27 for costs in the trial court;

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

3 (3) provide a bond for costs or a supersedeas bond on
4 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 125, Sec.
5 11.)

6 Sec. 1044.107. GIFTS AND ENDOWMENTS. The board may accept
7 for the district a gift or endowment to be held in trust and
8 administered by the board for the purposes and under the
9 directions, limitations, or other provisions prescribed in writing
10 by the donor that are not inconsistent with the proper management
11 and objectives of the district. (Acts 60th Leg., R.S., Ch. 125,
12 Sec. 16.)

13 Sec. 1044.108. PAYMENT FOR TREATMENT; PROCEDURES. (a)
14 When a patient who resides in the district is admitted to a district
15 facility, the board shall have an inquiry made into the
16 circumstances of:

17 (1) the patient; and

18 (2) the patient's relatives who are legally liable for
19 the patient's support.

20 (b) If an agent designated by the district to handle the
21 inquiry determines that the patient or those relatives cannot pay
22 all or part of the costs of the care and treatment in the hospital,
23 the amount of the costs that cannot be paid becomes a charge against
24 the district.

25 (c) If the board determines that the patient or those
26 relatives are liable to pay for all or part of the costs of the
27 patient's care and treatment, the patient or those relatives shall

1 be ordered to pay to the district's treasurer a specified amount
2 each week for the patient's support. The amount ordered must be
3 proportionate to the person's financial ability and may not exceed
4 the actual per capita cost of maintenance.

5 (d) The district may collect the amount from the patient's
6 estate, or from any relative who is legally liable for the patient's
7 support, in the manner provided by law for the collection of
8 expenses of the last illness of a deceased person.

9 (e) If there is a dispute as to the ability to pay, or doubt
10 in the mind of the district's designated agent, the board shall hold
11 a hearing and, after calling witnesses, shall:

12 (1) resolve the dispute or doubt; and

13 (2) issue an appropriate order.

14 (f) Either party to the dispute may appeal the order to the
15 district court. (Acts 60th Leg., R.S., Ch. 125, Sec. 15.)

16 Sec. 1044.109. AUTHORITY TO SUE AND BE SUED. As a
17 governmental agency, the district may sue and be sued in its own
18 name in any court of this state. (Acts 60th Leg., R.S., Ch. 125,
19 Sec. 18 (part).)

20 [Sections 1044.110-1044.150 reserved for expansion]

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 1044.151. BUDGET. The board annually shall require a
23 budget to be prepared for the next fiscal year that includes:

24 (1) proposed expenditures and disbursements;

25 (2) estimated receipts and collections; and

26 (3) the amount of taxes required to be imposed for the
27 year. (Acts 60th Leg., R.S., Ch. 125, Sec. 10 (part).)

1 Sec. 1044.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
2 The board shall hold a public hearing on the proposed budget.

3 (b) Notice of the hearing must be published at least once in
4 a newspaper of general circulation in Hunt County not later than the
5 10th day before the date of the hearing.

6 (c) Any district taxpayer is entitled to:

7 (1) appear at the time and place designated in the
8 notice; and

9 (2) be heard regarding any item included in the
10 proposed budget. (Acts 60th Leg., R.S., Ch. 125, Sec. 10 (part).)

11 Sec. 1044.153. FISCAL YEAR. The district operates on a
12 fiscal year that begins on October 1 and ends on September 30.
13 (Acts 60th Leg., R.S., Ch. 125, Sec. 10 (part).)

14 Sec. 1044.154. ANNUAL AUDIT. (a) The board annually shall
15 have an independent audit made of the district's books and records
16 for the fiscal year.

17 (b) Not later than December 31 each year, the audit shall be
18 filed:

19 (1) with the comptroller; and

20 (2) at the district office. (Acts 60th Leg., R.S., Ch.
21 125, Sec. 10 (part).)

22 Sec. 1044.155. DEPOSITORY. (a) The board by resolution
23 shall designate a bank in Hunt County as the district's depository.
24 A designated bank serves for five years until a successor is
25 designated.

26 (b) All income received by the district shall be deposited
27 with the district depository.

1 (c) All district money shall be secured in the manner
2 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 125,
3 Secs. 5 (part), 12.)

4 [Sections 1044.156-1044.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1044.201. GENERAL OBLIGATION BONDS. The board may
7 issue and sell general obligation bonds in the name and on the faith
8 and credit of the district for any purpose relating to:

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

11 (2) equipping buildings or improvements for hospital
12 purposes. (Acts 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

13 Sec. 1044.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
14 The board shall impose an ad valorem tax at a rate sufficient to
15 create an interest and sinking fund to pay the principal of and
16 interest on general obligation bonds issued by the district under
17 Section 1044.201 as the bonds mature.

18 (b) The tax required by this section together with any other
19 ad valorem tax the district imposes may not in any year exceed 75
20 cents on each \$100 valuation of all taxable property in the
21 district. (Acts 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

22 Sec. 1044.203. GENERAL OBLIGATION BOND ELECTION. (a) The
23 district may issue general obligation bonds only if the bonds are
24 authorized by a majority of the district voters voting in an
25 election held for that purpose.

26 (b) The board may order the election on its own motion.

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

- 1 (1) the date of the election;
- 2 (2) the location of the polling places;
- 3 (3) the presiding election officers;
- 4 (4) the purpose of the bond issuance;
- 5 (5) the amount of the bonds to be authorized;
- 6 (6) the maximum interest rate of the bonds; and
- 7 (7) the maximum maturity of the bonds.

8 (d) Notice of a bond election shall be given by publishing a
9 substantial copy of the order calling the election in a newspaper of
10 general circulation in the district once each week for two
11 consecutive weeks before the date of the election. The first
12 publication must occur at least 14 days before the date of the
13 election. (Acts 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

14 Sec. 1044.204. MATURITY OF GENERAL OBLIGATION BONDS.
15 District general obligation bonds must mature not later than 40
16 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 125,
17 Sec. 6 (part).)

18 Sec. 1044.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
19 The board president shall execute the general obligation bonds in
20 the district's name.

21 (b) The board secretary shall countersign the bonds. (Acts
22 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

23 [Sections 1044.206-1044.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1044.251. IMPOSITION OF AD VALOREM TAX. (a) On final
26 approval of the annual budget, the board shall impose a tax on all
27 property in the district subject to district taxation.

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

2 (1) pay the interest on and create a sinking fund for
3 bonds and other obligations issued or assumed by the district for
4 hospital purposes;

5 (2) provide for the operation and maintenance of the
6 district and hospital system;

7 (3) make improvements and additions to the hospital
8 system; and

9 (4) acquire necessary sites for the hospital system by
10 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 125,
11 Secs. 5 (part), 10 (part).)

12 Sec. 1044.252. TAX RATE. The board may impose the tax at a
13 rate not to exceed 75 cents on each \$100 valuation of all taxable
14 property in the district. (Acts 60th Leg., R.S., Ch. 125, Sec. 5
15 (part).)

16 Sec. 1044.253. TAX ASSESSOR-COLLECTOR. The board may:

17 (1) appoint a tax assessor-collector for the district;
18 or

19 (2) contract with the tax assessor-collector of Hunt
20 County, the City of Greenville, or the Greenville Independent
21 School District for the assessment or collection, or the assessment
22 and collection, of taxes. (Acts 60th Leg., R.S., Ch. 125, Secs. 5
23 (part), 10 (part).)

24 CHAPTER 1045. HUTCHINSON COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1045.001. DEFINITIONS

27 Sec. 1045.002. AUTHORITY FOR OPERATION

1 Sec. 1045.003. ESSENTIAL PUBLIC FUNCTION

2 Sec. 1045.004. DISTRICT TERRITORY

3 Sec. 1045.005. DISTRICT SUPPORT AND MAINTENANCE NOT
4 STATE OBLIGATION

5 Sec. 1045.006. RESTRICTION ON STATE FINANCIAL
6 ASSISTANCE

7 [Sections 1045.007-1045.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Sec. 1045.051. BOARD ELECTION AND APPOINTMENT; TERM

10 Sec. 1045.052. NOTICE OF ELECTION

11 Sec. 1045.053. QUALIFICATIONS FOR OFFICE

12 Sec. 1045.054. BOARD VACANCY

13 Sec. 1045.055. OFFICERS

14 Sec. 1045.056. COMPENSATION; EXPENSES

15 Sec. 1045.057. VOTING REQUIREMENT

16 Sec. 1045.058. ADMINISTRATORS

17 Sec. 1045.059. GENERAL DUTIES OF DISTRICT
18 ADMINISTRATOR

19 Sec. 1045.060. ATTORNEY; ASSISTANT ADMINISTRATORS

20 Sec. 1045.061. EMPLOYEES; APPOINTMENT OF STAFF

21 Sec. 1045.062. RECRUITMENT OF MEDICAL STAFF AND
22 EMPLOYEES

23 Sec. 1045.063. HEALTH CARE EDUCATIONAL PROGRAMS

24 Sec. 1045.064. LIABILITY INSURANCE; INDEMNIFICATION

25 Sec. 1045.065. RETIREMENT BENEFITS

26 [Sections 1045.066-1045.100 reserved for expansion]

- 1 SUBCHAPTER C. POWERS AND DUTIES
- 2 Sec. 1045.101. DISTRICT RESPONSIBILITY
- 3 Sec. 1045.102. RESTRICTION ON COUNTY OR MUNICIPALITY
- 4 TAXATION AND DEBT
- 5 Sec. 1045.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 6 Sec. 1045.104. RULES
- 7 Sec. 1045.105. PURCHASING AND ACCOUNTING PROCEDURES
- 8 Sec. 1045.106. MOBILE EMERGENCY MEDICAL SERVICE
- 9 Sec. 1045.107. DISTRICT PROPERTY, FACILITIES, AND
- 10 EQUIPMENT
- 11 Sec. 1045.108. EMINENT DOMAIN
- 12 Sec. 1045.109. COST OF RELOCATING OR ALTERING PROPERTY
- 13 Sec. 1045.110. GIFTS AND ENDOWMENTS
- 14 Sec. 1045.111. GENERAL CONTRACT POWER
- 15 Sec. 1045.112. CONSTRUCTION CONTRACTS
- 16 Sec. 1045.113. OPERATING AND MANAGEMENT CONTRACTS
- 17 Sec. 1045.114. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 18 FOR CERTAIN SERVICES
- 19 Sec. 1045.115. JOINT OWNERSHIP ARRANGEMENT
- 20 Sec. 1045.116. PAYMENT FOR TREATMENT; PROCEDURES
- 21 Sec. 1045.117. REIMBURSEMENT FOR SERVICES
- 22 Sec. 1045.118. AUTHORITY TO SUE AND BE SUED
- 23 [Sections 1045.119-1045.150 reserved for expansion]
- 24 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 25 Sec. 1045.151. BUDGET
- 26 Sec. 1045.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 27 Sec. 1045.153. AMENDMENTS TO BUDGET

- 1 Sec. 1045.154. RESTRICTION ON EXPENDITURES
2 Sec. 1045.155. FISCAL YEAR
3 Sec. 1045.156. ANNUAL AUDIT
4 Sec. 1045.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
5 RECORDS
6 Sec. 1045.158. FINANCIAL REPORT
7 Sec. 1045.159. DEPOSITORY
8 Sec. 1045.160. SPENDING AND INVESTMENT RESTRICTIONS
9 Sec. 1045.161. AUTHORITY TO BORROW MONEY; SECURITY
10 [Sections 1045.162-1045.200 reserved for expansion]
11 SUBCHAPTER E. BONDS
12 Sec. 1045.201. OBLIGATIONS AND CREDIT AGREEMENTS
13 Sec. 1045.202. GENERAL OBLIGATION BONDS
14 Sec. 1045.203. TAX TO PAY GENERAL OBLIGATION BONDS
15 Sec. 1045.204. GENERAL OBLIGATION BOND ELECTION
16 Sec. 1045.205. REVENUE BONDS
17 Sec. 1045.206. REFUNDING BONDS
18 Sec. 1045.207. MATURITY OF BONDS
19 Sec. 1045.208. BONDS EXEMPT FROM TAXATION
20 [Sections 1045.209-1045.250 reserved for expansion]
21 SUBCHAPTER F. TAXES
22 Sec. 1045.251. IMPOSITION OF AD VALOREM TAX
23 Sec. 1045.252. TAX RATE
24 Sec. 1045.253. ELECTION TO INCREASE MAXIMUM TAX RATE
25 Sec. 1045.254. TAX ASSESSOR-COLLECTOR
26 CHAPTER 1045. HUTCHINSON COUNTY HOSPITAL DISTRICT

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 1045.001. DEFINITIONS. In this chapter:

3 (1) "Board" means the board of directors of the
4 district.

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

6 (3) "District" means the Hutchinson County Hospital
7 District. (Acts 71st Leg., R.S., Ch. 77, Sec. 1.01.)

8 Sec. 1045.002. AUTHORITY FOR OPERATION. The district
9 operates and is financed as provided by Section 9, Article IX, Texas
10 Constitution, and by this chapter and other laws relating to
11 hospital districts organized under Section 9, Article IX, Texas
12 Constitution. (Acts 71st Leg., R.S., Ch. 77, Sec. 1.02.)

13 Sec. 1045.003. ESSENTIAL PUBLIC FUNCTION. The district is
14 a public entity performing an essential public function. (Acts
15 71st Leg., R.S., Ch. 77, Sec. 7.11 (part).)

16 Sec. 1045.004. DISTRICT TERRITORY. The boundaries of the
17 district are coextensive with the boundaries of Hutchinson County,
18 Texas. (Acts 71st Leg., R.S., Ch. 77, Sec. 1.03.)

19 Sec. 1045.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
20 OBLIGATION. The state may not become obligated for the support or
21 maintenance of the district. (Acts 71st Leg., R.S., Ch. 77, Sec.
22 9.01 (part).)

23 Sec. 1045.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
24 The legislature may not make a direct appropriation for the
25 construction, maintenance, or improvement of a district facility.
26 (Acts 71st Leg., R.S., Ch. 77, Sec. 9.01 (part).)

27 [Sections 1045.007-1045.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1045.051. BOARD ELECTION AND APPOINTMENT; TERM. (a)

The board is governed by the following seven directors:

(1) one director elected from each county commissioner precinct; and

(2) three directors appointed by the Hutchinson County Commissioners Court.

(b) Elected directors serve staggered three-year terms, with as near as possible to one-third of the elected members' terms expiring each year. Appointed directors also serve staggered three-year terms, with one director's term expiring each year.

(c) A directors' election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

(d) Within 10 days of the date directors are elected, the commissioners court annually shall appoint the appropriate number of successor appointed directors.

(e) The commissioners court may not appoint a person to serve more than two successive terms. (Acts 71st Leg., R.S., Ch. 77, Secs. 4.01(a), 4.03(a), (d); New.)

Sec. 1045.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district. (Acts 71st Leg., R.S., Ch. 77, Sec. 4.04.)

Sec. 1045.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for an elected position or to serve as an elected or appointed director, a person must be:

1 (1) a district resident; and

2 (2) a qualified voter.

3 (b) A person who is elected from a commissioner precinct or
4 who is appointed to fill a vacancy for a commissioner precinct must
5 be a resident of that commissioner precinct.

6 (c) A district employee may not serve as a director. (Acts
7 71st Leg., R.S., Ch. 77, Sec. 4.06.)

8 Sec. 1045.054. BOARD VACANCY. If a vacancy occurs in the
9 office of director, the remaining directors shall appoint a
10 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 77,
11 Sec. 4.07.)

12 Sec. 1045.055. OFFICERS. (a) The board shall elect a
13 president and a vice president from among its members.

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

16 (c) Each officer of the board serves for a term of one year.

17 (d) The board shall fill a vacancy in a board office for the
18 unexpired term. (Acts 71st Leg., R.S., Ch. 77, Secs. 4.08, 4.09.)

19 Sec. 1045.056. COMPENSATION; EXPENSES. A director or
20 officer serves without compensation but may be reimbursed for
21 actual expenses incurred in the performance of official duties.
22 The expenses must be:

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

24 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
25 77, Sec. 4.10.)

26 Sec. 1045.057. VOTING REQUIREMENT. A concurrence of a
27 majority of the directors voting is necessary in any matter

1 relating to district business. (Acts 71st Leg., R.S., Ch. 77, Sec.
2 4.11.)

3 Sec. 1045.058. ADMINISTRATORS. (a) The board may appoint
4 qualified persons to serve as:

5 (1) district administrator; and

6 (2) ancillary health care facilities administrator.

7 (b) The administrators serve at the will of the board and
8 are entitled to the compensation determined by the board.

9 (c) Before assuming the duties of district administrator,
10 the administrator must execute a bond in the amount set by the board
11 of not less than \$5,000 that is:

12 (1) payable to the district; and

13 (2) conditioned on the faithful performance of the
14 administrator's duties under this chapter.

15 (d) The board may pay for the district administrator's bond
16 with district money. (Acts 71st Leg., R.S., Ch. 77, Secs. 4.12(a)
17 (part), (b) (part), (c) (part), (d).)

18 Sec. 1045.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

19 (a) The district administrator shall:

20 (1) supervise the work and activities of the district
21 facilities and the staff, employees, contractors, and agents of the
22 district; and

23 (2) direct the general affairs of the district subject
24 to the limitations prescribed by the board.

25 (b) The district administrator is responsible for the
26 overall management of all district facilities, including ancillary
27 health care facilities. (Acts 71st Leg., R.S., Ch. 77, Sec. 4.15.)

1 Sec. 1045.060. ATTORNEY; ASSISTANT ADMINISTRATORS. (a)

2 The board may appoint qualified persons as:

3 (1) the attorney for the district; and

4 (2) assistant administrators.

5 (b) The attorney for the district and the assistant
6 administrators serve at the will of the board and are entitled to
7 the compensation determined by the board. (Acts 71st Leg., R.S.,
8 Ch. 77, Secs. 4.12(a) (part), (b) (part), (c) (part).)

9 Sec. 1045.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
10 board may appoint to the staff any doctors the board considers
11 necessary for the efficient operation of the district and may make
12 temporary appointments as considered necessary.

13 (b) The district may employ technicians, nurses, fiscal
14 agents, accountants, architects, attorneys, and other necessary
15 employees.

16 (c) The board may delegate to the district administrator the
17 authority to hire district employees. (Acts 71st Leg., R.S., Ch.
18 77, Secs. 4.13, 4.14.)

19 Sec. 1045.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

20 The board may spend district money, enter into agreements, and take
21 other necessary action to recruit physicians and other persons to
22 serve on the district's medical staff or to be employed by the
23 district, including:

24 (1) advertising and marketing;

25 (2) paying travel, recruiting, and relocation
26 expenses;

27 (3) providing a loan or scholarship to a physician or

1 other person who:

2 (A) is currently enrolled in health care
3 education courses at an institution of higher education; and

4 (B) contractually agrees to become a district
5 employee or medical staff member; and

6 (4) providing on a rent-free basis or subsidizing the
7 cost of office space or other facilities for a health care
8 professional, including a physician. (Acts 71st Leg., R.S., Ch.
9 77, Sec. 5.17(a).)

10 Sec. 1045.063. HEALTH CARE EDUCATIONAL PROGRAMS. The board
11 may spend district money, enter into agreements, and take other
12 necessary action to conduct, participate in, or otherwise assist in
13 providing health care educational programs for current or
14 prospective staff members or employees. (Acts 71st Leg., R.S., Ch.
15 77, Sec. 5.17(b).)

16 Sec. 1045.064. LIABILITY INSURANCE; INDEMNIFICATION. (a)
17 For an officer, director, board appointee, member of the medical
18 staff, or district employee, the board may:

19 (1) purchase and maintain liability insurance to
20 protect the person from liability that arises from performing a
21 duty in that capacity; and

22 (2) agree to defend or indemnify the person with
23 regard to a claim, cost, expense, or liability resulting from
24 duties performed in that capacity.

25 (b) The board may establish a self-insurance program to fund
26 an indemnity obligation under Subsection (a)(2). (Acts 71st Leg.,
27 R.S., Ch. 77, Sec. 5.16.)

1 Sec. 1045.065. RETIREMENT BENEFITS. The board may provide
2 retirement benefits for district employees by:

3 (1) establishing or administering a retirement
4 program; or

5 (2) participating in:

6 (A) the Texas County and District Retirement
7 System; or

8 (B) another statewide retirement system in which
9 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
10 77, Sec. 4.16.)

11 [Sections 1045.066-1045.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1045.101. DISTRICT RESPONSIBILITY. The district has
14 full responsibility for:

15 (1) operating hospital and ancillary health care
16 facilities; and

17 (2) providing medical, hospital, and ancillary health
18 care for the district's needy inhabitants. (Acts 71st Leg., R.S.,
19 Ch. 77, Sec. 5.02 (part).)

20 Sec. 1045.102. RESTRICTION ON COUNTY OR MUNICIPALITY
21 TAXATION AND DEBT. Hutchinson County or a municipality in
22 Hutchinson County may not impose a tax or issue bonds or other
23 obligations for hospital purposes or to provide medical care for
24 district residents. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.01(b).)

25 Sec. 1045.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
26 The board shall manage, control, and administer the hospital
27 system, the ancillary health care system, and the district's money

1 and resources. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.03.)

2 Sec. 1045.104. RULES. The board may adopt rules governing:

3 (1) the operation of the hospital, ancillary health
4 care facilities, ancillary health care system, and hospital system;
5 and

6 (2) the duties, functions, and responsibilities of
7 district staff, employees, contractors, or agents. (Acts 71st
8 Leg., R.S., Ch. 77, Sec. 5.04.)

9 Sec. 1045.105. PURCHASING AND ACCOUNTING PROCEDURES. The
10 board may prescribe:

11 (1) the method of making purchases and expenditures by
12 and for the district; and

13 (2) accounting and control procedures for the
14 district. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.05.)

15 Sec. 1045.106. MOBILE EMERGENCY MEDICAL SERVICE. The
16 district may operate or provide for the operation of a mobile
17 emergency medical service. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.02
18 (part).)

19 Sec. 1045.107. DISTRICT PROPERTY, FACILITIES, AND
20 EQUIPMENT. (a) The board shall determine the type, number, and
21 location, either inside or outside the district, of facilities
22 required to maintain an adequate hospital system and ancillary
23 health care system and the type of equipment necessary for hospital
24 care and ancillary health care services, including:

25 (1) domiciliary care and treatment of sick or injured
26 patients;

27 (2) geriatric services;

- 1 (3) outpatient clinics;
- 2 (4) rural health clinics;
- 3 (5) convalescent home facilities;
- 4 (6) physician's offices;
- 5 (7) home health services;
- 6 (8) durable medical equipment;
- 7 (9) long-term care;
- 8 (10) skilled nursing care;
- 9 (11) intermediate nursing care;
- 10 (12) hospice care;
- 11 (13) ambulatory surgery centers;
- 12 (14) urgent care facilities;
- 13 (15) operation of a mobile emergency medical service;

14 and

15 (16) any other facility or equipment the board
16 considers necessary for the delivery of hospital, medical, and
17 ancillary health care services.

18 (b) The board may:

19 (1) acquire by lease, purchase, or lease to purchase
20 property, including facilities, supplies, and equipment, for the
21 district for use in the hospital system and ancillary health care
22 system; and

23 (2) mortgage or pledge the property as security for
24 the payment of the purchase price.

25 (c) The board may lease or sell all or part of the hospital
26 facilities or ancillary health care facilities for the district.

27 (d) The board may lease, sell, or otherwise dispose of all

1 or part of the district's property for the district, including
2 facilities, supplies, or equipment, to a public or private entity.
3 (Acts 71st Leg., R.S., Ch. 77, Sec. 5.06.)

4 Sec. 1045.108. EMINENT DOMAIN. (a) The district may
5 exercise the power of eminent domain to acquire a fee simple or
6 other interest in any type of property located in district
7 territory if the interest is necessary for the district to exercise
8 the rights or authority conferred by this chapter.

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

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

15 (1) pay in advance or provide a bond or other security
16 for costs in the trial court;

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

19 (3) provide a bond for costs or a supersedeas bond on
20 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 77, Sec.
21 5.09.)

22 Sec. 1045.109. COST OF RELOCATING OR ALTERING PROPERTY. In
23 exercising the power of eminent domain, if the board requires
24 relocating, raising, lowering, rerouting, changing the grade, or
25 altering the construction of any railroad, highway, pipeline, or
26 electric transmission and electric distribution, telegraph, or
27 telephone line, conduit, pole, or facility, the district must bear

1 the actual cost of relocating, raising, lowering, rerouting,
2 changing the grade, or altering the construction to provide
3 comparable replacement without enhancement of facilities, after
4 deducting the net salvage value derived from the old facility.
5 (Acts 71st Leg., R.S., Ch. 77, Sec. 5.10.)

6 Sec. 1045.110. GIFTS AND ENDOWMENTS. The board may accept
7 for the district a gift or endowment to be held in trust for any
8 purpose and under any written direction, limitation, or provision
9 prescribed in writing by the donor that is consistent with the
10 authority and proper management of the district. (Acts 71st Leg.,
11 R.S., Ch. 77, Sec. 5.14.)

12 Sec. 1045.111. GENERAL CONTRACT POWER. The board may
13 contract for the district. (Acts 71st Leg., R.S., Ch. 77, Sec.
14 5.07(a).)

15 Sec. 1045.112. CONSTRUCTION CONTRACTS. (a) The board may
16 enter into construction contracts for the district.

17 (b) The board may enter into a construction contract that
18 involves the expenditure of more than the amount provided by
19 Section 271.024, Local Government Code, only after competitive
20 bidding as provided by Subchapter B, Chapter 271, Local Government
21 Code, or other applicable law. (Acts 71st Leg., R.S., Ch. 77, Sec.
22 5.07(b).)

23 Sec. 1045.113. OPERATING AND MANAGEMENT CONTRACTS. The
24 board may enter into an operating or management contract for the
25 district with one or more public or private entities relating to a
26 hospital or ancillary health care facility or service. (Acts 71st
27 Leg., R.S., Ch. 77, Sec. 5.08.)

1 Sec. 1045.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
2 CERTAIN SERVICES. The board may contract with a political
3 subdivision of this state, a state, the federal government, an
4 agency or political subdivision of those public entities, or a
5 charitable or other private entity for the district to:

6 (1) furnish a mobile emergency medical service; or

7 (2) provide for the investigatory or welfare needs of
8 district inhabitants or of persons for whom the public or private
9 entity has an obligation to provide care. (Acts 71st Leg., R.S.,
10 Ch. 77, Sec. 5.13.)

11 Sec. 1045.115. JOINT OWNERSHIP ARRANGEMENT. (a) The board
12 may enter into a joint ownership arrangement for the district with
13 one or more public or private entities for:

14 (1) the provision of management or operating services;
15 and

16 (2) the ownership of all or part of real property,
17 facilities, equipment, or supplies.

18 (b) Before the board enters into the arrangement, the board
19 must determine that the arrangement is:

20 (1) in the district's best interest; and

21 (2) for a public purpose of the district. (Acts 71st
22 Leg., R.S., Ch. 77, Sec. 5.19.)

23 Sec. 1045.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)
24 When a patient is admitted to a district facility, the district
25 administrator may have an inquiry made into the financial
26 circumstances of:

27 (1) the patient; and

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

3 (b) The district without charge shall provide to a patient
4 who resides in the district the care and treatment that the patient
5 or a relative of the patient who is legally responsible for the
6 patient's support cannot pay.

7 (c) On determining that the patient or a relative legally
8 responsible for the patient's support can pay for all or part of the
9 care and treatment provided by the district, the district
10 administrator shall report that determination to the board, and the
11 board shall issue an order directing the patient or the relative to
12 pay the district a specified amount each week. The amount must be
13 based on the individual's ability to pay.

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

19 (e) If there is a dispute relating to an individual's
20 ability to pay or if the district administrator has any doubt
21 concerning an individual's ability to pay, the board shall:

- 22 (1) call witnesses;
23 (2) hear and resolve the question; and
24 (3) issue a final order.

25 (f) The final order of the board may be appealed to a
26 district court in Hutchinson County. The substantial evidence rule
27 applies to the appeal. (Acts 71st Leg., R.S., Ch. 77, Secs.

1 5.11(a), (c), (d), (e), (f).)

2 Sec. 1045.117. REIMBURSEMENT FOR SERVICES. (a) The board
3 shall require a county, municipality, or public hospital located
4 outside the district to reimburse the district for the district's
5 care and treatment of a sick or injured person of that county,
6 municipality, or public hospital as provided by Chapter 61, Health
7 and Safety Code.

8 (b) The board shall require the sheriff of Hutchinson County
9 or the police chief of a municipality in Hutchinson County to
10 reimburse the district for the district's care and treatment of a
11 person who is confined in a jail facility of Hutchinson County or
12 the municipality and is not a resident of the district.

13 (c) The board may contract with this or another state, the
14 federal government, or an agency or political subdivision of this
15 or another state or of the federal government to reimburse the
16 district for the care and treatment of a sick or injured person.
17 (Acts 71st Leg., R.S., Ch. 77, Sec. 5.12.)

18 Sec. 1045.118. AUTHORITY TO SUE AND BE SUED. The board may
19 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
20 Ch. 77, Sec. 5.15.)

21 [Sections 1045.119-1045.150 reserved for expansion]

22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

23 Sec. 1045.151. BUDGET. (a) The district administrator
24 shall prepare a proposed annual budget for the district.

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

27 (1) the outstanding obligations of the district;

- 1 (2) the amount of cash on hand in each district fund;
- 2 (3) the amount of money received by the district from
- 3 all sources during the previous year;
- 4 (4) the amount of money available to the district from
- 5 all sources during the ensuing year;
- 6 (5) the amount of the balances expected at the end of
- 7 the year in which the budget is being prepared;
- 8 (6) the estimated amount of revenue and balances
- 9 available to cover the proposed budget; and
- 10 (7) the estimated tax rate required. (Acts 71st Leg.,
- 11 R.S., Ch. 77, Sec. 6.04.)

12 Sec. 1045.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

14 (b) The board shall publish notice of the hearing in a

15 newspaper with general circulation in the district not later than

16 the 10th day before the date of the hearing.

17 (c) Any district resident is entitled to be present and

18 participate at the hearing.

19 (d) At the conclusion of the hearing, the board shall adopt

20 a budget by acting on the budget proposed by the district

21 administrator. The board may make any changes in the proposed

22 budget that the board considers proper to provide adequate care and

23 treatment at a district hospital or ancillary health care facility.

24 (e) The budget is effective only after adoption by the

25 board. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.05.)

26 Sec. 1045.153. AMENDMENTS TO BUDGET. After the annual

27 budget is adopted, the budget may be amended on the board's

1 approval. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.06.)

2 Sec. 1045.154. RESTRICTION ON EXPENDITURES. Money may be
3 spent only for an expense included in the budget or an amendment to
4 the budget. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.07.)

5 Sec. 1045.155. FISCAL YEAR. The district operates on the
6 fiscal year established by the board. (Acts 71st Leg., R.S., Ch.
7 77, Sec. 6.01.)

8 Sec. 1045.156. ANNUAL AUDIT. The board annually shall have
9 an audit made of the district's financial records, accounts, and
10 transactions. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.02.)

11 Sec. 1045.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
12 RECORDS. The annual audit and other district records are open to
13 inspection during regular business hours at the district's
14 principal office. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.03.)

15 Sec. 1045.158. FINANCIAL REPORT. As soon as practicable
16 after the close of the fiscal year, the district administrator or
17 other district agent responsible for the district's financial
18 affairs shall prepare for the board:

19 (1) a sworn statement of the amount of district money;
20 and

21 (2) an account of the disbursements of that money.
22 (Acts 71st Leg., R.S., Ch. 77, Sec. 6.08.)

23 Sec. 1045.159. DEPOSITORY. (a) The board shall select at
24 least one bank to serve as a depository for district money.

25 (b) District money, other than money invested as provided by
26 Section 1045.160(b) and money transmitted to a bank for payment of
27 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on
2 deposit. This subsection does not limit the power of the board to
3 place a part of district money on time deposit or to purchase
4 certificates of deposit.

5 (c) The district may not deposit money with a bank or
6 purchase a certificate of deposit from a bank in an amount that
7 exceeds the maximum amount secured by the Federal Deposit Insurance
8 Corporation unless the bank first executes a bond or provides other
9 collateral eligible to secure a public deposit in an amount
10 sufficient to secure from loss the district money that exceeds the
11 amount secured by the Federal Deposit Insurance Corporation. (Acts
12 71st Leg., R.S., Ch. 77, Sec. 6.10.)

13 Sec. 1045.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
14 Except as provided by Sections 1045.112, 1045.202, 1045.205, and
15 1045.206, the district may not incur a debt payable from district
16 revenue other than the revenue on hand or to be on hand in the
17 current and immediately following district fiscal years.

18 (b) The board may invest operating, depreciation, or
19 building reserves in:

20 (1) funds or securities specified by Chapter 2256,
21 Government Code; or

22 (2) any other investment vehicle or fund if the board
23 determines that investing the reserves in that vehicle or fund:

24 (A) is in the district's best interest; and

25 (B) does not violate the Texas Constitution.

26 (Acts 71st Leg., R.S., Ch. 77, Sec. 6.09.)

27 Sec. 1045.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)

1 The board may borrow money for district operating expenses in an
2 amount not to exceed the amount of tax or other revenue the district
3 expects to receive during the fiscal year in which the money is
4 borrowed.

5 (b) To repay the debt, the board may pledge all or part of
6 the tax or other revenue received during the fiscal year in which
7 the board borrows money under this section. (Acts 71st Leg., R.S.,
8 Ch. 77, Sec. 5.18.)

9 [Sections 1045.162-1045.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 1045.201. OBLIGATIONS AND CREDIT AGREEMENTS. The
12 district may issue, sell, and deliver obligations and execute
13 credit agreements as provided by Chapters 1201 and 1371, Government
14 Code. (Acts 71st Leg., R.S., Ch. 77, Sec. 7.07.)

15 Sec. 1045.202. GENERAL OBLIGATION BONDS. The board may
16 issue and sell general obligation bonds authorized by an election
17 in the name and on the faith and credit of the district to:

18 (1) purchase, construct, acquire, repair, equip, or
19 renovate buildings, facilities, equipment, or improvements for
20 hospital purposes, including facilities and improvements
21 incidental and beneficial to operating and maintaining hospitals
22 and ancillary facilities that provide medical and ancillary health
23 care services and treatment; or

24 (2) acquire and operate a mobile emergency medical
25 service. (Acts 71st Leg., R.S., Ch. 77, Sec. 7.01.)

26 Sec. 1045.203. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
27 the time general obligation bonds are issued by the district under

1 Section 1045.202, the board shall impose an ad valorem tax at a rate
2 sufficient to create an interest and sinking fund to pay the
3 principal of and interest on the bonds as the bonds mature.

4 (b) The tax required by this section together with any other
5 ad valorem tax the district imposes may not in any year exceed the
6 limit approved by the voters at the election authorizing the
7 imposition of the tax. (Acts 71st Leg., R.S., Ch. 77, Sec. 7.02.)

8 Sec. 1045.204. GENERAL OBLIGATION BOND ELECTION. (a) The
9 district may issue general obligation bonds only if the bonds are
10 authorized by a majority of the district voters voting at an
11 election held for that purpose.

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

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

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

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

21 (e) The board shall declare the results of the election.
22 (Acts 71st Leg., R.S., Ch. 77, Sec. 7.03.)

23 Sec. 1045.205. REVENUE BONDS. (a) The board may issue
24 revenue bonds to:

- 25 (1) purchase, construct, acquire, repair, equip, or
26 renovate buildings or improvements for hospital and ancillary
27 health care purposes;

1 (2) acquire sites to be used for hospital and
2 ancillary health care purposes; or

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

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

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

11 (d) The bonds must be issued in the manner provided by
12 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
13 Code, for issuance of revenue bonds by a county hospital authority,
14 or in accordance with other laws relating to the issuance of revenue
15 bonds by a hospital district. (Acts 71st Leg., R.S., Ch. 77, Sec.
16 7.04.)

17 Sec. 1045.206. REFUNDING BONDS. (a) The board may issue
18 refunding bonds to refund outstanding bonds issued or assumed by
19 the district.

20 (b) A refunding bond may be:

21 (1) sold, with the proceeds of the refunding bond
22 applied to the payment of the bonds to be refunded; or

23 (2) exchanged wholly or partly for not less than a
24 similar principal amount of outstanding indebtedness. (Acts 71st
25 Leg., R.S., Ch. 77, Secs. 7.05(a), (c) (part).)

26 Sec. 1045.207. MATURITY OF BONDS. District bonds must
27 mature not later than 50 years after the date of issuance. (Acts

1 71st Leg., R.S., Ch. 77, Sec. 7.06 (part).)

2 Sec. 1045.208. BONDS EXEMPT FROM TAXATION. The following
3 are exempt from taxation by this state or a political subdivision of
4 this state:

- 5 (1) bonds issued by the district;
6 (2) any transaction relating to the bonds; and
7 (3) profits made in the sale of the bonds. (Acts 71st
8 Leg., R.S., Ch. 77, Sec. 7.11 (part).)

9 [Sections 1045.209-1045.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

11 Sec. 1045.251. IMPOSITION OF AD VALOREM TAX. (a) The board
12 may impose a tax on all property in the district subject to district
13 taxation.

14 (b) The tax may be used to pay:

- 15 (1) indebtedness issued or assumed by the district;
16 and
17 (2) the maintenance and operating expenses of the
18 district.

19 (c) The district may not impose a tax to pay the principal of
20 or interest on revenue bonds issued under this chapter. (Acts 71st
21 Leg., R.S., Ch. 77, Secs. 8.01(a) (part), (c), (d), 8.03(b).)

22 Sec. 1045.252. TAX RATE. (a) The board may impose the tax
23 at a rate not to exceed the limit approved by the voters at the
24 election authorizing the imposition of the tax.

25 (b) The tax rate for all purposes may not exceed 75 cents on
26 each \$100 valuation of all taxable property in the district.

27 (c) In setting the tax rate, the board shall consider the

1 income of the district from sources other than taxation. (Acts 71st
2 Leg., R.S., Ch. 77, Secs. 8.01(a) (part), (b), 8.04 (part).)

3 Sec. 1045.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
4 The board may order an election to increase the district's maximum
5 ad valorem tax rate to a rate of not more than 75 cents on each \$100
6 valuation of the taxable property in the district. The board shall
7 order an election if the board receives a petition requesting an
8 election that is signed by at least 50 qualified voters of the
9 district.

10 (b) The ballot for the election shall be printed to permit
11 voting for or against the proposition: "The imposition of annual
12 taxes by the district for hospital purposes at a rate not to exceed
13 _____ (insert amount not to exceed 75 cents) cents on the \$100
14 valuation of all taxable property in the district."

15 (c) If the board finds that the election results favor the
16 proposition, the board may impose taxes as authorized by the
17 proposition. If the board finds that the election results do not
18 favor the proposition, another election on the question of raising
19 the district's maximum tax rate may not be held before the first
20 anniversary of the date of the most recent election at which voters
21 disapproved the proposition.

22 (d) Section 41.001(a), Election Code, does not apply to an
23 election ordered under this section. (Acts 71st Leg., R.S., Ch. 77,
24 Secs. 8.02(a), (b) (part), (c) (part), (d) (part).)

25 Sec. 1045.254. TAX ASSESSOR-COLLECTOR. The board may
26 provide for the appointment of a tax assessor-collector for the
27 district or may contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 77, Sec.
2 8.05(b).)

3 CHAPTER 1046. JACKSON COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1046.001. DEFINITIONS

6 Sec. 1046.002. AUTHORITY FOR OPERATION

7 Sec. 1046.003. ESSENTIAL PUBLIC FUNCTION

8 Sec. 1046.004. DISTRICT TERRITORY

9 Sec. 1046.005. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 Sec. 1046.006. RESTRICTION ON STATE FINANCIAL

12 ASSISTANCE

13 Sec. 1046.007. ELECTION DATE

14 [Sections 1046.008-1046.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1046.051. BOARD ELECTION; TERM

17 Sec. 1046.052. NOTICE OF ELECTION

18 Sec. 1046.053. FORM OF BALLOT AT RUNOFF ELECTION

19 Sec. 1046.054. MODIFICATION OF TERM

20 Sec. 1046.055. QUALIFICATIONS FOR OFFICE

21 Sec. 1046.056. BOND; RECORD OF BOND AND OATH OR

22 AFFIRMATION OF OFFICE

23 Sec. 1046.057. BOARD VACANCY

24 Sec. 1046.058. OFFICERS

25 Sec. 1046.059. COMPENSATION; EXPENSES

26 Sec. 1046.060. VOTING REQUIREMENT

- 1 Sec. 1046.061. ADMINISTRATOR FOR EACH DISTRICT
2 HOSPITAL
- 3 Sec. 1046.062. APPOINTMENT AND REMOVAL OF STAFF AND
4 EMPLOYEES
- 5 Sec. 1046.063. ATTORNEY; ASSISTANT HOSPITAL
6 ADMINISTRATOR
- 7 Sec. 1046.064. GENERAL DUTIES OF ADMINISTRATOR
- 8 Sec. 1046.065. RETIREMENT BENEFITS
- 9 Sec. 1046.066. SEAL
- 10 [Sections 1046.067-1046.100 reserved for expansion]
- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 1046.101. DISTRICT RESPONSIBILITY
- 13 Sec. 1046.102. BOARD RESPONSIBILITY
- 14 Sec. 1046.103. RESTRICTION ON POLITICAL SUBDIVISION
15 TAXATION AND DEBT
- 16 Sec. 1046.104. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 17 Sec. 1046.105. HOSPITAL SYSTEM
- 18 Sec. 1046.106. RULES
- 19 Sec. 1046.107. PURCHASING AND ACCOUNTING PROCEDURES
- 20 Sec. 1046.108. DISTRICT PROPERTY, FACILITIES, AND
21 EQUIPMENT
- 22 Sec. 1046.109. EMINENT DOMAIN
- 23 Sec. 1046.110. COST OF RELOCATING OR ALTERING PROPERTY
- 24 Sec. 1046.111. GIFTS AND ENDOWMENTS
- 25 Sec. 1046.112. CONSTRUCTION CONTRACTS
- 26 Sec. 1046.113. OPERATING AND MANAGEMENT CONTRACTS
- 27 Sec. 1046.114. CONTRACT IN NAME OF DISTRICT

- 1 Sec. 1046.115. CONTRACTS WITH GOVERNMENTAL ENTITIES
2 FOR CARE AND TREATMENT
3 Sec. 1046.116. PROVISION OF SERVICES OUTSIDE DISTRICT
4 Sec. 1046.117. CONTRACTS WITH GOVERNMENTAL ENTITIES
5 FOR INVESTIGATORY OR OTHER SERVICES
6 Sec. 1046.118. LEASES
7 Sec. 1046.119. AUTHORITY TO SELL OR CLOSE CERTAIN
8 DISTRICT HOSPITALS
9 Sec. 1046.120. PAYMENT FOR TREATMENT; PROCEDURES
10 Sec. 1046.121. AUTHORITY TO SUE AND BE SUED
11 Sec. 1046.122. RECOMMENDATION OF LEGISLATION; NOTICE
12 [Sections 1046.123-1046.150 reserved for expansion]
13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
14 Sec. 1046.151. BUDGET
15 Sec. 1046.152. NOTICE; HEARING; ADOPTION OF BUDGET
16 Sec. 1046.153. AMENDMENTS TO BUDGET
17 Sec. 1046.154. RESTRICTION ON EXPENDITURES
18 Sec. 1046.155. FISCAL YEAR
19 Sec. 1046.156. ANNUAL AUDIT
20 Sec. 1046.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
21 RECORDS
22 Sec. 1046.158. FINANCIAL REPORT
23 Sec. 1046.159. DEPOSITORY
24 Sec. 1046.160. SPENDING AND INVESTMENT RESTRICTIONS
25 Sec. 1046.161. AUTHORITY TO BORROW MONEY; SECURITY
26 [Sections 1046.162-1046.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

- 2 Sec. 1046.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1046.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1046.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1046.204. MATURITY OF GENERAL OBLIGATION BONDS
- 6 Sec. 1046.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 7 Sec. 1046.206. REVENUE BONDS
- 8 Sec. 1046.207. REFUNDING BONDS
- 9 Sec. 1046.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1046.209-1046.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

- 12 Sec. 1046.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1046.252. TAX RATE
- 14 Sec. 1046.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
- 15 ASSESSOR-COLLECTOR
- 16 Sec. 1046.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 17 TAX ASSESSOR-COLLECTOR

18 CHAPTER 1046. JACKSON COUNTY HOSPITAL DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 1046.001. DEFINITIONS. In this chapter:

- 21 (1) "Board" means the board of directors of the
- 22 district.
- 23 (2) "Director" means a member of the board.
- 24 (3) "District" means the Jackson County Hospital
- 25 District. (New.)

26 Sec. 1046.002. AUTHORITY FOR OPERATION. The district

27 operates and is administered and financed in accordance with

1 Section 9, Article IX, Texas Constitution, and has the rights,
2 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,
3 Ch. 275, Sec. 1 (part).)

4 Sec. 1046.003. ESSENTIAL PUBLIC FUNCTION. The district
5 performs an essential public function in carrying out the purposes
6 of this chapter. (Acts 66th Leg., R.S., Ch. 275, Sec. 23 (part).)

7 Sec. 1046.004. DISTRICT TERRITORY. The boundaries of the
8 district are coextensive with the boundaries of Jackson County.
9 (Acts 66th Leg., R.S., Ch. 275, Sec. 1 (part).)

10 Sec. 1046.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
11 OBLIGATION. The support and maintenance of the district may not
12 become a charge against or obligation of this state. (Acts 66th
13 Leg., R.S., Ch. 275, Sec. 22 (part).)

14 Sec. 1046.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
15 The legislature may not make a direct appropriation for the
16 construction, maintenance, or improvement of a district facility.
17 (Acts 66th Leg., R.S., Ch. 275, Sec. 22 (part).)

18 Sec. 1046.007. ELECTION DATE. Section 41.001(a), Election
19 Code, does not apply to an election held under this chapter. (Acts
20 66th Leg., R.S., Ch. 275, Secs. 3(a) (part), 7(a) (part).)

21 [Sections 1046.008-1046.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 1046.051. BOARD ELECTION; TERM. (a) The board
24 consists of nine directors elected from the district by position as
25 follows:

26 (1) two directors from each commissioners precinct;
27 and

1 (2) one director from the district at large.

2 (b) To be elected, a candidate must receive a majority of
3 the votes cast in the election for that position.

4 (c) The board shall declare the results of a district
5 election.

6 (d) Unless different terms are established under Section
7 1046.054, directors serve staggered two-year terms as follows:

8 (1) directors elected to even-numbered positions are
9 elected in even-numbered years; and

10 (2) directors elected to odd-numbered positions and
11 the director elected at large are elected in odd-numbered years.
12 (Acts 66th Leg., R.S., Ch. 275, Secs. 4(d) (part), (e) (part).)

13 Sec. 1046.052. NOTICE OF ELECTION. (a) Except as provided
14 by Subsection (b), at least 30 days before the date of an election
15 of directors, the board shall publish notice of the election one
16 time in a newspaper or newspapers that individually or collectively
17 have general circulation in the district.

18 (b) At least seven days before the date of a runoff election
19 of directors, the board shall publish notice of the election one
20 time in a newspaper or newspapers that individually or collectively
21 have general circulation in the area of the runoff election. (Acts
22 66th Leg., R.S., Ch. 275, Secs. 4(d) (part), (e) (part).)

23 Sec. 1046.053. FORM OF BALLOT AT RUNOFF ELECTION. Of the
24 names printed on the ballot at a runoff election, the name of the
25 candidate who received the higher number of votes at the general
26 election of directors must be printed first on the ballot. (Acts
27 66th Leg., R.S., Ch. 275, Sec. 4(d) (part).)

1 Sec. 1046.054. MODIFICATION OF TERM. (a) Notwithstanding
2 Section 1046.051, the board, on its own motion, may order that
3 directors serve staggered three-year or four-year terms. After an
4 initial change under this section from staggered two-year terms,
5 the board may not change the terms again.

6 (b) If the board orders four-year terms, the directors are
7 to be elected in accordance with Section 285.081, Health and Safety
8 Code.

9 (c) If the board orders staggered three-year terms,
10 directors are to be elected as follows:

11 (1) if the first election that occurs at least 120 days
12 after the date the order is entered is an election in an
13 even-numbered year:

14 (A) the four directors elected at that election
15 shall draw lots to determine the three directors that serve
16 three-year terms and the director that serves a two-year term;

17 (B) the at-large director elected at the first
18 odd-numbered year election after the order is entered serves a
19 three-year term; and

20 (C) the four other directors elected at the first
21 odd-numbered year election after the order is entered shall draw
22 lots to determine which two directors serve three-year terms and
23 which two directors serve one-year terms; and

24 (2) if the first election that occurs at least 120 days
25 after the date the order is entered is an election in an
26 odd-numbered year:

27 (A) the at-large director elected at that

1 election serves a three-year term;

2 (B) the four other directors elected at that
3 election shall draw lots to determine the two directors that serve
4 three-year terms and the two directors that serve two-year terms;
5 and

6 (C) the four directors elected at the first
7 even-numbered year election after the order is entered shall draw
8 lots to determine which three directors serve three-year terms and
9 which director serves a one-year term. (Acts 66th Leg., R.S., Ch.
10 275, Sec. 4A.)

11 Sec. 1046.055. QUALIFICATIONS FOR OFFICE. (a) A person may
12 not be elected or appointed as a director unless the person is:

13 (1) a district resident; and

14 (2) a qualified voter.

15 (b) A director elected or appointed to represent a
16 commissioners precinct must be a resident of that commissioners
17 precinct. Failure of the director to maintain residence in the
18 commissioners precinct is a ground for removal from office in the
19 manner provided by law for removal of county officers.

20 (c) A person is not eligible to serve as a director if the
21 person is:

22 (1) an administrator for the district or a district
23 hospital;

24 (2) the attorney for the district; or

25 (3) a district employee. (Acts 66th Leg., R.S., Ch.
26 275, Sec. 4(f).)

27 Sec. 1046.056. BOND; RECORD OF BOND AND OATH OR AFFIRMATION

1 OF OFFICE. (a) As soon as practicable after a director is elected
2 or appointed, the director shall execute a bond for \$5,000 that is:

- 3 (1) approved by the board;
4 (2) payable to the district; and
5 (3) conditioned on the faithful performance of the
6 director's duties.

7 (b) The district may pay for a director's bond with district
8 money.

9 (c) Each director's bond and constitutional oath or
10 affirmation of office shall be filed with the board and retained in
11 the board's records. (Acts 66th Leg., R.S., Ch. 275, Secs. 19(i),
12 (j), (l).)

13 Sec. 1046.057. BOARD VACANCY. If a vacancy occurs in the
14 office of director, the remaining directors shall appoint a
15 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 275,
16 Sec. 4(e) (part).)

17 Sec. 1046.058. OFFICERS. (a) The board shall elect a
18 president, vice president, and secretary from among its members.

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

20 (c) The board may require an officer to execute a bond that
21 is payable to the district and conditioned on the faithful
22 performance of the officer's duties. The board may pay for the bond
23 with district money.

24 (d) The board shall fill a vacancy in a board office for the
25 unexpired term. (Acts 66th Leg., R.S., Ch. 275, Secs. 4(g) (part),
26 19(d) (part).)

27 Sec. 1046.059. COMPENSATION; EXPENSES. A director serves

1 without compensation but may be reimbursed for travel or other
2 expenses incurred on the district's behalf if:

- 3 (1) the director presents a verified statement; and
4 (2) the board approves the expenses. (Acts 66th Leg.,
5 R.S., Ch. 275, Sec. 19(h).)

6 Sec. 1046.060. VOTING REQUIREMENT. Except as provided by
7 Sections 1046.119 and 1046.122, a concurrence of five directors is
8 required in any matter relating to district business. (Acts 66th
9 Leg., R.S., Ch. 275, Sec. 4(g) (part).)

10 Sec. 1046.061. ADMINISTRATOR FOR EACH DISTRICT HOSPITAL.

11 (a) The board may appoint a qualified administrator for each
12 district hospital.

13 (b) An administrator serves at the will of the board and is
14 entitled to the compensation determined by the board.

15 (c) On assuming the duties of an administrator, the
16 administrator shall execute a bond payable to the district in an
17 amount set by the board of not less than \$5,000 that:

18 (1) is conditioned on the administrator performing the
19 administrator's duties; and

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

21 (d) The board may pay for the bond with district money.
22 (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

23 Sec. 1046.062. APPOINTMENT AND REMOVAL OF STAFF AND
24 EMPLOYEES. (a) The board may appoint to the staff any doctors the
25 board considers necessary for the efficient operation of the
26 district and may make temporary appointments as necessary.

27 (b) The board shall employ or contract with persons the

1 board considers necessary or advisable to conduct district affairs,
2 including a hospital administrator for the district or for each
3 facility and nurses, medical technicians, engineers, architects,
4 attorneys, financial advisors, accountants, fiscal agents,
5 bookkeepers, auditors, and secretaries.

6 (c) The board shall determine the powers, duties, term of
7 employment, and compensation of all employees and consultants by
8 contract or by resolution or order of the board. The board may
9 terminate the employment of any district employee.

10 (d) The board may delegate to an administrator the authority
11 to hire and discharge district or hospital employees, including
12 doctors, nurses, and technicians, or to appoint and remove staff
13 doctors under bylaws and rules.

14 (e) The board may require any employee to execute a bond
15 payable to the district and conditioned on the faithful performance
16 of the employee's duties. The board may pay for the bond with
17 district money. (Acts 66th Leg., R.S., Ch. 275, Secs. 5 (part),
18 18(c) (part), 19(a) (part), (b), (c), (d) (part).)

19 Sec. 1046.063. ATTORNEY; ASSISTANT HOSPITAL ADMINISTRATOR.

20 (a) The board may appoint:

21 (1) an attorney for the district; and

22 (2) a qualified assistant administrator for each
23 district hospital.

24 (b) The attorney for the district and an assistant hospital
25 administrator serve at the will of the board and shall receive the
26 compensation determined by the board. (Acts 66th Leg., R.S., Ch.
27 275, Sec. 5 (part).)

1 Sec. 1046.064. GENERAL DUTIES OF ADMINISTRATOR. (a) The
2 board may delegate to the administrator for the district or the
3 administrators for each district hospital the power to manage and
4 operate all or any part of the hospital system.

5 (b) Subject to the limitations prescribed by the board, the
6 administrator for each district hospital shall:

7 (1) supervise the work and activities of the hospital;
8 and

9 (2) direct the affairs of the hospital. (Acts 66th
10 Leg., R.S., Ch. 275, Secs. 5 (part), 18(c) (part).)

11 Sec. 1046.065. RETIREMENT BENEFITS. The district may
12 provide retirement benefits for district employees by:

13 (1) creating and administering a public retirement
14 system for the district;

15 (2) participating in the Texas County and District
16 Retirement System; or

17 (3) purchasing annuity contracts from an insurer or
18 annuity company authorized to engage in business in this state.
19 (Acts 66th Leg., R.S., Ch. 275, Sec. 15 (part).)

20 Sec. 1046.066. SEAL. The board shall adopt a seal for the
21 district. (Acts 66th Leg., R.S., Ch. 275, Sec. 19(g).)

22 [Sections 1046.067-1046.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1046.101. DISTRICT RESPONSIBILITY. The district has
25 full responsibility for providing medical and hospital care for the
26 district's needy inhabitants. (Acts 66th Leg., R.S., Ch. 275, Sec.
27 20 (part).)

1 Sec. 1046.102. BOARD RESPONSIBILITY. The board shall
2 provide for the administration, maintenance, and operation of a
3 hospital transferred to the district to furnish adequate medical
4 and hospital care in the district and to ensure that the hospital is
5 provided with sufficient money, personnel, and equipment for
6 district residents to have access to quality and competent health
7 facilities. (Acts 66th Leg., R.S., Ch. 275, Sec. 20 (part).)

8 Sec. 1046.103. RESTRICTION ON POLITICAL SUBDIVISION
9 TAXATION AND DEBT. A political subdivision other than the district
10 may not impose a tax or issue bonds or other obligations for
11 hospital purposes or to provide medical care in the district. (Acts
12 66th Leg., R.S., Ch. 275, Sec. 20 (part).)

13 Sec. 1046.104. MANAGEMENT, CONTROL, AND ADMINISTRATION.
14 The board shall:

- 15 (1) manage and control all district affairs; and
16 (2) manage, control, and administer the hospital
17 system and the district's money and resources. (Acts 66th Leg.,
18 R.S., Ch. 275, Secs. 5 (part), 19(a) (part).)

19 Sec. 1046.105. HOSPITAL SYSTEM. (a) The district shall
20 provide for the establishment of a hospital system by:

- 21 (1) purchasing, constructing, acquiring, repairing,
22 or renovating buildings and equipment;
23 (2) equipping for hospital and medical care purposes;
24 and
25 (3) administering the system for hospital purposes.

26 (b) The hospital system may include:

- 27 (1) domiciliary care and treatment of the sick,

1 injured, or geriatric;

2 (2) outpatient clinics;

3 (3) dispensaries;

4 (4) convalescent home facilities;

5 (5) necessary nurses;

6 (6) domiciliaries and training centers;

7 (7) blood banks;

8 (8) community health centers;

9 (9) research centers or laboratories; and

10 (10) any other facilities the board considers
11 necessary for hospital and medical care. (Acts 66th Leg., R.S., Ch.
12 275, Secs. 2, 18(a) (part), 20 (part).)

13 Sec. 1046.106. RULES. (a) The board may adopt rules
14 governing the operation of the hospital, the hospital system, and
15 the district's staff and employees.

16 (b) The board shall adopt reasonable and necessary rules and
17 bylaws to govern:

18 (1) the board's proceedings and activities; and

19 (2) the hospitals or the hospital or medical system.

20 (Acts 66th Leg., R.S., Ch. 275, Secs. 5 (part), 19(e).)

21 Sec. 1046.107. PURCHASING AND ACCOUNTING PROCEDURES. The
22 board may prescribe:

23 (1) the method and manner of making purchases and
24 expenditures by and for the district; and

25 (2) all accounting and control procedures. (Acts 66th
26 Leg., R.S., Ch. 275, Sec. 9(b) (part).)

27 Sec. 1046.108. DISTRICT PROPERTY, FACILITIES, AND

1 EQUIPMENT. (a) The board shall determine the type, number, and
2 location of buildings required to maintain an adequate hospital
3 system.

4 (b) The board may purchase all necessary materials,
5 supplies, equipment, and vehicles.

6 (c) The district may:

7 (1) acquire equipment for use in the district's
8 hospital system; and

9 (2) mortgage or pledge the property as security for
10 the payment of the purchase price.

11 (d) Except as provided by Section 1046.119, the district may
12 sell or otherwise dispose of any property, including equipment, on
13 terms the board finds are in the best interest of the district's
14 inhabitants. (Acts 66th Leg., R.S., Ch. 275, Secs. 9(a) (part), (b)
15 (part), 18(a) (part), 19(f).)

16 Sec. 1046.109. EMINENT DOMAIN. (a) The district may
17 exercise the power of eminent domain to acquire a fee simple or
18 other interest in any type of property located in district
19 territory if the interest is necessary or convenient for the
20 district to exercise a power, right, or privilege conferred by this
21 chapter.

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

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

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

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

5 (3) provide a bond for costs or a supersedeas bond on
6 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 275, Sec.
7 13(a).)

8 Sec. 1046.110. COST OF RELOCATING OR ALTERING PROPERTY. In
9 exercising the power of eminent domain, if the board requires
10 relocating, raising, lowering, rerouting, changing the grade of, or
11 altering the construction of any railroad, electric transmission,
12 telegraph or telephone line, conduit, pole, or facility, or
13 pipeline, the district must bear the actual cost of relocating,
14 raising, lowering, rerouting, changing the grade, or altering the
15 construction to provide comparable replacement without enhancement
16 of facilities, after deducting the net salvage value derived from
17 the old facility. (Acts 66th Leg., R.S., Ch. 275, Sec. 13(b).)

18 Sec. 1046.111. GIFTS AND ENDOWMENTS. The board may accept
19 for the district a gift or endowment to be held in trust for the
20 purposes and under the directions, limitations, or other provisions
21 prescribed in writing by the donor that are consistent with the
22 proper management and objectives of the district. (Acts 66th Leg.,
23 R.S., Ch. 275, Sec. 17.)

24 Sec. 1046.112. CONSTRUCTION CONTRACTS. A construction
25 contract that involves the expenditure of more than \$10,000 may be
26 made only after advertising in the manner provided by Subchapter B,
27 Chapter 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 275,

1 Sec. 9(b) (part).)

2 Sec. 1046.113. OPERATING AND MANAGEMENT CONTRACTS. The
3 board may enter into an operating or management contract relating
4 to a district hospital or the hospital system. (Acts 66th Leg.,
5 R.S., Ch. 275, Sec. 18(c) (part).)

6 Sec. 1046.114. CONTRACT IN NAME OF DISTRICT. The district
7 shall contract in the name of the district. (Acts 66th Leg., R.S.,
8 Ch. 275, Sec. 19(a) (part).)

9 Sec. 1046.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
10 CARE AND TREATMENT. (a) The board may contract with a county or
11 municipality located outside the district's boundaries to
12 reimburse the district for the care and treatment of a sick or
13 injured person of that county or municipality.

14 (b) The board may contract with this state or a federal
15 agency for reimbursement for the treatment of a sick or injured
16 person. (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

17 Sec. 1046.116. PROVISION OF SERVICES OUTSIDE DISTRICT. The
18 district may provide health care services outside the district's
19 boundaries provided that the services serve the purposes of the
20 district. (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

21 Sec. 1046.117. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
22 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
23 political subdivision or governmental agency for the district
24 to provide investigatory or other services as to facilities for
25 the medical care, hospital, or welfare needs of district
26 inhabitants. (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

27 Sec. 1046.118. LEASES. (a) The board may lease all or part

1 of the facilities comprising the hospitals or hospital system on
2 terms the board considers to be in the district's best interest.

3 (b) When leasing a facility, the board may delegate as it
4 considers appropriate the board's power to manage, control, and
5 administer the leased facilities to furnish hospital and medical
6 care.

7 (c) For each leased facility, the lease must require the
8 lessee to charge rates for services rendered or goods provided at
9 the leased premises that, together with other sources of the
10 lessee's revenue, produce an amount sufficient to enable the lessee
11 to pay the expenses of operating and maintaining the leased
12 premises required of the lessee under the lease. The lease must
13 also require the lessee to pay lease rentals to the district that
14 will be sufficient when taken with any other sources of the
15 district's estimated revenue that are pledged for the same purposes
16 to:

17 (1) pay the interest on any revenue or special
18 obligation bonds that are payable wholly or partly from the lease
19 rentals;

20 (2) create and maintain a sinking fund to pay the
21 principal of and premium, if any, on the bonds as they become due;

22 (3) create and maintain a bond reserve fund and any
23 other fund provided for in the bond order, resolution, or trust
24 indenture authorizing the issuance of the bonds; and

25 (4) pay all other charges, fees, costs, and expenses
26 the lessee is required to pay under the resolution or indenture.

27 (d) The lease, management agreement, bond resolution, or

1 trust indenture may prescribe systems, methods, routines,
2 procedures, and policies for the operation of the facilities owned
3 by the district.

4 (e) A lease of a district hospital must require the lessee
5 to operate the hospital in a manner that complies with the
6 requirements of this chapter that would apply to the board if the
7 board were operating the hospital. (Acts 66th Leg., R.S., Ch. 275,
8 Sec. 18(d) (part).)

9 Sec. 1046.119. AUTHORITY TO SELL OR CLOSE CERTAIN DISTRICT
10 HOSPITALS. (a) The board may not sell or close a hospital
11 transferred to the district by the Edna Hospital District unless
12 the sale or closing is approved by a two-thirds majority vote of the
13 district voters voting at an election held for that purpose. A
14 concurrence of seven directors is required to call the election.

15 (b) The board may not call another election before the first
16 anniversary of the date of a previous election held under this
17 section. (Acts 66th Leg., R.S., Ch. 275, Secs. 4(g) (part), 9(a)
18 (part).)

19 Sec. 1046.120. PAYMENT FOR TREATMENT; PROCEDURES. (a)
20 When a patient who resides in the district is admitted to a district
21 facility, the administrator for the hospital to which the patient
22 is admitted may have an inquiry made into the circumstances of:

23 (1) the patient; and

24 (2) the patient's relatives who are legally liable for
25 the patient's support.

26 (b) If the administrator determines that the patient or
27 those relatives cannot pay all or part of the costs of the care and

1 treatment in the hospital, the amount of the costs that cannot be
2 paid becomes a charge against the district.

3 (c) If the administrator determines that the patient or
4 those relatives can pay for all or part of the costs of the
5 patient's care and treatment, the patient or those relatives shall
6 be ordered to pay the district a specified amount each week for the
7 patient's care and support. The amount ordered must be
8 proportionate to the person's financial ability.

9 (d) The administrator may collect the amount from the
10 patient's estate, or from any relative who is legally liable for the
11 patient's support, in the manner provided by law for the collection
12 of expenses of the last illness of a deceased person.

13 (e) If there is a dispute as to the ability to pay, or doubt
14 in the mind of the administrator, the board shall hold a hearing
15 and, after calling witnesses, shall:

16 (1) resolve the dispute or doubt; and

17 (2) issue a final order.

18 (f) A final order of the board may be appealed to the
19 district court. The substantial evidence rule applies to the
20 appeal. (Acts 66th Leg., R.S., Ch. 275, Sec. 16.)

21 Sec. 1046.121. AUTHORITY TO SUE AND BE SUED. The district,
22 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.
23 275, Sec. 5 (part).)

24 Sec. 1046.122. RECOMMENDATION OF LEGISLATION; NOTICE. (a)
25 The board may not recommend to the legislature legislation to amend
26 this chapter unless the recommendation is approved by a concurrence
27 of seven directors.

1 (b) The board shall give notice of the date, hour, place,
2 and subject of a meeting at which the recommendation of legislation
3 will be discussed in accordance with the open meetings law, Chapter
4 551, Government Code, except that the board shall furnish to the
5 county clerk the notice required by Section 551.054, Government
6 Code, at least 30 days before the date of the meeting.

7 (c) The notice must be published in a newspaper of general
8 circulation in the district once a week for four weeks. The first
9 publication must occur at least 30 days before the date of the
10 meeting. (Acts 66th Leg., R.S., Ch. 275, Secs. 4(g) (part), 21.)

11 [Sections 1046.123-1046.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 1046.151. BUDGET. (a) Each administrator shall
14 prepare an annual budget for each hospital for which that person is
15 the administrator. The board shall combine these budgets into a
16 single budget for the district.

17 (b) The proposed budget for the district must contain a
18 complete financial statement of:

- 19 (1) the outstanding obligations of the district;
20 (2) the cash on hand in each district fund;
21 (3) the money received by the district from all
22 sources during the previous year;
23 (4) the money available to the district from all
24 sources during the ensuing year;
25 (5) the balances expected at the end of the year in
26 which the budget is being prepared;
27 (6) the estimated amount of revenue and balances

1 available to cover the proposed budget; and

2 (7) the estimated tax rate required. (Acts 66th Leg.,
3 R.S., Ch. 275, Sec. 6 (part).)

4 Sec. 1046.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
5 The board shall hold a public hearing on the proposed annual budget.

6 (b) Notice of the hearing must be published in a newspaper
7 of general circulation in the district one time at least 10 days
8 before the date of the hearing.

9 (c) Any district resident or taxpayer is entitled to be
10 present and participate at the hearing.

11 (d) At the conclusion of the hearing, the board shall adopt
12 a budget by acting on the budget proposed by the administrators.
13 The board may make any changes in the proposed budget that the board
14 judges to be in the interests of the taxpayers and that the law
15 warrants. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

16 Sec. 1046.153. AMENDMENTS TO BUDGET. The budget may be
17 amended as required by circumstances. The board must approve all
18 amendments. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

19 Sec. 1046.154. RESTRICTION ON EXPENDITURES. Money may be
20 spent only for an expense included in the budget or an amendment to
21 the budget. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

22 Sec. 1046.155. FISCAL YEAR. (a) The district operates on a
23 fiscal year established by the board.

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

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

27 (2) more than once in a 24-month period. (Acts 66th

1 Leg., R.S., Ch. 275, Sec. 6 (part).)

2 Sec. 1046.156. ANNUAL AUDIT. The board annually shall have
3 an audit made of the district's financial condition. (Acts 66th
4 Leg., R.S., Ch. 275, Sec. 6 (part).)

5 Sec. 1046.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
6 RECORDS. The annual audit and other district records shall be open
7 to inspection at the district's principal office. (Acts 66th Leg.,
8 R.S., Ch. 275, Sec. 6 (part).)

9 Sec. 1046.158. FINANCIAL REPORT. As soon as practicable
10 after the close of each fiscal year, the administrators shall
11 prepare for the board:

12 (1) a complete sworn statement of all district money;
13 and

14 (2) a complete account of the disbursements of that
15 money. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

16 Sec. 1046.159. DEPOSITORY. (a) After advertising in the
17 manner provided by Chapter 252 and Subchapter C, Chapter 262, Local
18 Government Code, the board shall choose by competitive bidding one
19 or more banks inside or outside the district to serve as a
20 depository for district money.

21 (b) District money, other than money invested as provided by
22 Section 1046.160(b), and money transmitted to a bank for payment of
23 bonds or obligations issued or assumed by the district, shall be
24 deposited as received with the depository bank and shall remain on
25 deposit.

26 (c) This chapter, including Subsection (b), does not limit
27 the power of the board to place a part of district money on time

1 deposit or to purchase certificates of deposit.

2 (d) The district may not deposit money with a bank in an
3 amount that exceeds the maximum amount secured by the Federal
4 Deposit Insurance Corporation unless the bank first executes a bond
5 or other security in an amount sufficient to secure from loss the
6 district money that exceeds the amount secured by the Federal
7 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 275,
8 Sec. 10.)

9 Sec. 1046.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
10 Except as otherwise provided by Section 1046.108(c), Section
11 1046.161, and Subchapter E, the district may not incur an
12 obligation payable from district revenue other than the revenue on
13 hand or to be on hand in the current and following district fiscal
14 years.

15 (b) The board may invest operating, depreciation, or
16 building reserves only in funds or securities specified by Chapter
17 2256, Government Code. (Acts 66th Leg., R.S., Ch. 275, Secs. 5
18 (part), 9(b) (part).)

19 Sec. 1046.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
20 The district may incur a debt or borrow money on the credit of the
21 district or secured by any source of revenue, including district
22 taxes to be imposed in the next 12-month period, that is not pledged
23 to pay the principal of or interest on district bonds.

24 (b) The district may incur a debt or borrow money in any
25 amount at a rate not to exceed the maximum annual percentage rate
26 allowed by law for district obligations at the time the loan is made
27 and on other terms the district considers advisable. (Acts 66th

1 Leg., R.S., Ch. 275, Sec. 8A.)

2 [Sections 1046.162-1046.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Sec. 1046.201. GENERAL OBLIGATION BONDS. The board may
5 issue and sell general obligations bonds in the name and on the
6 faith and credit of the district for any purpose relating to:

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

9 (2) equipping buildings or improvements for hospital
10 purposes. (Acts 66th Leg., R.S., Ch. 275, Sec. 7(a) (part).)

11 Sec. 1046.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
12 the time general obligation bonds are issued by the district under
13 Section 1046.201, the board shall impose an ad valorem tax at a rate
14 sufficient to create an interest and sinking fund to pay the
15 principal of and interest on the bonds as the bonds mature.

16 (b) The tax required by this section together with any other
17 ad valorem tax the district imposes may not in any year exceed 75
18 cents on each \$100 valuation of all taxable property in the
19 district. (Acts 66th Leg., R.S., Ch. 275, Sec. 7(a) (part).)

20 Sec. 1046.203. GENERAL OBLIGATION BOND ELECTION. (a) The
21 district may issue general obligation bonds only if the bonds are
22 authorized by a majority of the district voters.

23 (b) The board, in ordering a bond election, shall provide
24 for clerks as in county elections and must specify:

25 (1) the date of the election;

26 (2) the location of the polling places;

27 (3) the presiding and alternate election judges for

1 each polling place;

2 (4) the amount of the bonds to be authorized; and

3 (5) the maximum maturity of the bonds.

4 (c) Notice of a bond election shall be given as provided by
5 Section 1251.003, Government Code.

6 (d) The board shall declare the results of the election.
7 (Acts 66th Leg., R.S., Ch. 275, Sec. 7(a) (part).)

8 Sec. 1046.204. MATURITY OF GENERAL OBLIGATION BONDS.
9 District general obligation bonds must mature not later than 40
10 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 275,
11 Sec. 7(c) (part).)

12 Sec. 1046.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
13 The board president shall execute the general obligation bonds in
14 the district's name.

15 (b) The board secretary shall countersign the bonds in the
16 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,
17 R.S., Ch. 275, Sec. 7(c) (part).)

18 Sec. 1046.206. REVENUE BONDS. (a) The board may issue
19 revenue bonds to:

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

22 (2) acquire sites to be used for hospital purposes.

23 (b) The bonds must be payable from and secured by a pledge of
24 all or part of the revenue derived from the operation of the
25 district's hospitals.

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

1 (d) The bonds must be issued in the manner and in accordance
2 with the procedures and requirements prescribed by Sections
3 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
4 issuance of revenue bonds by a county hospital authority. (Acts
5 66th Leg., R.S., Ch. 275, Sec. 8 (part).)

6 Sec. 1046.207. REFUNDING BONDS. (a) The board may, without
7 an election, issue refunding bonds to refund outstanding
8 indebtedness issued or assumed by the district.

9 (b) A refunding bond may be:

10 (1) sold, with the proceeds of the bond applied to the
11 payment of the outstanding indebtedness; or

12 (2) exchanged wholly or partly for not less than a
13 similar principal amount of outstanding indebtedness. (Acts 66th
14 Leg., R.S., Ch. 275, Secs. 7(a) (part), (b) (part), 8 (part).)

15 Sec. 1046.208. BONDS EXEMPT FROM TAXATION. The following
16 are exempt from taxation by this state or a political subdivision of
17 this state:

18 (1) bonds issued by the district;

19 (2) the transfer and issuance of the bonds; and

20 (3) profits made in the sale of the bonds. (Acts 66th
21 Leg., R.S., Ch. 275, Sec. 23 (part).)

22 [Sections 1046.209-1046.250 reserved for expansion]

23 SUBCHAPTER F. TAXES

24 Sec. 1046.251. IMPOSITION OF AD VALOREM TAX. (a) The board
25 may impose a tax on all property in the district subject to district
26 taxation.

27 (b) The board may impose the tax to pay:

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

3 (2) the maintenance and operating expenses of the
4 district, including improvements to district facilities.

5 (c) The district may not impose a tax to pay the principal of
6 or interest on revenue bonds issued under this chapter. (Acts 66th
7 Leg., R.S., Ch. 275, Secs. 11(a) (part), 14(a) (part).)

8 Sec. 1046.252. TAX RATE. (a) The board may impose the tax
9 at a rate not to exceed 75 cents on each \$100 valuation of taxable
10 property in the district.

11 (b) In setting the tax rate, the board shall consider the
12 income of the district from sources other than taxation. (Acts 66th
13 Leg., R.S., Ch. 275, Secs. 3(b) (part), (c) (part), 11(a) (part),
14 (b) (part).)

15 Sec. 1046.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
16 ASSESSOR-COLLECTOR. (a) This section applies unless the board
17 elects to have taxes assessed and collected under Section 1046.254.

18 (b) The tax assessor-collector of Jackson County shall
19 assess and collect taxes imposed by the district. (Acts 66th Leg.,
20 R.S., Ch. 275, Secs. 14(a) (part), (b) (part).)

21 Sec. 1046.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
22 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
23 assessed and collected by a tax assessor-collector appointed by the
24 board. An election under this subsection must be made by December 1
25 and governs the manner in which taxes are assessed and collected,
26 until changed by a similar resolution.

27 (b) The district tax assessor-collector must:

- 1 (1) reside in the district; and
- 2 (2) own real property subject to district taxation.
- 3 (c) The board shall set for the district tax
- 4 assessor-collector:
- 5 (1) the term of employment; and
- 6 (2) compensation. (Acts 66th Leg., R.S., Ch. 275,
- 7 Secs. 14(a) (part), (c) (part).)

8 CHAPTER 1047. JASPER HOSPITAL DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

- 10 Sec. 1047.001. DEFINITIONS
- 11 Sec. 1047.002. AUTHORITY FOR CREATION; JUDICIAL NOTICE
- 12 Sec. 1047.003. NATURE OF DISTRICT
- 13 Sec. 1047.004. DISTRICT TERRITORY

14 [Sections 1047.005-1047.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

- 16 Sec. 1047.051. BOARD ELECTION; TERM
- 17 Sec. 1047.052. QUALIFICATIONS FOR OFFICE
- 18 Sec. 1047.053. OATH; BOND; RECORD OF BOND AND OATH
- 19 Sec. 1047.054. BOARD VACANCY; SPECIAL ELECTION
- 20 Sec. 1047.055. OFFICERS
- 21 Sec. 1047.056. REMOVAL FROM OFFICE
- 22 Sec. 1047.057. COMPENSATION; EXPENSES
- 23 Sec. 1047.058. MEETINGS
- 24 Sec. 1047.059. VOTING REQUIREMENT
- 25 Sec. 1047.060. MAINTENANCE OF RECORDS
- 26 Sec. 1047.061. EMPLOYEES

27 [Sections 1047.062-1047.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1047.101. GENERAL POWERS

3 Sec. 1047.102. HOSPITAL SYSTEM

4 Sec. 1047.103. EMINENT DOMAIN

5 Sec. 1047.104. GIFTS AND ENDOWMENTS

6 Sec. 1047.105. CONTRACT IN NAME OF DISTRICT

7 Sec. 1047.106. CONSTRUCTION CONTRACTS

8 Sec. 1047.107. AUTHORITY TO SUE AND BE SUED

9 [Sections 1047.108-1047.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1047.151. BOOK OF ACCOUNTS; ANNUAL AUDIT

12 Sec. 1047.152. DEPOSITORY

13 Sec. 1047.153. PURCHASING AUTHORITY

14 Sec. 1047.154. PAYMENT VOUCHERS

15 [Sections 1047.155-1047.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Sec. 1047.201. BONDS

18 Sec. 1047.202. CANCELLATION OF BOND

19 Sec. 1047.203. RECORD OF BOND ISSUANCE

20 Sec. 1047.204. REFUNDING BONDS

21 Sec. 1047.205. REGISTRATION OF REFUNDING BONDS

22 Sec. 1047.206. TAX TO PAY REFUNDING BONDS

23 Sec. 1047.207. BOND PROCEEDS

24 Sec. 1047.208. BOND ELECTION EXPENSES

25 [Sections 1047.209-1047.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1047.251. IMPOSITION OF AD VALOREM TAX

1 Sec. 1047.252. TAX RATE

2 Sec. 1047.253. TAX ASSESSOR-COLLECTOR

3 [Sections 1047.254-1047.300 reserved for expansion]

4 SUBCHAPTER G. MERGER

5 Sec. 1047.301. MERGER

6 CHAPTER 1047. JASPER HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1047.001. DEFINITIONS. In this chapter:

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

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

12 (3) "District" means the Jasper Hospital District.

13 (Acts 58th Leg., R.S., Ch. 56, Sec. 1 (part); New.)

14 Sec. 1047.002. AUTHORITY FOR CREATION; JUDICIAL NOTICE.

15 (a) The district is created under Section 9, Article IX, Texas
16 Constitution, and this chapter.

17 (b) A court shall take judicial notice of the district's
18 establishment. (Acts 58th Leg., R.S., Ch. 56, Secs. 1 (part), 14(a)
19 (part).)

20 Sec. 1047.003. NATURE OF DISTRICT. The district is a
21 governmental agency. (Acts 58th Leg., R.S., Ch. 56, Sec. 14(a)
22 (part).)

23 Sec. 1047.004. DISTRICT TERRITORY. The boundaries of the
24 district are coextensive with the boundaries of County
25 Commissioners Precincts 1 and 2 of Jasper County, as those
26 boundaries existed on April 12, 1963. (Acts 58th Leg., R.S., Ch.
27 56, Sec. 1 (part).)

1 [Sections 1047.005-1047.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1047.051. BOARD ELECTION; TERM. (a) The board
4 consists of nine directors elected from the district at large.

5 (b) Unless four-year terms are established under Section
6 285.081, Health and Safety Code, directors serve two-year terms,
7 with:

8 (1) four directors elected in even-numbered years; and

9 (2) five directors elected in odd-numbered years.

10 (Acts 58th Leg., R.S., Ch. 56, Secs. 2(c) (part), 13(b).)

11 Sec. 1047.052. QUALIFICATIONS FOR OFFICE. A person may not
12 be elected or appointed as a director unless the person:

13 (1) is a district resident;

14 (2) owns land in the district subject to taxation; and

15 (3) is at least 18 years of age at the time of the
16 election. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(a).)

17 Sec. 1047.053. OATH; BOND; RECORD OF BOND AND OATH. (a)
18 Before undertaking any official duties, each director must take an
19 oath to faithfully discharge the duties of office without favor or
20 partiality.

21 (b) Each director shall give a good and sufficient bond for
22 \$1,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the
25 director's duties.

26 (c) Each director's oath shall be filed with the district
27 secretary. (Acts 58th Leg., R.S., Ch. 56, Secs. 13(k) (part), (l).)

1 Sec. 1047.054. BOARD VACANCY; SPECIAL ELECTION. (a) If a
2 vacancy occurs in the office of director, the remaining directors
3 shall appoint a director for the unexpired term.

4 (b) If the number of directors is reduced to fewer than six,
5 the remaining directors shall call a special election to fill the
6 vacancies. If the directors do not call the election within 15 days
7 after the vacancies occur, the county judge of Jasper County, on
8 petition of a county voter or creditor, shall:

9 (1) order a special election;

10 (2) set the election date;

11 (3) order a county sheriff to publish notice of the
12 election; and

13 (4) name the officers to hold the election.

14 (c) For an election ordered by the county judge:

15 (1) the election returns shall be made to and filed
16 with the county clerk's office; and

17 (2) the county clerk shall declare the results.

18 (d) Officers elected under this section shall furnish bond
19 and qualify in the same manner as a director elected in a general
20 election under this chapter. (Acts 58th Leg., R.S., Ch. 56, Sec.
21 13(c) (part).)

22 Sec. 1047.055. OFFICERS. (a) The board shall elect from
23 among its members a president and a secretary.

24 (b) Each officer of the board serves until the next
25 directors' election.

26 (c) The board shall fill a vacancy in a board office for the
27 unexpired term by appointment. (Acts 58th Leg., R.S., Ch. 56, Secs.

1 3 (part), 13(c) (part), (d) (part).)

2 Sec. 1047.056. REMOVAL FROM OFFICE. A director may be
3 removed from office in the same manner and for the same causes as
4 county officers under state law. (Acts 58th Leg., R.S., Ch. 56,
5 Sec. 13(m).)

6 Sec. 1047.057. COMPENSATION; EXPENSES. A director serves
7 without compensation but shall be reimbursed for actual expenses
8 incurred in the performance of the director's duties under this
9 chapter. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(n).)

10 Sec. 1047.058. MEETINGS. (a) The board shall:

11 (1) meet at least once a month; and

12 (2) hold special meetings as the board considers
13 necessary.

14 (b) A taxpayer, resident, or interested party:

15 (1) may attend a board meeting but may not participate
16 in a meeting without the consent of the board; and

17 (2) may present any matter to the board in an orderly
18 manner. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(e).)

19 Sec. 1047.059. VOTING REQUIREMENT. A concurrence of five
20 directors is sufficient in any matter relating to district
21 business. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(d) (part).)

22 Sec. 1047.060. MAINTENANCE OF RECORDS. (a) The board
23 shall:

24 (1) keep an account of all board meetings and
25 proceedings; and

26 (2) maintain in a safe place all district records and
27 accounts, including all contracts, notices, duplicate vouchers,

1 and duplicate receipts.

2 (b) The information described by Subsection (a) shall be
3 delivered to the board's successors in office. (Acts 58th Leg.,
4 R.S., Ch. 56, Sec. 13(f).)

5 Sec. 1047.061. EMPLOYEES. The board:

6 (1) may employ a general manager or administrator, an
7 attorney, a bookkeeper, and an architect; and

8 (2) shall employ all other employees necessary for the
9 proper handling and operation of the district. (Acts 58th Leg.,
10 R.S., Ch. 56, Sec. 13(i).)

11 [Sections 1047.062-1047.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1047.101. GENERAL POWERS. (a) The board has full
14 management and control of all district business. The board may
15 negotiate and contract with any person to purchase or lease land, to
16 construct and equip a hospital system, and to operate and maintain
17 the hospital.

18 (b) The district has the powers of government and the
19 authority to exercise the rights, privileges, and functions
20 concerning the purposes for which the district was created that are
21 conferred by this chapter and any other law in this state from which
22 the district is entitled to benefit. (Acts 58th Leg., R.S., Ch. 56,
23 Secs. 3 (part), 14(b) (part).)

24 Sec. 1047.102. HOSPITAL SYSTEM. The district may contract
25 for the purchase of land, for the hospital system, and for the
26 construction of the hospital. (Acts 58th Leg., R.S., Ch. 56, Sec.
27 14(b) (part).)

1 Sec. 1047.103. EMINENT DOMAIN. (a) The district may
2 exercise the power of eminent domain to acquire a fee simple or
3 other interest in any type of property, real, personal, or mixed,
4 located in district territory if the interest is necessary or
5 convenient for the district to exercise a right, power, privilege,
6 or function conferred on the district by this chapter.

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

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

13 (1) pay in advance or provide a bond or other security
14 for costs in the trial court;

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

17 (3) provide a bond for costs or a supersedeas bond on
18 an appeal or writ of error. (Acts 58th Leg., R.S., Ch. 56, Sec. 8.)

19 Sec. 1047.104. GIFTS AND ENDOWMENTS. The board may accept
20 for the district a gift or endowment to be held in trust by the board
21 for the purposes and under the directions, limitations, or other
22 provisions prescribed in writing by the donor that are not
23 inconsistent with the proper management and objectives of the
24 district. (Acts 58th Leg., R.S., Ch. 56, Sec. 11.)

25 Sec. 1047.105. CONTRACT IN NAME OF DISTRICT. The district
26 shall contract in the name of the district. (Acts 58th Leg., R.S.,
27 Ch. 56, Sec. 14(a) (part).)

1 Sec. 1047.106. CONSTRUCTION CONTRACTS. (a) A contract for
2 making and constructing improvements authorized by this chapter and
3 any necessary related work for which the cost exceeds \$10,000 shall
4 be awarded:

5 (1) to the lowest responsible bidder who furnishes
6 satisfactory evidence that the bidder possesses the equipment and
7 facilities essential to properly perform the contract; and

8 (2) after giving notice by:

9 (A) advertising once a week for four weeks in one
10 or more newspapers of general circulation in this state; and

11 (B) posting a notice for at least 10 days at the
12 courthouse door.

13 (b) The contract must be in writing and be signed by the
14 contractors and the directors. A copy of the signed contract shall
15 be filed with the depository and is subject to inspection by all
16 interested parties.

17 (c) The contract shall be fulfilled in accordance with the
18 specifications and under the supervision of the board and district
19 agents. (Acts 58th Leg., R.S., Ch. 56, Secs. 6(a), (c).)

20 Sec. 1047.107. AUTHORITY TO SUE AND BE SUED. The district,
21 through the board, may sue and be sued in the district's own name in
22 any court of this state. (Acts 58th Leg., R.S., Ch. 56, Sec. 14(a)
23 (part).)

24 [Sections 1047.108-1047.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 1047.151. BOOK OF ACCOUNTS; ANNUAL AUDIT. (a) The
27 board shall have kept a complete book of accounts for the district.

1 (b) On June 1 of each year, the board shall select a
2 competent auditor to examine the accounts, books, and reports of
3 the depository, the tax assessor-collector, and the board.

4 (c) The auditor shall make a full report and file a copy of
5 the report with the depository, the county clerk, and the board.

6 (d) The report must state the purposes for which money from
7 each fund was spent. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(h).)

8 Sec. 1047.152. DEPOSITORY. The board shall select a
9 depository for the district in the manner provided by law for the
10 selection of a county depository. The depository serves for two
11 years until a successor is selected and qualified. (Acts 58th Leg.,
12 R.S., Ch. 56, Sec. 9.)

13 Sec. 1047.153. PURCHASING AUTHORITY. The board may
14 purchase all necessary supplies, materials, and office equipment to
15 meet the needs of the district. (Acts 58th Leg., R.S., Ch. 56, Sec.
16 13(j).)

17 Sec. 1047.154. PAYMENT VOUCHERS. A voucher for the payment
18 of district money shall be signed by at least two directors. (Acts
19 58th Leg., R.S., Ch. 56, Sec. 13(g).)

20 [Sections 1047.155-1047.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1047.201. BONDS. The district may issue bonds to:

23 (1) purchase a site for, construct, and initially
24 equip a hospital system; and

25 (2) purchase, lease, acquire, equip, maintain, and
26 operate a hospital system. (Acts 58th Leg., R.S., Ch. 56, Sec. 1
27 (part).)

1 Sec. 1047.202. CANCELLATION OF BOND. (a) On the payment of
2 interest or for the redemption of district bonds, the depository
3 shall receive and cancel any interest coupon paid or bond
4 discharged.

5 (b) When the interest coupon or bond is delivered to the
6 board:

7 (1) the account of the depository shall be credited
8 with the amount of the coupon or bond; and

9 (2) the coupon or bond shall be canceled and
10 destroyed. (Acts 58th Leg., R.S., Ch. 56, Sec. 5(b).)

11 Sec. 1047.203. RECORD OF BOND ISSUANCE. (a) When bonds are
12 issued, the board shall procure and deliver to the county treasurer
13 a well-bound book containing a list of the following information
14 for all bonds:

15 (1) manner of payment;

16 (2) amount of the bonds;

17 (3) rate of interest;

18 (4) date of issuance;

19 (5) due date;

20 (6) location where payable;

21 (7) amount received for the bonds; and

22 (8) the tax imposed to pay the interest on and redeem
23 the bonds.

24 (b) The book described by Subsection (a) shall be open to
25 inspection at all times to taxpayers or bondholders.

26 (c) On payment of a bond, the county treasurer shall:

27 (1) enter the payment in the book described by

1 Subsection (a); and

2 (2) receive for services the same fees allowed by law
3 for recording the payment as a county clerk recording deeds. (Acts
4 58th Leg., R.S., Ch. 56, Sec. 5(c).)

5 Sec. 1047.204. REFUNDING BONDS. (a) The board may issue
6 refunding bonds to refund outstanding bonds issued by the district
7 with the consent of the holders of the bonds to be refunded.

8 (b) Before issuing refunding bonds, any sum to the credit of
9 any sinking fund account on hand shall be:

10 (1) deducted in determining the amount of refunding
11 bonds to be issued; and

12 (2) applied to the payment of the outstanding bonds.
13 (Acts 58th Leg., R.S., Ch. 56, Sec. 5(d) (part).)

14 Sec. 1047.205. REGISTRATION OF REFUNDING BONDS. (a) After
15 registration of refunding bonds, the comptroller shall:

16 (1) cancel the bonds to be refunded and the interest
17 coupons for those bonds; and

18 (2) deliver the refunding bonds to the proper party.

19 (b) Bonds to be refunded may be presented for cancellation
20 in installments with a corresponding amount of refunding bonds
21 registered and delivered as provided by this section. (Acts 58th
22 Leg., R.S., Ch. 56, Sec. 5(d) (part).)

23 Sec. 1047.206. TAX TO PAY REFUNDING BONDS. (a) Before
24 refunding bonds authorized by Section 1047.204 are delivered, the
25 board shall impose a sufficient tax to pay the principal of and
26 interest on the bonds.

27 (b) The refunding of any bonds does not affect any taxes

1 already due. (Acts 58th Leg., R.S., Ch. 56, Sec. 5(d) (part).)

2 Sec. 1047.207. BOND PROCEEDS. The directors shall promptly
3 pay over the proceeds from the sale of district bonds to the
4 depository to the credit of the district. (Acts 58th Leg., R.S.,
5 Ch. 56, Sec. 5(a) (part).)

6 Sec. 1047.208. BOND ELECTION EXPENSES. All expenses
7 incident to holding a bond election shall be paid out of any
8 district funds except the interest and sinking funds for bonds.
9 (Acts 58th Leg., R.S., Ch. 56, Sec. 7 (part).)

10 [Sections 1047.209-1047.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1047.251. IMPOSITION OF AD VALOREM TAX. (a) The
13 district may impose a tax on all property in the district subject to
14 district taxation.

15 (b) The tax may be used to:

16 (1) pay the principal of and interest on bonds
17 authorized by Section 1047.201; and

18 (2) maintain and operate a hospital or hospital
19 system. (Acts 58th Leg., R.S., Ch. 56, Sec. 1 (part).)

20 Sec. 1047.252. TAX RATE. The district may impose the tax at
21 a rate not to exceed 75 cents on each \$100 valuation of taxable
22 property in the district. (Acts 58th Leg., R.S., Ch. 56, Sec. 1
23 (part).)

24 Sec. 1047.253. TAX ASSESSOR-COLLECTOR. The tax
25 assessor-collector of Jasper County shall assess and collect taxes
26 for the district. (Acts 58th Leg., R.S., Ch. 56, Sec. 15(a)
27 (part).)

1 [Sections 1047.254-1047.300 reserved for expansion]

2 SUBCHAPTER G. MERGER

3 Sec. 1047.301. MERGER. (a) If a countywide hospital
4 district is created for Jasper County or if a district is created
5 for the territory in Jasper County that is not included in the
6 Jasper Hospital District, the board may choose to merge with the
7 newly created hospital district if:

8 (1) the newly created hospital district assumes all
9 outstanding indebtedness of the Jasper Hospital District; and

10 (2) the merger of districts is approved by the
11 majority of the voters voting at an election held by the district.

12 (b) Notice of an election under this section must be given
13 in the same manner as provided for an election to elect directors.

14 (Acts 58th Leg., R.S., Ch. 56, Sec. 16.)

15 CHAPTER 1048. KARNES COUNTY HOSPITAL DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1048.001. DEFINITIONS

18 Sec. 1048.002. AUTHORITY FOR CREATION

19 Sec. 1048.003. ESSENTIAL PUBLIC FUNCTION

20 Sec. 1048.004. DISTRICT TERRITORY

21 Sec. 1048.005. CORRECTION OF INVALID PROCEDURES

22 Sec. 1048.006. DISTRICT SUPPORT AND MAINTENANCE NOT

23 STATE OBLIGATION

24 Sec. 1048.007. RESTRICTION ON STATE FINANCIAL

25 ASSISTANCE

26 [Sections 1048.008-1048.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Sec. 1048.051. BOARD ELECTION; TERM

3 Sec. 1048.052. NOTICE OF ELECTION

4 Sec. 1048.053. QUALIFICATIONS FOR OFFICE

5 Sec. 1048.054. BOND

6 Sec. 1048.055. BOARD VACANCY

7 Sec. 1048.056. OFFICERS

8 Sec. 1048.057. COMPENSATION; EXPENSES

9 Sec. 1048.058. VOTING REQUIREMENT

10 Sec. 1048.059. DISTRICT ADMINISTRATOR

11 Sec. 1048.060. GENERAL DUTIES OF DISTRICT

12 ADMINISTRATOR

13 Sec. 1048.061. EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF

14 Sec. 1048.062. SENIORITY; RETIREMENT BENEFITS

15 [Sections 1048.063-1048.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 1048.101. DISTRICT RESPONSIBILITY

18 Sec. 1048.102. RESTRICTION ON POLITICAL SUBDIVISION

19 TAXATION AND DEBT

20 Sec. 1048.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

21 Sec. 1048.104. HOSPITAL SYSTEM

22 Sec. 1048.105. RULES

23 Sec. 1048.106. PURCHASING AND ACCOUNTING PROCEDURES

24 Sec. 1048.107. DISTRICT PROPERTY, FACILITIES, AND

25 EQUIPMENT

26 Sec. 1048.108. EMINENT DOMAIN

27 Sec. 1048.109. GIFTS AND ENDOWMENTS

- 1 Sec. 1048.110. CONSTRUCTION AND PURCHASE CONTRACTS
2 Sec. 1048.111. OPERATING AND MANAGEMENT CONTRACTS
3 Sec. 1048.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
4 FOR HOSPITAL TREATMENT
5 Sec. 1048.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
6 FOR INVESTIGATORY OR OTHER SERVICES
7 Sec. 1048.114. CARE AND TREATMENT FOR INDIGENT
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11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
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24 SUBCHAPTER E. BONDS
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27 Sec. 1048.203. BOND ELECTION

- 1 Sec. 1048.204. REVENUE BONDS
- 2 Sec. 1048.205. REFUNDING BONDS
- 3 Sec. 1048.206. ADDITIONAL MEANS OF SECURING REPAYMENT
- 4 OF BONDS
- 5 Sec. 1048.207. MATURITY OF BONDS
- 6 Sec. 1048.208. EXECUTION OF BONDS
- 7 Sec. 1048.209. USE OF BOND PROCEEDS
- 8 Sec. 1048.210. BONDS EXEMPT FROM TAXATION
- 9 [Sections 1048.211-1048.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

- 11 Sec. 1048.251. IMPOSITION OF AD VALOREM TAX
- 12 Sec. 1048.252. TAX RATE
- 13 Sec. 1048.253. TAX ASSESSOR-COLLECTOR
- 14 [Sections 1048.254-1048.300 reserved for expansion]

15 SUBCHAPTER G. DISSOLUTION

- 16 Sec. 1048.301. DISSOLUTION; ELECTION
- 17 Sec. 1048.302. NOTICE OF ELECTION
- 18 Sec. 1048.303. BALLOT
- 19 Sec. 1048.304. ELECTION RESULTS
- 20 Sec. 1048.305. TRANSFER OR ADMINISTRATION OF ASSETS
- 21 Sec. 1048.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
- 22 TAXES
- 23 Sec. 1048.307. REPORT; DISSOLUTION ORDER

24 CHAPTER 1048. KARNES COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1048.001. DEFINITIONS. In this chapter:

- 27 (1) "Board" means the board of directors of the

1 district.

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

3 (3) "District" means the Karnes County Hospital
4 District. (New.)

5 Sec. 1048.002. AUTHORITY FOR CREATION. The district is
6 created under the authority of Section 9, Article IX, Texas
7 Constitution. (Acts 61st Leg., R.S., Ch. 591, Sec. 1.)

8 Sec. 1048.003. ESSENTIAL PUBLIC FUNCTION. The district
9 performs an essential public function in carrying out the purposes
10 of this chapter. (Acts 61st Leg., R.S., Ch. 591, Sec. 22 (part).)

11 Sec. 1048.004. DISTRICT TERRITORY. The boundaries of the
12 district are coextensive with the boundaries of Karnes County.
13 (Acts 61st Leg., R.S., Ch. 591, Sec. 2.)

14 Sec. 1048.005. CORRECTION OF INVALID PROCEDURES. If a
15 court holds that any procedure under this chapter violates the
16 constitution of this state or of the United States, the district by
17 resolution may provide an alternative procedure that conforms with
18 the constitution. (Acts 61st Leg., R.S., Ch. 591, Sec. 23 (part).)

19 Sec. 1048.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
20 OBLIGATION. The support and maintenance of the district may not
21 become a charge against or obligation of this state. (Acts 61st
22 Leg., R.S., Ch. 591, Sec. 21 (part).)

23 Sec. 1048.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
24 The legislature may not make a direct appropriation for the
25 construction, maintenance, or improvement of a district facility.
26 (Acts 61st Leg., R.S., Ch. 591, Sec. 21 (part).)

27 [Sections 1048.008-1048.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Sec. 1048.051. BOARD ELECTION; TERM. (a) The board is
3 governed by seven directors elected at large by place.

4 (b) Unless four-year terms are established under Section
5 285.081, Health and Safety Code:

6 (1) directors serve two-year terms;

7 (2) an election shall be held each year on the May
8 uniform election date under Section 41.001, Election Code; and

9 (3) the terms of the directors elected to places one
10 through four expire in odd-numbered years and the terms of the
11 directors elected to places five through seven expire in
12 even-numbered years. (Acts 61st Leg., R.S., Ch. 591, Secs. 5(a),
13 (a-1) (part), (a-2).)

14 Sec. 1048.052. NOTICE OF ELECTION. Notice of an election of
15 directors shall be published in a newspaper or newspapers that
16 individually or collectively have general circulation in the
17 district in accordance with Section 4.003, Election Code. (Acts
18 61st Leg., R.S., Ch. 591, Sec. 5(a-3) (part).)

19 Sec. 1048.053. QUALIFICATIONS FOR OFFICE. (a) A person may
20 not be elected or appointed as a director unless the person is:

21 (1) a qualified voter; and

22 (2) a resident of the place for which the person is a
23 candidate.

24 (b) To be eligible to hold office on the board, a person must
25 be a resident of the place for which the person is elected, as
26 designated by the following political subdivisions:

27 (1) for place one, Falls City Common School District;

1 (2) for place two, Runge Independent School District
2 and Nordheim Independent School District;

3 (3) for places three and four, Karnes City Independent
4 School District and Nixon Independent School District; and

5 (4) for places five, six, and seven, Kenedy
6 Independent School District, Pawnee Independent School District,
7 and Pettus Independent School District.

8 (c) A person is not eligible to serve as a director if the
9 person is:

10 (1) the district administrator;

11 (2) a district employee; or

12 (3) a hospital medical staff member. (Acts 61st Leg.,
13 R.S., Ch. 591, Secs. 5(a-1) (part), (b).)

14 Sec. 1048.054. BOND. (a) Each director shall execute a
15 good and sufficient bond for \$5,000 that is:

16 (1) payable to the district; and

17 (2) conditioned on the faithful performance of the
18 director's duties.

19 (b) The district shall pay for a director's bond. (Acts
20 61st Leg., R.S., Ch. 591, Sec. 5(a-5) (part).)

21 Sec. 1048.055. BOARD VACANCY. If a vacancy occurs in the
22 office of director, the remaining directors shall appoint a
23 director for the unexpired term. (Acts 61st Leg., R.S., Ch. 591,
24 Sec. 5(a-4).)

25 Sec. 1048.056. OFFICERS. (a) The board shall elect:

26 (1) a president and a vice president from among its
27 members; and

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

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

3 (c) The board shall fill a vacancy in a board office for the
4 unexpired term. (Acts 61st Leg., R.S., Ch. 591, Sec. 5(c).)

5 Sec. 1048.057. COMPENSATION; EXPENSES. A director or
6 officer serves without compensation but may be reimbursed for
7 actual expenses incurred in the performance of official duties.
8 The expenses must be:

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

10 (2) approved by the board. (Acts 61st Leg., R.S., Ch.
11 591, Sec. 5(e).)

12 Sec. 1048.058. VOTING REQUIREMENT. A concurrence of four
13 directors is sufficient in any matter relating to district
14 business. (Acts 61st Leg., R.S., Ch. 591, Sec. 5(d) (part).)

15 Sec. 1048.059. DISTRICT ADMINISTRATOR. (a) The board may
16 appoint a qualified person as district administrator.

17 (b) The district administrator serves at the will of the
18 board and is entitled to the compensation determined by the board.
19 (Acts 61st Leg., R.S., Ch. 591, Sec. 6(d) (part).)

20 Sec. 1048.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
21 Subject to the limitations prescribed by the board, the district
22 administrator shall:

23 (1) supervise the work and activities of the district;
24 and

25 (2) direct the affairs of the district. (Acts 61st
26 Leg., R.S., Ch. 591, Sec. 6(d) (part).)

27 Sec. 1048.061. EMPLOYEES; APPOINTMENT AND DISMISSAL OF

1 STAFF. (a) The board may appoint to or dismiss from the staff the
2 physicians, dentists, and podiatrists the board determines
3 necessary for the efficient operation of the district and may make
4 temporary appointments as necessary.

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

7 (c) The board may delegate to the district administrator the
8 authority to employ district employees, including technicians and
9 nurses. (Acts 61st Leg., R.S., Ch. 591, Secs. 6(e), (f), 17.)

10 Sec. 1048.062. SENIORITY; RETIREMENT BENEFITS. The board
11 may:

12 (1) adopt rules related to the seniority of district
13 employees, including rules for a retirement plan based on
14 seniority; and

15 (2) give effect to previous years of service for
16 district employees continuously employed in the operation or
17 management of hospital facilities acquired or constructed by the
18 district. (Acts 61st Leg., R.S., Ch. 591, Sec. 6(b).)

19 [Sections 1048.063-1048.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1048.101. DISTRICT RESPONSIBILITY. (a) The district
22 has full responsibility for providing hospital care for the
23 district's indigent residents.

24 (b) The district shall provide all necessary hospital and
25 medical care for the district's needy inhabitants. (Acts 61st
26 Leg., R.S., Ch. 591, Secs. 3 (part), 20 (part).)

27 Sec. 1048.102. RESTRICTION ON POLITICAL SUBDIVISION

1 TAXATION AND DEBT. A political subdivision of this state, other
2 than the district, may not impose a tax or issue bonds or other
3 obligations for hospital purposes or to provide hospital service or
4 medical care in the district. (Acts 61st Leg., R.S., Ch. 591, Secs.
5 3 (part), 20 (part).)

6 Sec. 1048.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
7 The board shall manage, control, and administer the hospital system
8 and the district's money and resources. (Acts 61st Leg., R.S., Ch.
9 591, Sec. 6(a) (part).)

10 Sec. 1048.104. HOSPITAL SYSTEM. (a) The district has the
11 responsibility to establish a hospital or hospital system within
12 its boundaries to provide hospital and medical care to the
13 district's residents.

14 (b) The hospital system may include:

15 (1) a hospital, clinic, health facility, extended care
16 facility, outpatient facility, rehabilitation or recreation
17 facility, pharmacy, medical laboratory, dental laboratory,
18 physicians' office building, laundry facility, administrative
19 facility, or other building related to a health facility or system;

20 (2) a single or multiunit housing facility for medical
21 staff, nurses, interns, other employees of a health facility or
22 system, patients of a health facility, or relatives of patients
23 admitted for treatment or care in a health facility;

24 (3) a support facility related to a hospital project,
25 including an office building, a parking lot or other parking
26 structure, or a maintenance, safety, or utility facility, and any
27 equipment related to the support facility; and

1 (4) any other facilities the board determines
2 necessary for hospital or medical care. (Acts 61st Leg., R.S., Ch.
3 591, Secs. 3 (part), 10(a) (part).)

4 Sec. 1048.105. RULES. The board may adopt rules governing
5 the operation of the hospital, the hospital system, and the
6 district's staff and employees. (Acts 61st Leg., R.S., Ch. 591,
7 Sec. 6(c) (part).)

8 Sec. 1048.106. PURCHASING AND ACCOUNTING PROCEDURES. The
9 board may prescribe:

10 (1) the method and manner of making purchases and
11 expenditures by and for the district; and

12 (2) all accounting and control procedures. (Acts 61st
13 Leg., R.S., Ch. 591, Sec. 11 (part).)

14 Sec. 1048.107. DISTRICT PROPERTY, FACILITIES, AND
15 EQUIPMENT. (a) The board shall determine the type, number, and
16 location of buildings required to maintain an adequate hospital
17 system.

18 (b) The board may lease all or part of the district's
19 buildings and other facilities on terms considered to be in the best
20 interest of the district's inhabitants. The term of the lease may
21 not exceed 25 years.

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

1 (d) The district may sell or otherwise dispose of any
2 property, including equipment, on terms the board finds are in the
3 best interest of the district's inhabitants. (Acts 61st Leg.,
4 R.S., Ch. 591, Secs. 10(a) (part), (b) (part), (c), 11 (part).)

5 Sec. 1048.108. EMINENT DOMAIN. (a) The district may
6 exercise the power of eminent domain to acquire a fee simple or
7 other interest in any type of property located in district
8 territory if the interest is necessary for the district to exercise
9 a power, right, or privilege conferred by this chapter.

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

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

16 (1) pay in advance or provide a bond or other security
17 for costs in the trial court;

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

20 (3) provide a bond for costs or a supersedeas bond on
21 an appeal or writ of error. (Acts 61st Leg., R.S., Ch. 591, Sec.
22 15.)

23 Sec. 1048.109. GIFTS AND ENDOWMENTS. The board may accept
24 for the district a gift or endowment to be held in trust and
25 administered by the board for the purposes and under the
26 directions, limitations, or other provisions prescribed in writing
27 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 61st Leg., R.S., Ch. 591,
2 Sec. 19.)

3 Sec. 1048.110. CONSTRUCTION AND PURCHASE CONTRACTS. A
4 construction or purchase contract that involves an expenditure of
5 more than the amount provided by Section 271.024, Local Government
6 Code, must comply with the competitive bidding requirements
7 provided by Subchapter B, Chapter 271, Local Government Code.
8 (Acts 61st Leg., R.S., Ch. 591, Sec. 11 (part).)

9 Sec. 1048.111. OPERATING AND MANAGEMENT CONTRACTS. The
10 board may enter into an operating or management contract relating
11 to a district facility. (Acts 61st Leg., R.S., Ch. 591, Sec. 10(b)
12 (part).)

13 Sec. 1048.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
14 HOSPITAL TREATMENT. (a) The board may contract with a county or
15 municipality located outside the district's boundaries for the
16 hospitalization of a sick or injured person of that county or
17 municipality.

18 (b) The board may contract with this state or a federal
19 agency for the hospital treatment of a sick or injured person.
20 (Acts 61st Leg., R.S., Ch. 591, Sec. 6(g) (part).)

21 Sec. 1048.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
22 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
23 political subdivision or governmental agency for the district to
24 provide investigatory or other services as to the hospital or
25 welfare needs of district inhabitants. (Acts 61st Leg., R.S., Ch.
26 591, Sec. 6(g) (part).)

27 Sec. 1048.114. CARE AND TREATMENT FOR INDIGENT. The

1 district shall provide health care and treatment to an individual
2 determined to be indigent in accordance with policies and
3 procedures adopted by the board. (Acts 61st Leg., R.S., Ch. 591,
4 Sec. 18.)

5 Sec. 1048.115. NONPROFIT CORPORATION. (a) The district
6 may create and sponsor a nonprofit corporation under the Business
7 Organizations Code and may contribute money to or solicit money for
8 the corporation.

9 (a-1) On or before December 31, 2009, the district may
10 create and sponsor a nonprofit corporation under the Texas
11 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
12 Texas Civil Statutes) or the Business Organizations Code, as
13 applicable, and may contribute money to or solicit money for the
14 corporation.

15 (b) The corporation may use money contributed by the
16 district only to provide health care or other services the district
17 is authorized to provide under this chapter.

18 (c) The corporation may invest the corporation's money in
19 any manner in which the district may invest the district's money,
20 including investing money as authorized by Chapter 2256, Government
21 Code.

22 (d) The board shall establish controls to ensure that the
23 corporation uses its money as required by this section.

24 (e) This subsection and Subsection (a-1) expire December
25 31, 2009. (Acts 61st Leg., R.S., Ch. 591, Sec. 6A.)

26 Sec. 1048.116. AUTHORITY TO SUE AND BE SUED. (a) The
27 district, through the board, may sue and be sued.

1 (b) The district is entitled to all causes of action and
2 defenses to which similar authorities are entitled. (Acts 61st
3 Leg., R.S., Ch. 591, Sec. 6(c) (part).)

4 [Sections 1048.117-1048.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1048.151. BUDGET. (a) The district administrator
7 shall prepare an annual budget for approval by the board.

8 (b) The proposed budget must contain a complete financial
9 statement of the district, including:

10 (1) the outstanding obligations of the district;

11 (2) the cash on hand in each district fund;

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

14 (4) the money available to the district from all
15 sources during the ensuing year, with the balances expected at the
16 end of the year in which the budget is being prepared;

17 (5) the estimated revenue and balances available to
18 cover the proposed expenditures and disbursements; and

19 (6) the estimated receipts and collections for the
20 following fiscal year. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(c).)

21 Sec. 1048.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
22 The board shall hold a public hearing on the proposed annual budget.

23 (b) Not later than the 10th day before the date of the
24 hearing, notice of the hearing shall be published one time in a
25 newspaper or newspapers that individually or collectively have
26 general circulation in the district.

27 (c) Any district resident is entitled to be present and

1 participate at the hearing.

2 (d) At the conclusion of the hearing, the board shall adopt
3 a budget by acting on the budget proposed by the district
4 administrator. The board may make any changes in the proposed
5 budget that the board judges to be in the interests of the taxpayers
6 and that the law warrants. (Acts 61st Leg., R.S., Ch. 591, Secs.
7 7(d), (f) (part).)

8 Sec. 1048.153. AMENDMENTS TO BUDGET. The budget may be
9 amended as required by circumstances. The board must approve all
10 amendments. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(f) (part).)

11 Sec. 1048.154. RESTRICTION ON EXPENDITURES. Money may be
12 spent only for an expense included in the budget or an amendment to
13 the budget. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(e).)

14 Sec. 1048.155. FISCAL YEAR. (a) The district operates on a
15 fiscal year established by the board.

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

17 (1) during a period in which revenue bonds of the
18 district are outstanding; or

19 (2) more than once in a 24-month period. (Acts 61st
20 Leg., R.S., Ch. 591, Sec. 7(a).)

21 Sec. 1048.156. ANNUAL AUDIT. The board annually shall have
22 an independent audit made of the district's financial condition.
23 (Acts 61st Leg., R.S., Ch. 591, Sec. 7(b) (part).)

24 Sec. 1048.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
25 The annual audit and other district records shall be open to
26 inspection at the district's principal office. (Acts 61st Leg.,
27 R.S., Ch. 591, Sec. 7(b) (part).)

1 Sec. 1048.158. FINANCIAL REPORT. As soon as practicable
2 after the close of each fiscal year, the district administrator
3 shall prepare for the board:

4 (1) a complete sworn statement of all district money;
5 and

6 (2) a complete account of the disbursements of that
7 money. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(g).)

8 Sec. 1048.159. DEPOSITORY. (a) The board shall select one
9 or more banks in the district to serve as a depository for district
10 money.

11 (b) District money, other than money invested as provided by
12 Section 1048.160(b), and money transmitted to a bank for payment of
13 bonds or obligations issued by the district, shall be deposited as
14 received with the depository bank and shall remain on deposit.

15 (c) This chapter, including Subsection (b), does not limit
16 the power of the board to place a part of district money on time
17 deposit or to purchase certificates of deposit. (Acts 61st Leg.,
18 R.S., Ch. 591, Sec. 12.)

19 Sec. 1048.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
20 Except as otherwise provided by Section 1048.107(c) and by
21 Subchapter E, the district may not incur an obligation payable from
22 district revenue other than the revenue on hand or to be on hand in
23 the current and following district fiscal years.

24 (b) The board may invest operating, depreciation, or
25 building reserves only in funds or securities specified by Chapter
26 2256, Government Code. (Acts 61st Leg., R.S., Ch. 591, Secs. 6(a)
27 (part), 11 (part).)

1 [Sections 1048.161-1048.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 1048.201. GENERAL OBLIGATION BONDS. The board may
4 issue and sell general obligation bonds in the name and on the faith
5 and credit of the district for any purpose relating to:

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

8 (2) equipping buildings or improvements for hospital
9 system purposes. (Acts 61st Leg., R.S., Ch. 591, Sec. 8(a) (part).)

10 Sec. 1048.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
11 the time general obligation bonds are issued by the district under
12 Section 1048.201, the board shall impose an ad valorem tax at a rate
13 sufficient to create an interest and sinking fund to pay the
14 principal of and interest on the bonds as the bonds mature.

15 (b) The tax required by this section together with any other
16 ad valorem tax the district imposes may not in any year exceed the
17 limit approved by the voters at the election authorizing the
18 imposition of the tax. (Acts 61st Leg., R.S., Ch. 591, Sec. 8(a)
19 (part).)

20 Sec. 1048.203. BOND ELECTION. (a) The district may issue
21 bonds, other than refunding bonds, wholly or partly secured by an ad
22 valorem tax only if the bonds are authorized by a majority of the
23 district voters voting at an election held for that purpose.

24 (b) The order and publication of notice for the bond
25 election must be provided in accordance with Chapter 1251,
26 Government Code. (Acts 61st Leg., R.S., Ch. 591, Secs. 8(a) (part),
27 9A(b).)

1 Sec. 1048.204. REVENUE BONDS. (a) The board may issue
2 revenue bonds to:

3 (1) purchase, construct, acquire, repair, equip, or
4 renovate buildings or improvements for hospital system purposes; or

5 (2) acquire sites to be used for the hospital system.

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

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

11 (d) The bonds must be issued in the manner and in accordance
12 with the procedures and requirements prescribed by Sections
13 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
14 issuance of revenue bonds by a county hospital authority. (Acts
15 61st Leg., R.S., Ch. 591, Sec. 9 (part).)

16 Sec. 1048.205. REFUNDING BONDS. (a) The board may, without
17 an election, issue refunding bonds to refund outstanding
18 indebtedness issued or assumed by the district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bond
21 applied to the payment of the outstanding indebtedness; or

22 (2) exchanged wholly or partly for not less than a
23 similar principal amount of outstanding indebtedness. (Acts 61st
24 Leg., R.S., Ch. 591, Secs. 8(b) (part), 9 (part), 9A(b) (part).)

25 Sec. 1048.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF
26 BONDS. In addition to the authority to issue general obligation
27 bonds and revenue bonds under this subchapter, the board may

1 provide for the security and payment of district bonds from a pledge
2 of a combination of ad valorem taxes as authorized by Section
3 1048.202 and revenue and other sources as authorized by Section
4 1048.204. (Acts 61st Leg., R.S., Ch. 591, Sec. 9A(a).)

5 Sec. 1048.207. MATURITY OF BONDS. District bonds must
6 mature not later than the 40th anniversary of the date of issuance.
7 (Acts 61st Leg., R.S., Ch. 591, Sec. 8(c) (part).)

8 Sec. 1048.208. EXECUTION OF BONDS. (a) The board president
9 shall execute the district's bonds in the district's name.

10 (b) The board secretary shall countersign the bonds in the
11 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,
12 R.S., Ch. 591, Sec. 8(c) (part).)

13 Sec. 1048.209. USE OF BOND PROCEEDS. The district may use
14 the proceeds of bonds issued under this subchapter to pay:

15 (1) any expense the board determines is reasonable and
16 necessary to issue, sell, and deliver the bonds;

17 (2) interest payments on the bonds during a period of
18 acquisition or construction of a project or facility to be provided
19 through the bonds, not to exceed five years;

20 (3) costs related to the operation and maintenance of
21 a project or facility to be provided through the bonds:

22 (A) during an estimated period of acquisition or
23 construction, not to exceed five years; and

24 (B) for one year after the project or facility is
25 acquired or constructed;

26 (4) costs related to the financing of the bond funds,
27 including debt service reserve and contingency funds;

- 1 (5) costs related to the issuance of the bonds;
- 2 (6) costs related to the acquisition of land or
- 3 interests in land for a project or facility to be provided through
- 4 the bonds; and
- 5 (7) costs of construction of a project or facility to
- 6 be provided through the bonds, including the payment of related
- 7 professional services and expenses. (Acts 61st Leg., R.S., Ch.
- 8 591, Sec. 9B.)

9 Sec. 1048.210. BONDS EXEMPT FROM TAXATION. The following
10 are exempt from taxation by this state or a political subdivision of
11 this state:

- 12 (1) bonds issued by the district;
- 13 (2) the transfer and issuance of the bonds; and
- 14 (3) profits made in the sale of the bonds. (Acts 61st
- 15 Leg., R.S., Ch. 591, Sec. 22 (part).)

16 [Sections 1048.211-1048.250 reserved for expansion]

17 SUBCHAPTER F. TAXES

18 Sec. 1048.251. IMPOSITION OF AD VALOREM TAX. (a) The board
19 shall impose a tax on all property in the district subject to
20 district taxation.

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

- 22 (1) pay the interest on and create a sinking fund for
- 23 bonds and other obligations issued or assumed by the district for
- 24 hospital purposes;
- 25 (2) provide for the operation and maintenance of the
- 26 district and hospital system;
- 27 (3) make improvements and additions to the hospital

1 system; and

2 (4) acquire necessary sites for the hospital system by
3 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 591,
4 Sec. 13 (part).)

5 Sec. 1048.252. TAX RATE. (a) The board may impose the tax
6 at a rate not to exceed 75 cents on each \$100 valuation of taxable
7 property in the district.

8 (b) In setting the tax rate, the board shall consider the
9 income of the district from sources other than taxation. (Acts 61st
10 Leg., R.S., Ch. 591, Sec. 13 (part).)

11 Sec. 1048.253. TAX ASSESSOR-COLLECTOR. The board may
12 provide for the appointment of a tax assessor-collector for the
13 district or may contract for the assessment and collection of taxes
14 as provided by the Tax Code. (Acts 61st Leg., R.S., Ch. 591, Sec.
15 16(b).)

16 [Sections 1048.254-1048.300 reserved for expansion]

17 SUBCHAPTER G. DISSOLUTION

18 Sec. 1048.301. DISSOLUTION; ELECTION. (a) The district
19 may be dissolved only on approval of a majority of the district
20 voters voting in an election held for that purpose.

21 (b) The board may order an election on the question of
22 dissolving the district and disposing of the district's assets and
23 obligations.

24 (c) The board shall order an election if the board receives
25 a petition requesting an election that is signed by at least 15
26 percent of the registered voters in the district.

27 (d) The order calling the election must state:

1 (1) the nature of the election, including the
2 proposition 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) Section 41.001, Election Code, does not apply to an
7 election ordered under this section. (Acts 61st Leg., R.S., Ch.
8 591, Secs. 24A(a), (b), (c) (part) (d).)

9 Sec. 1048.302. NOTICE OF ELECTION. (a) The board shall
10 give notice of an election under this subchapter by publishing once
11 a week for two consecutive weeks a substantial copy of the election
12 order in a newspaper with general circulation in the district.

13 (b) The first publication of the notice must appear not
14 later than the 35th day before the date set for the election. (Acts
15 61st Leg., R.S., Ch. 591, Sec. 24A(e).)

16 Sec. 1048.303. BALLOT. The ballot for an election under
17 this subchapter must be printed to permit voting for or against the
18 proposition: "The dissolution of the Karnes County Hospital
19 District." (Acts 61st Leg., R.S., Ch. 591, Sec. 24A(f).)

20 Sec. 1048.304. ELECTION RESULTS. (a) If a majority of the
21 votes in an election under this subchapter favor dissolution, the
22 board shall find that the district is dissolved.

23 (b) If a majority of the votes in the election do not favor
24 dissolution, the board shall continue to administer the district
25 and another election on the question of dissolution may not be held
26 before the first anniversary of the date of the most recent election
27 to dissolve the district. (Acts 61st Leg., R.S., Ch. 591, Sec.

1 24A(g).)

2 Sec. 1048.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
3 If a majority of the votes in the election held under this
4 subchapter favor dissolution, the board shall:

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

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

11 (b) If the district makes the transfer under Subsection
12 (a)(1), the county or entity assumes all debts and obligations of
13 the district at the time of the transfer, and the district is
14 dissolved.

15 (c) If Subsection (a)(1) does not apply and the board
16 administers the property, assets, and debts of the district under
17 Subsection (a)(2), the district is dissolved when all money has
18 been disposed of and all district debts have been paid or settled.
19 (Acts 61st Leg., R.S., Ch. 591, Secs. 24A(h), (i), (j).)

20 Sec. 1048.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
21 TAXES. (a) After the board finds that the district is dissolved,
22 the board shall:

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

24 (2) impose on the property included in the district's
25 tax rolls a tax that is in proportion of the debt to the property
26 value.

27 (b) On the payment of all outstanding debts and obligations

1 of the district, the board shall order the secretary to return to
2 each district taxpayer the taxpayer's pro rata share of all unused
3 tax money.

4 (c) A taxpayer may request that the taxpayer's share of
5 surplus tax money be credited to the taxpayer's county taxes. If a
6 taxpayer requests the credit, the board shall direct the secretary
7 to transmit the money to the county tax assessor-collector. (Acts
8 61st Leg., R.S., Ch. 591, Secs. 24A(k), (l), (m).)

9 Sec. 1048.307. REPORT; DISSOLUTION ORDER. (a) After the
10 district has paid all district debts and has disposed of all
11 district money and other assets as prescribed by this subchapter,
12 the board shall file a written report with the Commissioners Court
13 of Karnes County summarizing the board's actions in dissolving the
14 district.

15 (b) Not later than the 10th day after the date the
16 Commissioners Court of Karnes County receives the report and
17 determines that the requirements of this subchapter have been
18 fulfilled, the commissioners court shall enter an order dissolving
19 the district and releasing the board from any further duty or
20 obligation. (Acts 61st Leg., R.S., Ch. 591, Secs. 24A(n), (o).)

21 CHAPTER 1049. KIMBLE COUNTY HOSPITAL DISTRICT OF KIMBLE COUNTY,

22 TEXAS

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1049.001. DEFINITIONS

25 Sec. 1049.002. AUTHORITY FOR CREATION

26 Sec. 1049.003. DISTRICT TERRITORY

1 Sec. 1049.004. DISTRICT SUPPORT AND MAINTENANCE NOT
2 STATE OBLIGATION

3 Sec. 1049.005. RESTRICTION ON STATE FINANCIAL
4 ASSISTANCE

5 [Sections 1049.006-1049.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1049.051. BOARD ELECTION; TERM

8 Sec. 1049.052. QUALIFICATIONS FOR OFFICE

9 Sec. 1049.053. BOND; RECORD OF BOND AND OATH OR
10 AFFIRMATION OF OFFICE

11 Sec. 1049.054. BOARD VACANCY

12 Sec. 1049.055. OFFICERS

13 Sec. 1049.056. COMPENSATION; EXPENSES

14 Sec. 1049.057. DISTRICT ADMINISTRATOR

15 Sec. 1049.058. EMPLOYEES

16 Sec. 1049.059. MAINTENANCE OF RECORDS; PUBLIC
17 INSPECTION

18 [Sections 1049.060-1049.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 1049.101. DISTRICT RESPONSIBILITY

21 Sec. 1049.102. RESTRICTION ON POLITICAL SUBDIVISION
22 TAXATION AND DEBT

23 Sec. 1049.103. MANAGEMENT AND CONTROL OF DISTRICT

24 Sec. 1049.104. HOSPITAL SYSTEM

25 Sec. 1049.105. RULES

26 Sec. 1049.106. PURCHASING AND ACCOUNTING PROCEDURES

27 Sec. 1049.107. EMINENT DOMAIN

1 Sec. 1049.108. GIFTS AND ENDOWMENTS

2 Sec. 1049.109. CONTRACTS FOR HEALTH CARE

3 Sec. 1049.110. PAYMENT FOR TREATMENT; PROCEDURES

4 [Sections 1049.111-1049.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1049.151. BUDGET

7 Sec. 1049.152. PROPOSED BUDGET: NOTICE AND HEARING

8 Sec. 1049.153. FISCAL YEAR

9 Sec. 1049.154. ANNUAL AUDIT

10 Sec. 1049.155. DEPOSITORY

11 Sec. 1049.156. AUTHORITY TO BORROW MONEY; SECURITY

12 [Sections 1049.157-1049.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Sec. 1049.201. BONDS

15 Sec. 1049.202. TAX TO PAY BONDS

16 Sec. 1049.203. BOND ELECTION

17 Sec. 1049.204. MATURITY OF BONDS

18 Sec. 1049.205. EXECUTION OF BONDS

19 Sec. 1049.206. REVENUE BONDS

20 [Sections 1049.207-1049.250 reserved for expansion]

21 SUBCHAPTER F. TAXES

22 Sec. 1049.251. IMPOSITION OF AD VALOREM TAX

23 Sec. 1049.252. TAX RATE

24 Sec. 1049.253. TAX ASSESSOR-COLLECTOR

25 [Sections 1049.254-1049.300 reserved for expansion]

26 SUBCHAPTER G. DISSOLUTION

27 Sec. 1049.301. DISSOLUTION; ELECTION

1 Sec. 1049.302. NOTICE OF ELECTION

2 Sec. 1049.303. BALLOT

3 Sec. 1049.304. ELECTION RESULTS

4 Sec. 1049.305. AUDIT; TRANSFER OF ASSETS AND
5 LIABILITIES

6 CHAPTER 1049. KIMBLE COUNTY HOSPITAL DISTRICT OF KIMBLE COUNTY,
7 TEXAS

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1049.001. DEFINITIONS. In this chapter:

10 (1) "Board" means the board of directors of the
11 district.

12 (2) "Commissioners court" means the Commissioners
13 Court of Kimble County.

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

15 (4) "District" means the Kimble County Hospital
16 District of Kimble County, Texas. (New.)

17 Sec. 1049.002. AUTHORITY FOR CREATION. The district is
18 created under the authority of Section 9, Article IX, Texas
19 Constitution. (Acts 62nd Leg., R.S., Ch. 873, Sec. 1.)

20 Sec. 1049.003. DISTRICT TERRITORY. The boundaries of the
21 district are coextensive with the boundaries of Kimble County.
22 (Acts 62nd Leg., R.S., Ch. 873, Sec. 2.)

23 Sec. 1049.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
24 OBLIGATION. The support and maintenance of the district's hospital
25 system and any indebtedness incurred by the district under this
26 chapter may not become a charge against or obligation of this state.
27 (Acts 62nd Leg., R.S., Ch. 873, Sec. 18 (part).)

1 Sec. 1049.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

2 The legislature may not make a direct appropriation for the
3 construction, maintenance, or improvement of a district facility.
4 (Acts 62nd Leg., R.S., Ch. 873, Sec. 18 (part).)

5 [Sections 1049.006-1049.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1049.051. BOARD ELECTION; TERM. (a) The board
8 consists of seven directors elected from the district at large.

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

10 (c) An election shall be held each year on the May uniform
11 election day prescribed by Section 41.001, Election Code, to elect
12 the appropriate number of directors. (Acts 62nd Leg., R.S., Ch.
13 873, Secs. 5(a), (d), (e), (f), (g); Acts 78th Leg., R.S., Ch. 571,
14 Sec. 4(c).)

15 Sec. 1049.052. QUALIFICATIONS FOR OFFICE. To qualify for
16 election to the board, a person must:

17 (1) be at least 18 years of age;

18 (2) have been a district resident for at least two
19 years; and

20 (3) be a qualified property tax paying voter of the
21 district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 5(b).)

22 Sec. 1049.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
23 OF OFFICE. (a) Each director shall execute a good and sufficient
24 commercial bond for \$1,000 that is:

25 (1) payable to the district; and

26 (2) conditioned on the faithful performance of the
27 director's duties.

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

2 (c) Each director's bond and constitutional oath or
3 affirmation of office shall be deposited with the district's
4 depository for safekeeping. (Acts 62nd Leg., R.S., Ch. 873, Sec.
5 6(a).)

6 Sec. 1049.054. BOARD VACANCY. If a vacancy occurs in the
7 office of director, a majority of the directors shall appoint a
8 director for the unexpired term. (Acts 62nd Leg., R.S., Ch. 873,
9 Sec. 5(h).)

10 Sec. 1049.055. OFFICERS. The board shall elect from among
11 its members a president, a secretary, and a treasurer at the first
12 meeting after each director's election. (Acts 62nd Leg., R.S., Ch.
13 873, Sec. 6(b).)

14 Sec. 1049.056. COMPENSATION; EXPENSES. A director serves
15 without compensation but is entitled to reimbursement for necessary
16 expenses incurred in the performance of official duties. (Acts
17 62nd Leg., R.S., Ch. 873, Sec. 6(c).)

18 Sec. 1049.057. DISTRICT ADMINISTRATOR. (a) The board may
19 employ a district administrator to manage the operations of the
20 hospital system.

21 (b) The district administrator may employ necessary
22 personnel to perform the services provided by the hospital system.
23 (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(e) (part).)

24 Sec. 1049.058. EMPLOYEES. The board may employ an
25 attorney, a general manager, a bookkeeper, an architect, and other
26 employees necessary for the efficient operation of the district.
27 (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(e) (part).)

1 Sec. 1049.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

2 The board shall:

3 (1) maintain all district records, including books,
4 accounts, notices, minutes, and other matters of the district and
5 its operation, at the district office; and

6 (2) make those records available for public inspection
7 at reasonable times. (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(b).)

8 [Sections 1049.060-1049.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 1049.101. DISTRICT RESPONSIBILITY. The district shall
11 provide all necessary hospital and medical care for the district's
12 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 873, Sec. 3 (part).)

13 Sec. 1049.102. RESTRICTION ON POLITICAL SUBDIVISION
14 TAXATION AND DEBT. A political subdivision of this state, other
15 than the district, may not impose a tax or issue bonds or other
16 obligations to provide hospital service or medical care in the
17 district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 3 (part).)

18 Sec. 1049.103. MANAGEMENT AND CONTROL OF DISTRICT. The
19 board has full power to manage and control the district. (Acts 62nd
20 Leg., R.S., Ch. 873, Sec. 12(a) (part).)

21 Sec. 1049.104. HOSPITAL SYSTEM. The district has the
22 responsibility to establish a hospital or hospital system within
23 its boundaries to provide hospital and medical care to the
24 district's residents. (Acts 62nd Leg., R.S., Ch. 873, Sec. 3
25 (part).)

26 Sec. 1049.105. RULES. (a) The board shall adopt rules for
27 the efficient operation of the district, including district

1 facilities.

2 (b) The board shall:

3 (1) publish the rules in book form; and

4 (2) provide copies to interested persons on request at
5 district expense. (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(c).)

6 Sec. 1049.106. PURCHASING AND ACCOUNTING PROCEDURES. The
7 board may prescribe the method of making purchases and expenditures
8 and the manner of accounting and control used by the district.
9 (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(e) (part).)

10 Sec. 1049.107. EMINENT DOMAIN. (a) The district may
11 exercise the power of eminent domain to acquire a fee simple or
12 other interest in real, personal, or mixed property located in
13 district territory if the interest is necessary or convenient for
14 the district to exercise a power or duty conferred on the district
15 by this chapter.

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

20 (c) In a condemnation proceeding, the district is not
21 required to:

22 (1) pay in advance or provide a bond or other security
23 for costs in the trial court; or

24 (2) provide a bond for costs or a supersedeas bond on
25 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 873, Sec.
26 15.)

27 Sec. 1049.108. GIFTS AND ENDOWMENTS. The board may accept

1 for the district a gift or endowment to be held in trust and
2 administered by the board under the directions, limitations, or
3 other provisions prescribed in writing by the donor that are not
4 inconsistent with the proper management of the district. (Acts
5 62nd Leg., R.S., Ch. 873, Sec. 12(f).)

6 Sec. 1049.109. CONTRACTS FOR HEALTH CARE. The board may
7 contract with any public or private entity, including a charitable
8 organization, the federal government, this state, or any political
9 subdivision, to provide health care or related services inside or
10 outside the district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(g).)

11 Sec. 1049.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A
12 person who resides in the district is entitled to receive necessary
13 medical and hospital care regardless of whether the person has the
14 ability to pay for the care and may apply to receive this care
15 without cost.

16 (b) The board or the district administrator shall employ a
17 person to investigate the ability of the patient and any relative
18 who is liable for the patient's support to pay for the medical and
19 hospital care received by the patient.

20 (c) If the investigator determines that the patient or
21 relative legally liable for the patient's support cannot pay all or
22 part of the costs of the patient's care, the expense of the care
23 becomes a charge against the district.

24 (d) If the patient or a relative legally liable for the
25 patient's support can pay for all or part of the costs of the
26 patient's care, the board shall:

27 (1) order the patient or relative to pay the district

1 each week an amount specified in the order, which must be
2 proportionate to the person's ability to pay; and

3 (2) send a billing statement charging that amount to
4 the person.

5 (e) The district may collect the amount from the patient's
6 estate, or from any relative who is liable for the patient's
7 support, in the manner provided by law for the collection of
8 expenses of the last illness of a deceased person.

9 (f) If there is a dispute as to the ability to pay, or doubt
10 in the mind of the investigator, the board shall hold a hearing and,
11 after calling witnesses, shall:

12 (1) determine the question; and

13 (2) make the proper order based on the board's
14 findings.

15 (g) A party to the hearing who is not satisfied with the
16 result of the order may appeal to the district court. The appeal is
17 de novo. (Acts 62nd Leg., R.S., Ch. 873, Sec. 14.)

18 [Sections 1049.111-1049.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1049.151. BUDGET. The board shall prepare a budget
21 that includes:

22 (1) proposed expenditures and disbursements;

23 (2) estimated receipts and collections for the next
24 fiscal year; and

25 (3) the amount of taxes required to be imposed to meet
26 the proposed budget. (Acts 62nd Leg., R.S., Ch. 873, Sec. 13(b).)

27 Sec. 1049.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)

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

2 (b) Notice of the hearing must be published at least once in
3 a newspaper of general circulation in the district not later than
4 the 11th day before the date of the hearing.

5 (c) Any person is entitled to:

6 (1) appear at the hearing; and

7 (2) be heard regarding any item in the proposed
8 budget. (Acts 62nd Leg., R.S., Ch. 873, Secs. 13(c), (d).)

9 Sec. 1049.153. FISCAL YEAR. The district's fiscal year is
10 from October 1 to September 30. (Acts 62nd Leg., R.S., Ch. 873,
11 Sec. 13(a).)

12 Sec. 1049.154. ANNUAL AUDIT. (a) The board annually shall
13 require an independent audit of the district's books and records.

14 (b) Not later than December 1 of each year, the board shall
15 file a copy of the audit with:

16 (1) the comptroller; and

17 (2) the district. (Acts 62nd Leg., R.S., Ch. 873, Sec.
18 12(d).)

19 Sec. 1049.155. DEPOSITORY. (a) The board by resolution
20 shall designate a bank in Kimble County as the district's
21 depository. A designated bank serves for two years and until a
22 successor is designated.

23 (b) All district money shall be deposited in the depository
24 and secured in the manner provided for securing county funds. (Acts
25 62nd Leg., R.S., Ch. 873, Sec. 16.)

26 Sec. 1049.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)
27 The board may borrow money at a rate not to exceed the maximum

1 annual percentage rate allowed by law for district obligations at
2 the time the loan is made.

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

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

6 (2) a district tax to be imposed by the district during
7 the 12-month period following the date of the pledge that is not
8 pledged to pay the principal of or interest on district bonds; or

9 (3) district bonds that have been authorized but not
10 sold.

11 (c) A loan for which taxes or bonds are pledged must mature
12 not later than the first anniversary of the date the loan is made. A
13 loan for which district revenue is pledged must mature not later
14 than the fifth anniversary of the date the loan is made. (Acts 62nd
15 Leg., R.S., Ch. 873, Sec. 12A.)

16 [Sections 1049.157-1049.200 reserved for expansion]

17 SUBCHAPTER E. BONDS

18 Sec. 1049.201. BONDS. The district may issue bonds to:

19 (1) purchase, construct, acquire, repair, or renovate
20 buildings and improvements; and

21 (2) equip buildings for hospital purposes. (Acts 62nd
22 Leg., R.S., Ch. 873, Secs. 9(a) (part), 10(a) (part).)

23 Sec. 1049.202. TAX TO PAY BONDS. The board may issue bonds
24 under Section 1049.201 only if the board imposes an ad valorem tax
25 at a rate sufficient to create an interest and sinking fund to pay
26 the principal of and interest on the bonds as the bonds mature.
27 (Acts 62nd Leg., R.S., Ch. 873, Sec. 10(c).)

1 Sec. 1049.203. BOND ELECTION. (a) The board may issue
2 bonds under Section 1049.201 only if the bonds are authorized by a
3 majority of district voters voting in an election held for that
4 purpose. The total face value of the bonds may not exceed the
5 amount specified in the election order.

6 (b) The board may order a bond election at any time.

7 (c) The order calling the election must include:

- 8 (1) the time of the election;
9 (2) the location of the polling places;
10 (3) the form of the ballots;
11 (4) the presiding judge for each polling place;
12 (5) the purpose of the bond issuance;
13 (6) the amount of the bonds to be authorized;
14 (7) the maximum interest rate of the bonds; and
15 (8) the maximum maturity date of the bonds.

16 (d) A substantial copy of the election order shall be
17 published in a newspaper of general circulation in the district
18 once a week for two consecutive weeks before the date of the
19 election. The first notice must be published not later than the
20 15th day before the date of the election.

21 (e) A copy of the election results must be filed with the
22 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.
23 873, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)
24 (part).)

25 Sec. 1049.204. MATURITY OF BONDS. District bonds must
26 mature not later than 40 years after the date of issuance. (Acts
27 62nd Leg., R.S., Ch. 873, Sec. 9(c).)

1 Sec. 1049.205. EXECUTION OF BONDS. (a) The board president
2 shall execute the district's bonds in the district's name.

3 (b) The board secretary shall countersign the bonds. (Acts
4 62nd Leg., R.S., Ch. 873, Sec. 10(b) (part).)

5 Sec. 1049.206. REVENUE BONDS. (a) The board may issue and
6 sell revenue bonds in the name and on the faith and credit of the
7 district to purchase, construct, acquire, repair, renovate, or
8 equip buildings or improvements for district purposes.

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

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

14 (d) The bonds must be issued in the manner provided by
15 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
16 Code, for the issuance of revenue bonds by a county hospital
17 authority. (Acts 62nd Leg., R.S., Ch. 873, Sec. 11A.)

18 [Sections 1049.207-1049.250 reserved for expansion]

19 SUBCHAPTER F. TAXES

20 Sec. 1049.251. IMPOSITION OF AD VALOREM TAX. (a) The board
21 shall impose a tax on all property in the district subject to
22 district taxation.

23 (b) The tax may be used only to:

24 (1) pay the interest on and create a sinking fund for
25 bonds issued under this chapter;

26 (2) provide for the operation and maintenance of the
27 district and hospital system;

1 (3) make improvements and additions to the hospital
2 system; or

3 (4) acquire sites for additions to the hospital
4 system. (Acts 62nd Leg., R.S., Ch. 873, Secs. 8(a) (part), (c).)

5 Sec. 1049.252. TAX RATE. The board may impose the tax at a
6 rate not to exceed 75 cents on each \$100 valuation of all taxable
7 property in the district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 8(a)
8 (part).)

9 Sec. 1049.253. TAX ASSESSOR-COLLECTOR. (a) The tax
10 assessor-collector for Kimble County shall collect taxes for the
11 district.

12 (b) The tax assessor-collector is entitled to a reasonable
13 fee that is agreed to by the district as compensation for the
14 person's services. (Acts 62nd Leg., R.S., Ch. 873, Secs. 8(d)
15 (part), (e).)

16 [Sections 1049.254-1049.300 reserved for expansion]

17 SUBCHAPTER G. DISSOLUTION

18 Sec. 1049.301. DISSOLUTION; ELECTION. (a) The district
19 may be dissolved on approval of a majority of the district voters
20 voting in an election held for that purpose.

21 (b) The commissioners court may order an election to
22 dissolve the district on its own order recorded in the minutes. The
23 commissioners court shall order the election if the commissioners
24 court receives a petition from 50 district voters.

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

26 (1) the location of the polling places;

27 (2) the form of the ballots; and

1 (3) the presiding judge for each polling place. (Acts
2 62nd Leg., R.S., Ch. 873, Secs. 19(a) (part), (b), (e).)

3 Sec. 1049.302. NOTICE OF ELECTION. (a) The commissioners
4 court shall publish a substantial copy of the election order in a
5 newspaper of general circulation in the district once a week for two
6 consecutive weeks before the date of an election under this
7 subchapter.

8 (b) The first notice must be published not later than the
9 15th day before the date of the election. (Acts 62nd Leg., R.S.,
10 Ch. 873, Sec. 19(c).)

11 Sec. 1049.303. BALLOT. The ballot for an election under
12 this subchapter must be printed to permit voting for or against the
13 proposition: "The Dissolution of Kimble County Hospital District
14 of Kimble County, Texas." (Acts 62nd Leg., R.S., Ch. 873, Sec.
15 19(f).)

16 Sec. 1049.304. ELECTION RESULTS. (a) If a majority of the
17 votes in an election under this subchapter favor dissolution, the
18 commissioners court shall, within 10 days after the date the
19 results are filed, declare the results and order the district
20 dissolved. A copy of the order shall be placed in the minutes of the
21 court, and a copy shall be sent to the board.

22 (b) If a majority of the votes are against dissolution, this
23 does not prevent the holding of other dissolution elections after
24 the passage of one year.

25 (c) A copy of the election results must be filed with the
26 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.
27 873, Secs. 19(d) (part), (g), (h).)

1 Sec. 1049.305. AUDIT; TRANSFER OF ASSETS AND LIABILITIES.

2 (a) Within 30 days after the election results are filed under
3 Section 1049.304, the commissioners court shall employ an
4 independent audit of the dissolved district's assets and
5 liabilities.

6 (b) Within 10 days after the audit is completed, the
7 commissioners court shall:

8 (1) publish a copy of the audit in a newspaper of
9 general circulation in the district; and

10 (2) by declaration:

11 (A) formally transfer the assets of the dissolved
12 district to Kimble County; and

13 (B) formally declare the county liable for all
14 debts and liabilities incurred by the dissolved district.

15 (c) The declarations shall be published in a newspaper of
16 general circulation within 10 days after the declarations are made.

17 (d) Any assets transferred to Kimble County shall be used to
18 benefit the citizens formerly in the district. (Acts 62nd Leg.,
19 R.S., Ch. 873, Secs. 19(i), (j), (k), (l).)

20 CHAPTER 1050. KNOX COUNTY HOSPITAL DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 1050.001. DEFINITIONS

23 Sec. 1050.002. AUTHORITY FOR OPERATION

24 Sec. 1050.003. POLITICAL SUBDIVISION

25 Sec. 1050.004. DISTRICT TERRITORY

26 Sec. 1050.005. CORRECTION OF INVALID PROCEDURES

27 Sec. 1050.006. PUBLIC PURPOSE; TAX EXEMPTION

1 [Sections 1050.007-1050.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1050.051. BOARD ELECTION AND APPOINTMENT; TERM

4 Sec. 1050.052. NOTICE OF ELECTION

5 Sec. 1050.053. BALLOT PETITION

6 Sec. 1050.054. QUALIFICATIONS FOR OFFICE

7 Sec. 1050.055. BOND; RECORD OF BOND AND OATH OR

8 AFFIRMATION OF OFFICE

9 Sec. 1050.056. BOARD VACANCY

10 Sec. 1050.057. DIRECTOR RIGHTS, PRIVILEGES, AND DUTIES

11 Sec. 1050.058. OFFICERS

12 Sec. 1050.059. COMPENSATION; EXPENSES

13 Sec. 1050.060. VOTING REQUIREMENT

14 Sec. 1050.061. EMPLOYEES

15 Sec. 1050.062. MAINTENANCE OF RECORDS; PUBLIC

16 INSPECTION

17 Sec. 1050.063. SEAL

18 [Sections 1050.064-1050.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 1050.101. DISTRICT RESPONSIBILITY

21 Sec. 1050.102. RESTRICTION ON COUNTY OR MUNICIPALITY

22 TAXATION AND DEBT

23 Sec. 1050.103. RULES

24 Sec. 1050.104. PURCHASING AND ACCOUNTING PROCEDURES

25 Sec. 1050.105. EMINENT DOMAIN

26 Sec. 1050.106. GIFTS AND ENDOWMENTS

27 Sec. 1050.107. PAYMENT FOR TREATMENT; PROCEDURES

1 Sec. 1050.108. AUTHORITY TO SUE AND BE SUED

2 [Sections 1050.109-1050.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1050.151. BUDGET

5 Sec. 1050.152. PROPOSED BUDGET: NOTICE AND HEARING

6 Sec. 1050.153. FISCAL YEAR

7 Sec. 1050.154. ANNUAL AUDIT

8 Sec. 1050.155. DEPOSITORY OR TREASURER

9 Sec. 1050.156. AUTHORITY TO BORROW MONEY; SECURITY

10 [Sections 1050.157-1050.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 1050.201. GENERAL OBLIGATION BONDS

13 Sec. 1050.202. TAX TO PAY GENERAL OBLIGATION BONDS

14 Sec. 1050.203. GENERAL OBLIGATION BOND ELECTION

15 Sec. 1050.204. MATURITY OF GENERAL OBLIGATION BONDS

16 Sec. 1050.205. EXECUTION OF GENERAL OBLIGATION BONDS

17 [Sections 1050.206-1050.250 reserved for expansion]

18 SUBCHAPTER F. TAXES

19 Sec. 1050.251. IMPOSITION OF AD VALOREM TAX

20 Sec. 1050.252. TAX RATE

21 Sec. 1050.253. ELECTION TO INCREASE MAXIMUM TAX RATE

22 Sec. 1050.254. TAX ASSESSOR-COLLECTOR

23 CHAPTER 1050. KNOX COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1050.001. DEFINITIONS. In this chapter:

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

27 district.

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

2 (3) "District" means the Knox County Hospital
3 District. (New.)

4 Sec. 1050.002. AUTHORITY FOR OPERATION. The district
5 operates in accordance with Section 9, Article IX, Texas
6 Constitution. (Acts 60th Leg., R.S., Ch. 241, Sec. 1 (part).)

7 Sec. 1050.003. POLITICAL SUBDIVISION. The district is a
8 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
9 241, Sec. 17 (part).)

10 Sec. 1050.004. DISTRICT TERRITORY. The boundaries of the
11 district are coextensive with the boundaries of Knox County, Texas.
12 (Acts 60th Leg., R.S., Ch. 241, Sec. 1 (part).)

13 Sec. 1050.005. CORRECTION OF INVALID PROCEDURES. If a
14 court holds that any procedure under this chapter violates the
15 constitution of this state or of the United States, the district by
16 resolution may provide an alternative procedure that conforms with
17 the constitution. (Acts 60th Leg., R.S., Ch. 241, Sec. 18 (part).)

18 Sec. 1050.006. PUBLIC PURPOSE; TAX EXEMPTION. All property
19 owned by the district:

20 (1) shall be held for public purposes; and

21 (2) is exempt from taxation of every character. (Acts
22 60th Leg., R.S., Ch. 241, Sec. 17 (part).)

23 [Sections 1050.007-1050.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1050.051. BOARD ELECTION AND APPOINTMENT; TERM. (a)
26 The district is governed by a board of seven directors as follows:

27 (1) four directors appointed by the Commissioners

1 Court of Knox County to board positions 1 through 4, with one
2 director appointed from each of the four county commissioner
3 precincts as the precincts existed on May 22, 1967; and

4 (2) three directors elected from the district at large
5 to board positions 5 through 7.

6 (b) Directors serve staggered two-year terms.

7 (c) The Commissioners Court of Knox County shall appoint two
8 successor directors on or before the first Saturday in April of each
9 year. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

10 Sec. 1050.052. NOTICE OF ELECTION. At least 10 days before
11 the date of an election of directors, notice of the election shall
12 be published one time in a newspaper of general circulation in Knox
13 County. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

14 Sec. 1050.053. BALLOT PETITION. A person who wants to have
15 the person's name printed on the ballot as a candidate for elected
16 director must file with the board secretary a petition requesting
17 that action. The petition must:

18 (1) be signed by at least 25 registered district
19 voters; and

20 (2) be filed at least 25 days before the date of the
21 election. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

22 Sec. 1050.054. QUALIFICATIONS FOR OFFICE. (a) A person is
23 not qualified for appointment or election as a director unless the
24 person:

25 (1) is a district resident;

26 (2) owns land subject to taxation by the district; and

27 (3) is at least 18 years of age at the time of the

1 appointment or election.

2 (b) A person may not be appointed as a director for a
3 commissioners precinct unless at the time of appointment the person
4 is a resident of that commissioners precinct. (Acts 60th Leg.,
5 R.S., Ch. 241, Sec. 4 (part).)

6 Sec. 1050.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
7 OF OFFICE. (a) Each director shall execute a good and sufficient
8 bond for \$1,000 that is:

9 (1) payable to the district; and

10 (2) conditioned on the faithful performance of the
11 director's duties.

12 (b) Each director's bond and constitutional oath or
13 affirmation of office shall be deposited with the district's
14 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 241,
15 Sec. 4 (part).)

16 Sec. 1050.056. BOARD VACANCY. (a) If a vacancy occurs in
17 the office of an elected director, the remaining directors shall
18 appoint a director for the unexpired term.

19 (b) If a vacancy occurs in the office of an appointed
20 director, the Commissioners Court of Knox County shall appoint a
21 director for the unexpired term. (Acts 60th Leg., R.S., Ch. 241,
22 Sec. 4 (part).)

23 Sec. 1050.057. DIRECTOR RIGHTS, PRIVILEGES, AND DUTIES.
24 The directors have identical rights, privileges, and duties in all
25 matters concerning the board's business. (Acts 60th Leg., R.S.,
26 Ch. 241, Sec. 4 (part).)

27 Sec. 1050.058. OFFICERS. The board shall elect from among

1 its members a president and a secretary. (Acts 60th Leg., R.S., Ch.
2 241, Sec. 4 (part).)

3 Sec. 1050.059. COMPENSATION; EXPENSES. A director serves
4 without compensation but may be reimbursed for actual expenses
5 incurred in the performance of official duties on approval of the
6 expenses by the board. (Acts 60th Leg., R.S., Ch. 241, Sec. 4
7 (part).)

8 Sec. 1050.060. VOTING REQUIREMENT. A concurrence of four
9 directors is sufficient in any matter relating to district
10 business. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

11 Sec. 1050.061. EMPLOYEES. The board may employ a general
12 manager, attorneys, bookkeepers, architects, or any other
13 employees considered necessary for the efficient operation of the
14 district. (Acts 60th Leg., R.S., Ch. 241, Sec. 8 (part).)

15 Sec. 1050.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
16 Except as provided by Section 1050.055, all district records,
17 including books, accounts, notices, minutes, and all other matters
18 of the district and the operation of its facilities, shall be:

- 19 (1) maintained at the district office; and
20 (2) open to public inspection at the district office
21 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 241, Sec. 8
22 (part).)

23 Sec. 1050.063. SEAL. The board may adopt a seal for the
24 district. (Acts 60th Leg., R.S., Ch. 241, Sec. 8 (part).)

25 [Sections 1050.064-1050.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1050.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for providing medical and hospital care for the
2 district's needy and indigent residents. (Acts 60th Leg., R.S.,
3 Ch. 241, Secs. 2 (part), 13 (part).)

4 Sec. 1050.102. RESTRICTION ON COUNTY OR MUNICIPALITY
5 TAXATION AND DEBT. Knox County or a municipality in Knox County may
6 not impose a tax on property in the district for hospital purposes.
7 (Acts 60th Leg., R.S., Ch. 241, Sec. 13 (part).)

8 Sec. 1050.103. RULES. (a) The board may adopt rules
9 governing the operation of the district, including district
10 facilities.

11 (b) On approval of the board, the rules may be published in
12 booklet form at district expense and made available to any taxpayer
13 on request. (Acts 60th Leg., R.S., Ch. 241, Sec. 8 (part).)

14 Sec. 1050.104. PURCHASING AND ACCOUNTING PROCEDURES. (a)
15 The board may prescribe the method and manner of making purchases
16 and expenditures by and for the district.

17 (b) The board shall prescribe:

18 (1) all accounting and control procedures; and

19 (2) the method of purchasing necessary supplies,
20 materials, and equipment. (Acts 60th Leg., R.S., Ch. 241, Sec. 8
21 (part).)

22 Sec. 1050.105. EMINENT DOMAIN. (a) The district may
23 exercise the power of eminent domain to acquire a fee simple or
24 other interest in any type of property, real, personal, or mixed,
25 located in district territory, if the interest is necessary or
26 convenient for the district to exercise a right, power, privilege,
27 or function conferred on the district by this chapter.

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

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

7 (1) pay in advance or provide a bond or other security
8 for costs in the trial court;

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

11 (3) provide a bond for costs or a supersedeas bond on
12 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 241, Sec.
13 10.)

14 Sec. 1050.106. GIFTS AND ENDOWMENTS. The board may accept
15 for the district a gift or endowment to be held in trust and
16 administered by the board for the purposes and under the
17 directions, limitations, or other provisions prescribed in writing
18 by the donor that are not inconsistent with the proper management
19 and objectives of the district. (Acts 60th Leg., R.S., Ch. 241, Sec.
20 15.)

21 Sec. 1050.107. PAYMENT FOR TREATMENT; PROCEDURES. (a)
22 When a patient who resides in the district is admitted to a district
23 facility, the board shall have an inquiry made into the
24 circumstances of:

25 (1) the patient; and

26 (2) the patient's relatives who are legally liable for
27 the patient's support.

1 (b) If an agent designated by the district to handle the
2 inquiry determines that the patient or those relatives cannot pay
3 all or part of the costs of the care and treatment in the hospital,
4 the amount of the costs that cannot be paid becomes a charge against
5 the district.

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

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

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

- 20 (1) resolve the dispute or doubt; and
21 (2) issue an appropriate order.

22 (f) Either party to the dispute may appeal the order to the
23 district court. (Acts 60th Leg., R.S., Ch. 241, Sec. 14.)

24 Sec. 1050.108. AUTHORITY TO SUE AND BE SUED. As a
25 governmental agency, the district may sue and be sued in its own
26 name in any court in this state. (Acts 60th Leg., R.S., Ch. 241,
27 Sec. 17 (part).)

1 [Sections 1050.109-1050.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 1050.151. BUDGET. The board annually shall require a
4 budget to be prepared for the next fiscal year that includes:

- 5 (1) proposed expenditures and disbursements;
6 (2) estimated receipts and collections; and
7 (3) the amount of taxes required to be imposed for the
8 year. (Acts 60th Leg., R.S., Ch. 241, Sec. 9 (part).)

9 Sec. 1050.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
10 The board shall hold a public hearing on the proposed budget.

11 (b) Notice of the hearing must be published at least once in
12 a newspaper of general circulation in Knox County not later than the
13 10th day before the date of the hearing.

14 (c) Any district taxpayer is entitled to:

15 (1) appear at the time and place designated in the
16 notice; and

17 (2) be heard regarding any item included in the
18 proposed budget. (Acts 60th Leg., R.S., Ch. 241, Sec. 9 (part).)

19 Sec. 1050.153. FISCAL YEAR. The district operates on a
20 fiscal year that begins on October 1 and ends on September 30. (Acts
21 60th Leg., R.S., Ch. 241, Sec. 9 (part).)

22 Sec. 1050.154. ANNUAL AUDIT. (a) The board annually shall
23 have an independent audit made of the district's books and records
24 for the fiscal year.

25 (b) Not later than December 31 each year, the audit shall be
26 filed:

- 27 (1) with the comptroller; and

1 (2) at the district office. (Acts 60th Leg., R.S., Ch.
2 241, Sec. 9 (part).)

3 Sec. 1050.155. DEPOSITORY OR TREASURER. (a) The board by
4 resolution shall designate a bank in Knox County as the district's
5 depository or treasurer. A designated bank serves for two years
6 until a successor is designated.

7 (b) All income received by the district shall be deposited
8 with the district depository.

9 (c) All district money shall be secured in the manner
10 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 241,
11 Secs. 5 (part), 11.)

12 Sec. 1050.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)
13 The board may borrow money at a rate of interest the board
14 determines is appropriate.

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

16 (1) district revenue that is not pledged to pay the
17 district's bonded indebtedness; or

18 (2) property acquired with the loan proceeds that is
19 not pledged to pay the district's bonded indebtedness.

20 (c) A loan authorized by this section must mature not later
21 than the fifth anniversary of the date the loan is made. (Acts 60th
22 Leg., R.S., Ch. 241, Sec. 6A.)

23 [Sections 1050.157-1050.200 reserved for expansion]

24 SUBCHAPTER E. BONDS

25 Sec. 1050.201. GENERAL OBLIGATION BONDS. The board may
26 issue and sell general obligation bonds in the name and on the faith
27 and credit of the district for any purpose relating to:

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

3 (2) equipping buildings or improvements for hospital
4 purposes. (Acts 60th Leg., R.S., Ch. 241, Sec. 6 (part).)

5 Sec. 1050.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
6 The board shall impose an ad valorem tax at a rate sufficient to
7 create an interest and sinking fund to pay the principal of and
8 interest on general obligation bonds issued by the district under
9 Section 1050.201 as the bonds mature.

10 (b) Except as provided by Section 1050.253, the tax required
11 by this section together with any other ad valorem tax the district
12 imposes may not in any year exceed 35 cents on each \$100 valuation
13 of all taxable property in the district. (Acts 60th Leg., R.S., Ch.
14 241, Sec. 6 (part).)

15 Sec. 1050.203. GENERAL OBLIGATION BOND ELECTION. (a) The
16 district may issue general obligation bonds only if the bonds are
17 authorized by a majority of the district voters voting at an
18 election held for that purpose.

19 (b) The board may order the election on its own motion.

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

- 21 (1) the date of the election;
22 (2) the location of the polling places;
23 (3) the presiding election officers;
24 (4) the purpose of the bond issuance;
25 (5) the amount of the bonds to be authorized;
26 (6) the maximum interest rate of the bonds; and
27 (7) the maximum maturity of the bonds.

1 (d) Notice of a bond election shall be given by publishing a
2 substantial copy of the order calling the election in a newspaper of
3 general circulation in Knox County once each week for two
4 consecutive weeks before the date of the election. The first
5 publication must occur at least 14 days before the date of the
6 election. (Acts 60th Leg., R.S., Ch. 241, Sec. 6 (part).)

7 Sec. 1050.204. MATURITY OF GENERAL OBLIGATION BONDS.
8 District general obligation bonds must mature not later than 40
9 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 241,
10 Sec. 6 (part).)

11 Sec. 1050.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
12 The board president shall execute the general obligation bonds in
13 the district's name.

14 (b) The board secretary shall countersign the bonds. (Acts
15 60th Leg., R.S., Ch. 241, Sec. 6 (part).)

16 [Sections 1050.206-1050.250 reserved for expansion]

17 SUBCHAPTER F. TAXES

18 Sec. 1050.251. IMPOSITION OF AD VALOREM TAX. (a) On final
19 approval of the annual budget, the board shall impose a tax on all
20 property in the district subject to district taxation.

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

22 (1) pay the interest on and create a sinking fund for
23 bonds or other obligations issued or assumed by the district for
24 hospital purposes;

25 (2) provide for the operation and maintenance of the
26 district and hospital system;

27 (3) make improvements and additions to the hospital

1 system; and

2 (4) acquire necessary sites for the hospital system by
3 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 241,
4 Secs. 5 (part), 9 (part).)

5 Sec. 1050.252. TAX RATE. The board may impose the tax at a
6 rate not to exceed 35 cents on each \$100 valuation of taxable
7 property in the district, unless the tax rate is increased as
8 provided by Section 1050.253. (Acts 60th Leg., R.S., Ch. 241, Sec.
9 5 (part).)

10 Sec. 1050.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
11 The board may order an election to increase the district's maximum
12 tax rate to a rate not to exceed 75 cents on each \$100 valuation of
13 taxable property in the district.

14 (b) The maximum tax rate may not be increased unless the
15 increase is approved by a majority of the district voters voting in
16 an election held for that purpose.

17 (c) The board may order the election on its own motion.

18 (d) The election order must specify:

- 19 (1) the date of the election;
20 (2) the location of the polling places;
21 (3) the presiding election officers; and
22 (4) the purpose of the election.

23 (e) Notice of the election shall be given by publishing a
24 substantial copy of the election order in a newspaper of general
25 circulation in Knox County once a week for two consecutive weeks
26 before the date of the election. The first publication must occur
27 at least 14 days before the date of the election. (Acts 60th Leg.,

1 R.S., Ch. 241, Sec. 5 (part).)

2 Sec. 1050.254. TAX ASSESSOR-COLLECTOR. The tax
3 assessor-collector of Knox County shall assess and collect taxes
4 imposed by the district. (Acts 60th Leg., R.S., Ch. 241, Secs. 5
5 (part), 9 (part).)

6 CHAPTER 1051. LAVACA HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1051.001. DEFINITIONS

9 Sec. 1051.002. AUTHORITY FOR OPERATION

10 Sec. 1051.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1051.004. DISTRICT TERRITORY

12 Sec. 1051.005. CORRECTION OF INVALID PROCEDURES

13 Sec. 1051.006. DISTRICT SUPPORT AND MAINTENANCE NOT
14 STATE OBLIGATION

15 Sec. 1051.007. RESTRICTION ON STATE FINANCIAL
16 ASSISTANCE

17 [Sections 1051.008-1051.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1051.051. BOARD ELECTION; TERM

20 Sec. 1051.052. NOTICE OF ELECTION

21 Sec. 1051.053. BALLOT PETITION

22 Sec. 1051.054. QUALIFICATIONS FOR OFFICE

23 Sec. 1051.055. BOARD VACANCY

24 Sec. 1051.056. OFFICERS

25 Sec. 1051.057. COMPENSATION; EXPENSES

26 Sec. 1051.058. VOTING REQUIREMENT

- 1 Sec. 1051.059. DISTRICT ADMINISTRATOR; ASSISTANT
2 ADMINISTRATOR
- 3 Sec. 1051.060. GENERAL DUTIES OF DISTRICT
4 ADMINISTRATOR
- 5 Sec. 1051.061. EMPLOYEES; APPOINTMENT OF STAFF
- 6 Sec. 1051.062. RETIREMENT BENEFITS
- 7 [Sections 1051.063-1051.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
- 9 Sec. 1051.101. DISTRICT RESPONSIBILITY
- 10 Sec. 1051.102. RESTRICTION ON POLITICAL SUBDIVISION
11 TAXATION AND DEBT
- 12 Sec. 1051.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 13 Sec. 1051.104. HOSPITAL SYSTEM
- 14 Sec. 1051.105. RULES
- 15 Sec. 1051.106. PURCHASING AND ACCOUNTING PROCEDURES
- 16 Sec. 1051.107. DISTRICT PROPERTY, FACILITIES, AND
17 EQUIPMENT
- 18 Sec. 1051.108. EMINENT DOMAIN
- 19 Sec. 1051.109. GIFTS AND ENDOWMENTS
- 20 Sec. 1051.110. CONSTRUCTION CONTRACTS
- 21 Sec. 1051.111. OPERATING AND MANAGEMENT CONTRACTS
- 22 Sec. 1051.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
23 FOR CARE AND TREATMENT
- 24 Sec. 1051.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
25 FOR INVESTIGATORY OR OTHER SERVICES
- 26 Sec. 1051.114. PAYMENT FOR TREATMENT; PROCEDURES
- 27 Sec. 1051.115. AUTHORITY TO SUE AND BE SUED

1 [Sections 1051.116-1051.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 1051.151. BUDGET

4 Sec. 1051.152. NOTICE; HEARING; ADOPTION OF BUDGET

5 Sec. 1051.153. AMENDMENTS TO BUDGET

6 Sec. 1051.154. RESTRICTION ON EXPENDITURES

7 Sec. 1051.155. FISCAL YEAR

8 Sec. 1051.156. AUDIT

9 Sec. 1051.157. INSPECTION OF AUDIT AND DISTRICT

10 RECORDS

11 Sec. 1051.158. FINANCIAL REPORT

12 Sec. 1051.159. DEPOSITORY

13 Sec. 1051.160. SPENDING AND INVESTMENT RESTRICTIONS

14 [Sections 1051.161-1051.200 reserved for expansion]

15 SUBCHAPTER E. BONDS

16 Sec. 1051.201. GENERAL OBLIGATION BONDS

17 Sec. 1051.202. TAX TO PAY GENERAL OBLIGATION BONDS

18 Sec. 1051.203. GENERAL OBLIGATION BOND ELECTION

19 Sec. 1051.204. MATURITY OF GENERAL OBLIGATION BONDS

20 Sec. 1051.205. EXECUTION OF GENERAL OBLIGATION BONDS

21 Sec. 1051.206. REVENUE BONDS

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23 Sec. 1051.208. BONDS EXEMPT FROM TAXATION

24 [Sections 1051.209-1051.250 reserved for expansion]

25 SUBCHAPTER F. TAXES

26 Sec. 1051.251. IMPOSITION OF AD VALOREM TAX

27 Sec. 1051.252. TAX RATE

1 Sec. 1051.253. ASSESSMENT AND COLLECTION BY COUNTY TAX

2 ASSESSOR-COLLECTOR

3 Sec. 1051.254. ASSESSMENT AND COLLECTION BY DISTRICT

4 TAX ASSESSOR-COLLECTOR

5 CHAPTER 1051. LAVACA HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1051.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the board of directors of the
9 district.

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

11 (3) "District" means the Lavaca Hospital District.

12 (New.)

13 Sec. 1051.002. AUTHORITY FOR OPERATION. The district
14 operates and is administered and financed in accordance with
15 Section 9, Article IX, Texas Constitution, and has the rights,
16 powers, and duties provided by this chapter. (Acts 64th Leg., R.S.,
17 Ch. 16, Sec. 1 (part).)

18 Sec. 1051.003. ESSENTIAL PUBLIC FUNCTION. The district
19 performs an essential public function in carrying out the purposes
20 of this chapter. (Acts 64th Leg., R.S., Ch. 16, Sec. 22 (part).)

21 Sec. 1051.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of the following
23 school districts, all located in Lavaca County, as those boundaries
24 existed on March 13, 1975:

25 (1) Hallettsville Independent School District,
26 including the Moravia School District No. 7;

27 (2) Ezzell School District No. 54;

1 (3) Vysehrad School District No. 29;

2 (4) the part of the Oakland-Weimar Independent School
3 Districts of Colorado County that is located in Lavaca County; and

4 (5) the part of the Provident City Independent School
5 District that is located in Lavaca County. (Acts 64th Leg., R.S.,
6 Ch. 16, Sec. 1 (part); New.)

7 Sec. 1051.005. CORRECTION OF INVALID PROCEDURES. If a
8 court holds that any procedure under this chapter violates the
9 constitution of this state or of the United States, the district by
10 resolution may provide an alternative procedure that conforms with
11 the constitution. (Acts 64th Leg., R.S., Ch. 16, Sec. 24 (part).)

12 Sec. 1051.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
13 OBLIGATION. The support and maintenance of the district may not
14 become a charge against or obligation of this state. (Acts 64th
15 Leg., R.S., Ch. 16, Sec. 21 (part).)

16 Sec. 1051.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
17 The legislature may not make a direct appropriation for the
18 construction, maintenance, or improvement of a district facility.
19 (Acts 64th Leg., R.S., Ch. 16, Sec. 21 (part).)

20 [Sections 1051.008-1051.050 reserved for expansion]

21 SUBCHAPTER B. DISTRICT ADMINISTRATION

22 Sec. 1051.051. BOARD ELECTION; TERM. (a) The board
23 consists of seven directors elected from the district at large by
24 place.

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

26 (c) An election shall be held on the uniform election date
27 in May of each even-numbered year to elect the appropriate number of

1 directors. (Acts 64th Leg., R.S., Ch. 16, Secs. 4(a) (part), (b)
2 (part).)

3 Sec. 1051.052. NOTICE OF ELECTION. Not later than the 31st
4 day before the date of an election of directors, notice of the
5 election shall be published one time in a newspaper or newspapers
6 that individually or collectively have general circulation in the
7 district. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(b) (part).)

8 Sec. 1051.053. BALLOT PETITION. A person who wants to have
9 the person's name printed on the ballot as a candidate for director
10 must file with the board secretary a petition requesting that
11 action. The petition must:

- 12 (1) be signed by at least 10 voters;
- 13 (2) specify the place for which the person is to be a
14 candidate; and
- 15 (3) be filed not later than the 31st day before the
16 date of the election. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(b)
17 (part).)

18 Sec. 1051.054. QUALIFICATIONS FOR OFFICE. (a) A person may
19 not be elected or appointed as a director unless the person is:

- 20 (1) a district resident;
- 21 (2) a freeholder; and
- 22 (3) a qualified voter.

23 (b) A person is not eligible to serve as a director if the
24 person is:

- 25 (1) the district administrator; or
- 26 (2) a district employee. (Acts 64th Leg., R.S., Ch.
27 16, Sec. 4(c).)

1 Sec. 1051.055. BOARD VACANCY. If a vacancy occurs in the
2 office of director, the remaining directors shall appoint a
3 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 16,
4 Sec. 4(b) (part).)

5 Sec. 1051.056. OFFICERS. (a) The board shall elect:

6 (1) a president and a vice president from among its
7 members; and

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

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

10 (c) The board shall fill a vacancy in a board office for the
11 unexpired term. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(d) (part).)

12 Sec. 1051.057. COMPENSATION; EXPENSES. A director or
13 officer serves without compensation but may be reimbursed for
14 actual expenses incurred in the performance of official duties.
15 The expenses must be:

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

17 (2) approved by the board. (Acts 64th Leg., R.S., Ch.
18 16, Sec. 4(d) (part).)

19 Sec. 1051.058. VOTING REQUIREMENT. A concurrence of a
20 majority of the directors is sufficient in any matter relating to
21 district business. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(d)
22 (part).)

23 Sec. 1051.059. DISTRICT ADMINISTRATOR; ASSISTANT
24 ADMINISTRATOR. (a) The board shall appoint a qualified person as
25 district administrator.

26 (b) The board may appoint an assistant administrator.

27 (c) The district administrator and any assistant

1 administrator serve at the will of the board and are entitled to the
2 compensation determined by the board.

3 (d) On assuming the duties of district administrator, the
4 administrator shall execute a bond payable to the district in an
5 amount set by the board of not less than \$5,000 that:

6 (1) is conditioned on the administrator performing the
7 administrator's duties; and

8 (2) contains other conditions the board may require.
9 (Acts 64th Leg., R.S., Ch. 16, Sec. 5 (part).)

10 Sec. 1051.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
11 Subject to the limitations prescribed by the board, the district
12 administrator shall:

13 (1) supervise the work and activities of the district;
14 and

15 (2) direct the affairs of the district. (Acts 64th
16 Leg., R.S., Ch. 16, Sec. 5 (part).)

17 Sec. 1051.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
18 board may appoint to the staff any doctors the board considers
19 necessary for the efficient operation of the district and may make
20 temporary appointments as necessary.

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

23 (c) The board may delegate to the district administrator the
24 authority to hire district employees, including technicians and
25 nurses. (Acts 64th Leg., R.S., Ch. 16, Secs. 5 (part), 17.)

26 Sec. 1051.062. RETIREMENT BENEFITS. The board may provide
27 retirement benefits for district employees by:

1 (1) establishing or administering a retirement
2 program; or

3 (2) participating in:

4 (A) the Texas County and District Retirement
5 System; or

6 (B) another statewide retirement system in which
7 the district is eligible to participate. (Acts 64th Leg., R.S., Ch.
8 16, Sec. 6.)

9 [Sections 1051.063-1051.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 1051.101. DISTRICT RESPONSIBILITY. The district has
12 full responsibility for operating all hospital facilities for
13 providing medical and hospital care for the district's needy
14 inhabitants. (Acts 64th Leg., R.S., Ch. 16, Sec. 20 (part).)

15 Sec. 1051.102. RESTRICTION ON POLITICAL SUBDIVISION
16 TAXATION AND DEBT. A political subdivision located within the
17 district may not impose a tax or issue bonds or other obligations
18 for hospital purposes or to provide medical care. (Acts 64th Leg.,
19 R.S., Ch. 16, Sec. 20 (part).)

20 Sec. 1051.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
21 The board shall manage, control, and administer the hospital system
22 and the district's money and resources. (Acts 64th Leg., R.S., Ch.
23 16, Sec. 5 (part).)

24 Sec. 1051.104. HOSPITAL SYSTEM. (a) The district shall
25 provide for the establishment of a hospital system by:

26 (1) purchasing, constructing, acquiring by gift or
27 otherwise, repairing, or renovating buildings and equipment;

- 1 (2) equipping the buildings; and
2 (3) administering the buildings and equipment for
3 hospital purposes.

4 (b) The hospital system may include:

- 5 (1) domiciliary care and treatment of the sick,
6 injured, or geriatric;
7 (2) outpatient clinics;
8 (3) dispensaries;
9 (4) convalescent home facilities;
10 (5) necessary nurses;
11 (6) domiciliaries and training centers;
12 (7) blood banks;
13 (8) community mental health centers;
14 (9) research centers or laboratories; and
15 (10) any other facilities the board considers
16 necessary for hospital care. (Acts 64th Leg., R.S., Ch. 16, Secs. 2
17 (part), 11(a) (part).)

18 Sec. 1051.105. RULES. The board may adopt rules governing
19 the operation of the hospital, the hospital system, and the
20 district's staff and employees. (Acts 64th Leg., R.S., Ch. 16, Sec.
21 5 (part).)

22 Sec. 1051.106. PURCHASING AND ACCOUNTING PROCEDURES. The
23 board may prescribe:

24 (1) the method and manner of making purchases and
25 expenditures by and for the district; and

26 (2) all accounting and control procedures. (Acts 64th
27 Leg., R.S., Ch. 16, Sec. 11(b) (part).)

1 Sec. 1051.107. DISTRICT PROPERTY, FACILITIES, AND
2 EQUIPMENT. (a) The board shall determine the type, number, and
3 location of buildings required to maintain an adequate hospital
4 system.

5 (b) The board may lease all or part of the district's
6 buildings and other facilities on terms considered to be in the best
7 interest of the district's inhabitants. The term of the lease may
8 not exceed 25 years.

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

15 (d) The district may sell or otherwise dispose of any
16 property, including equipment, on terms the board finds are in the
17 best interest of the district's inhabitants. (Acts 64th Leg.,
18 R.S., Ch. 16, Secs. 11(a) (part), (b) (part).)

19 Sec. 1051.108. EMINENT DOMAIN. (a) The district may
20 exercise the power of eminent domain to acquire a fee simple or
21 other interest in any type of property located in district
22 territory if the interest is necessary or convenient for the
23 district to exercise a power, right, or privilege conferred by this
24 chapter.

25 (b) The district must exercise the power of eminent domain
26 in the manner provided by Chapter 21, Property Code, except the
27 district is not required to deposit in the trial court money or a

1 bond as provided by Section 21.021(a), Property Code.

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

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

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

8 (3) provide a bond for costs or a supersedeas bond on
9 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 16, Sec. 15.)

10 Sec. 1051.109. GIFTS AND ENDOWMENTS. The board may accept
11 for the district a gift or endowment to be held in trust and
12 administered by the board for the purposes and under the
13 directions, limitations, or other provisions prescribed in writing
14 by the donor that are not inconsistent with the proper management
15 and objectives of the district. (Acts 64th Leg., R.S., Ch. 16, Sec.
16 19.)

17 Sec. 1051.110. CONSTRUCTION CONTRACTS. A construction
18 contract that involves the expenditure of more than \$10,000 may be
19 made only after advertising in the manner provided by Chapter 252
20 and Subchapter C, Chapter 262, Local Government Code. (Acts 64th
21 Leg., R.S., Ch. 16, Sec. 11(b) (part).)

22 Sec. 1051.111. OPERATING AND MANAGEMENT CONTRACTS. The
23 board may enter into an operating or management contract relating
24 to a district facility. (Acts 64th Leg., R.S., Ch. 16, Sec. 11(a)
25 (part).)

26 Sec. 1051.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
27 CARE AND TREATMENT. (a) The board may contract with a county or

1 municipality located outside the district's boundaries for the care
2 and treatment of a sick or injured person of that county or
3 municipality.

4 (b) The board may contract with this state or a federal
5 agency for the treatment of a sick or injured person. (Acts 64th
6 Leg., R.S., Ch. 16, Sec. 5 (part).)

7 Sec. 1051.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
8 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
9 political subdivision or governmental agency for the district
10 to provide investigatory or other services for the medical,
11 hospital, or welfare needs of district inhabitants. (Acts 64th
12 Leg., R.S., Ch. 16, Sec. 5 (part).)

13 Sec. 1051.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
14 When a patient who resides in the district is admitted to a district
15 facility, the district administrator may have an inquiry made into
16 the circumstances of:

17 (1) the patient; and

18 (2) the patient's relatives who are legally liable for
19 the patient's support.

20 (b) If the district administrator determines that the
21 patient or those relatives cannot pay all or part of the costs of
22 the care and treatment in the hospital, the amount of the costs that
23 cannot be paid becomes a charge against the district.

24 (c) If the district administrator determines that the
25 patient or those relatives can pay for all or part of the costs of
26 the patient's care and treatment, the patient or those relatives
27 shall be ordered to pay the district a specified amount each week

1 for the patient's care and support. The amount ordered must be
2 proportionate to the person's financial ability.

3 (d) The district administrator may collect the amount from
4 the patient's estate, or from any relative who is legally liable for
5 the patient's support, in the manner provided by law for the
6 collection of expenses of the last illness of a deceased person.

7 (e) If there is a dispute as to the ability to pay, or doubt
8 in the mind of the district administrator, the board shall hold a
9 hearing and, after calling witnesses, shall:

10 (1) resolve the dispute or doubt; and

11 (2) issue any appropriate orders.

12 (f) A final order of the board may be appealed to the
13 district court. The substantial evidence rule applies to the
14 appeal. (Acts 64th Leg., R.S., Ch. 16, Sec. 18.)

15 Sec. 1051.115. AUTHORITY TO SUE AND BE SUED. The district,
16 through the board, may sue and be sued. (Acts 64th Leg., R.S., Ch.
17 16, Sec. 5 (part).)

18 [Sections 1051.116-1051.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1051.151. BUDGET. (a) The district administrator
21 shall prepare an annual budget for approval by the board.

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

24 (1) the outstanding obligations of the district;

25 (2) the cash on hand in each district fund;

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

1 (4) the money available to the district from all
2 sources during the ensuing year;

3 (5) the balances expected at the end of the year in
4 which the budget is being prepared;

5 (6) the estimated revenue and balances available to
6 cover the proposed budget; and

7 (7) the estimated tax rate required. (Acts 64th Leg.,
8 R.S., Ch. 16, Sec. 7 (part).)

9 Sec. 1051.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
10 The board shall hold a public hearing on the proposed annual budget.

11 (b) Notice of the hearing must be published one time at
12 least 10 days before the date of the hearing.

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

15 (d) At the conclusion of the hearing, the board shall adopt
16 a budget by acting on the budget proposed by the district
17 administrator. The board may make any changes in the proposed
18 budget that the board judges to be in the interests of the taxpayers
19 and that the law warrants. (Acts 64th Leg., R.S., Ch. 16, Sec. 7
20 (part).)

21 Sec. 1051.153. AMENDMENTS TO BUDGET. The budget may be
22 amended as required by circumstances. The board must approve all
23 amendments. (Acts 64th Leg., R.S., Ch. 16, Sec. 7 (part).)

24 Sec. 1051.154. RESTRICTION ON EXPENDITURES. Money may be
25 spent only for an expense included in the budget or an amendment to
26 the budget. (Acts 64th Leg., R.S., Ch. 16, Sec. 7 (part).)

27 Sec. 1051.155. FISCAL YEAR. (a) The district operates on a

1 fiscal year established by the board.

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

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

5 (2) more than once in a 24-month period. (Acts 64th
6 Leg., R.S., Ch. 16, Sec. 7 (part).)

7 Sec. 1051.156. AUDIT. The board shall have an audit made of
8 the district's financial condition. (Acts 64th Leg., R.S., Ch. 16,
9 Sec. 7 (part).)

10 Sec. 1051.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
11 The audit and other district records shall be open to inspection at
12 the district's principal office. (Acts 64th Leg., R.S., Ch. 16,
13 Sec. 7 (part).)

14 Sec. 1051.158. FINANCIAL REPORT. As soon as practicable
15 after the close of each fiscal year, the district administrator
16 shall prepare for the board:

17 (1) a complete sworn statement of all district money;
18 and

19 (2) a complete account of the disbursements of that
20 money. (Acts 64th Leg., R.S., Ch. 16, Sec. 7 (part).)

21 Sec. 1051.159. DEPOSITORY. (a) The board shall select one
22 or more banks in the district to serve as a depository for district
23 money.

24 (b) District money, other than money invested as provided by
25 Section 1051.160(b), and money transmitted to a bank for payment of
26 bonds or obligations issued or assumed by the district, shall be
27 deposited as received with the depository bank and shall remain on

1 deposit.

2 (c) This chapter, including Subsection (b), does not limit
3 the power of the board to:

4 (1) place a part of district money on time deposit;

5 (2) purchase certificates of deposit; or

6 (3) invest a part of district money in a local
7 government investment pool established in the Texas Treasury
8 Safekeeping Trust Company.

9 (d) The district may not deposit money with a bank in an
10 amount that exceeds the maximum amount secured by the Federal
11 Deposit Insurance Corporation unless the bank first executes a bond
12 or other security in an amount sufficient to secure from loss the
13 district money that exceeds the amount secured by the Federal
14 Deposit Insurance Corporation. (Acts 64th Leg., R.S., Ch. 16, Sec.
15 12.)

16 Sec. 1051.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
17 Except as otherwise provided by Section 1051.107(c) and by
18 Subchapter E, the district may not incur an obligation payable from
19 district revenue other than the revenue on hand or to be on hand in
20 the current and following district fiscal years.

21 (b) The board may invest operating, depreciation, or
22 building reserves only in funds or securities specified by Chapter
23 2256, Government Code. (Acts 64th Leg., R.S., Ch. 16, Secs. 5
24 (part), 11(b) (part).)

25 [Sections 1051.161-1051.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1051.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith
2 and credit of the district for any purpose relating to:

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

5 (2) equipping buildings or improvements for hospital
6 purposes. (Acts 64th Leg., R.S., Ch. 16, Sec. 8(a) (part).)

7 Sec. 1051.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
8 the time general obligation bonds are issued by the district under
9 Section 1051.201, the board shall impose an ad valorem tax at a rate
10 sufficient to create an interest and sinking fund to pay the
11 principal of and interest on the bonds as the bonds mature.

12 (b) The tax required by this section together with any other
13 ad valorem tax the district imposes may not in any year exceed 75
14 cents on each \$100 valuation of all taxable property in the
15 district. (Acts 64th Leg., R.S., Ch. 16, Sec. 8(a) (part).)

16 Sec. 1051.203. GENERAL OBLIGATION BOND ELECTION. (a) The
17 district may issue general obligation bonds only if the bonds are
18 authorized by a majority of the district voters.

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

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the presiding and alternate election judges for
24 each polling place;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum maturity of the bonds.

27 (c) Notice of a bond election shall be given as provided by

1 Section 1251.003, Government Code. (Acts 64th Leg., R.S., Ch. 16,
2 Sec. 8(a) (part).)

3 Sec. 1051.204. MATURITY OF GENERAL OBLIGATION BONDS.
4 District general obligation bonds must mature not later than 40
5 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 16,
6 Sec. 8(c) (part).)

7 Sec. 1051.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
8 The board president shall execute the general obligation bonds in
9 the district's name.

10 (b) The board secretary shall countersign the bonds in the
11 manner provided by Chapter 618, Government Code. (Acts 64th Leg.,
12 R.S., Ch. 16, Sec. 8(c) (part).)

13 Sec. 1051.206. REVENUE BONDS. (a) The board may issue
14 revenue bonds to:

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

17 (2) acquire sites to be used for hospital purposes.

18 (b) The bonds must be payable from and secured by a pledge of
19 all or part of the revenue derived from the operation of the
20 district's hospitals.

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

23 (d) The bonds must be issued in the manner and in accordance
24 with the procedures and requirements prescribed by Sections
25 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
26 issuance of revenue bonds by a county hospital authority. (Acts
27 64th Leg., R.S., Ch. 16, Sec. 10 (part).)

1 Sec. 1051.207. REFUNDING BONDS. (a) The board may, without
2 an election, issue refunding bonds to refund outstanding
3 indebtedness issued or assumed by the district.

4 (b) A refunding bond may be:

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

7 (2) exchanged wholly or partly for not less than a
8 similar principal amount of outstanding indebtedness. (Acts 64th
9 Leg., R.S., Ch. 16, Secs. 8(a) (part), (b) (part), 10 (part).)

10 Sec. 1051.208. BONDS EXEMPT FROM TAXATION. The following
11 are exempt from taxation by this state or a political subdivision of
12 this state:

13 (1) bonds issued by the district;

14 (2) the transfer and issuance of the bonds; and

15 (3) profits made in the sale of the bonds. (Acts 64th
16 Leg., R.S., Ch. 16, Sec. 22 (part).)

17 [Sections 1051.209-1051.250 reserved for expansion]

18 SUBCHAPTER F. TAXES

19 Sec. 1051.251. IMPOSITION OF AD VALOREM TAX. (a) The board
20 shall impose a tax on all property in the district subject to
21 district taxation.

22 (b) The board shall impose the tax to pay:

23 (1) indebtedness issued or assumed by the district;
24 and

25 (2) the maintenance and operating expenses of the
26 district.

27 (c) The board may not impose a tax to pay the principal of or

1 interest on revenue bonds issued under Section 1051.206. (Acts
2 64th Leg., R.S., Ch. 16, Secs. 13 (part), 16(a) (part).)

3 Sec. 1051.252. TAX RATE. (a) The board may impose the tax
4 at a rate not to exceed 75 cents on each \$100 valuation of taxable
5 property in the district.

6 (b) In setting the tax rate, the board shall consider the
7 income of the district from sources other than taxation. (Acts 64th
8 Leg., R.S., Ch. 16, Secs. 3(b) (part), 13 (part).)

9 Sec. 1051.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
10 ASSESSOR-COLLECTOR. (a) This section applies unless the board
11 elects to have taxes assessed and collected under Section 1051.254.

12 (b) The tax assessor-collector of Lavaca County shall
13 assess and collect taxes imposed by the district. (Acts 64th Leg.,
14 R.S., Ch. 16, Secs. 16(a) (part), (b) (part).)

15 Sec. 1051.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
16 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
17 assessed and collected by a tax assessor-collector appointed by the
18 board. An election under this subsection must be made by December 1
19 and governs the manner in which taxes are assessed and collected,
20 until changed by a similar resolution.

21 (b) The district tax assessor-collector must:

22 (1) reside in the district; and

23 (2) own real property subject to district taxation.

24 (c) The board shall set for the district tax
25 assessor-collector:

26 (1) the term of employment; and

27 (2) compensation. (Acts 64th Leg., R.S., Ch. 16,

1 Secs. 16(a) (part), (c) (part).)

2 CHAPTER 1052. LOCKNEY GENERAL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1052.001. DEFINITIONS

5 Sec. 1052.002. AUTHORITY FOR CREATION

6 Sec. 1052.003. ESSENTIAL PUBLIC FUNCTION

7 Sec. 1052.004. DISTRICT TERRITORY

8 Sec. 1052.005. CORRECTION OF INVALID PROCEDURES

9 Sec. 1052.006. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 [Sections 1052.007-1052.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1052.051. BOARD ELECTION; TERM

14 Sec. 1052.052. NOTICE OF ELECTION

15 Sec. 1052.053. BALLOT PETITION

16 Sec. 1052.054. QUALIFICATIONS FOR OFFICE

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18 Sec. 1052.056. OFFICERS

19 Sec. 1052.057. COMPENSATION; EXPENSES

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21 ADMINISTRATOR

22 Sec. 1052.059. GENERAL DUTIES OF DISTRICT

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24 Sec. 1052.060. EMPLOYEES; APPOINTMENT OF STAFF

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26 SUBCHAPTER C. POWERS AND DUTIES

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20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
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2 Sec. 1052.158. DEPOSITORY

3 Sec. 1052.159. SPENDING AND INVESTMENT RESTRICTIONS

4 [Sections 1052.160-1052.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1052.201. GENERAL OBLIGATION BONDS

7 Sec. 1052.202. TAX TO PAY GENERAL OBLIGATION BONDS

8 Sec. 1052.203. GENERAL OBLIGATION BOND ELECTION

9 Sec. 1052.204. REVENUE BONDS

10 Sec. 1052.205. REFUNDING BONDS

11 Sec. 1052.206. MATURITY OF BONDS

12 Sec. 1052.207. EXECUTION OF BONDS

13 Sec. 1052.208. BONDS EXEMPT FROM TAXATION

14 [Sections 1052.209-1052.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1052.251. IMPOSITION OF AD VALOREM TAX

17 Sec. 1052.252. TAX RATE

18 Sec. 1052.253. TAX ASSESSOR-COLLECTOR

19 CHAPTER 1052. LOCKNEY GENERAL HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1052.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the
23 district.

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

25 (3) "District" means the Lockney General Hospital
26 District. (Acts 63rd Leg., R.S., Ch. 58, Sec. 1 (part); New.)

27 Sec. 1052.002. AUTHORITY FOR CREATION. The district is

1 created under the authority of Section 9, Article IX, Texas
2 Constitution. The district has the rights, powers, and duties
3 conferred by this chapter and general laws relating to hospital
4 districts. (Acts 63rd Leg., R.S., Ch. 58, Secs. 1 (part), 2
5 (part).)

6 Sec. 1052.003. ESSENTIAL PUBLIC FUNCTION. The district
7 performs an essential public function in carrying out the purposes
8 of this chapter. (Acts 63rd Leg., R.S., Ch. 58, Sec. 22 (part).)

9 Sec. 1052.004. DISTRICT TERRITORY. The boundaries of the
10 district are coextensive with the boundaries of County
11 Commissioners Precinct No. 2 of Floyd County as those boundaries
12 existed on January 1, 1973. (Acts 63rd Leg., R.S., Ch. 58, Sec. 1
13 (part).)

14 Sec. 1052.005. CORRECTION OF INVALID PROCEDURES. If a
15 court holds that any procedure under this chapter violates the
16 constitution of this state or of the United States, the district by
17 resolution may provide an alternative procedure that conforms with
18 the constitution. (Acts 63rd Leg., R.S., Ch. 58, Sec. 24 (part).)

19 Sec. 1052.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
20 OBLIGATION. The support and maintenance of the district may not
21 become a charge against or obligation of this state. (Acts 63rd
22 Leg., R.S., Ch. 58, Sec. 21 (part).)

23 [Sections 1052.007-1052.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1052.051. BOARD ELECTION; TERM. (a) The board
26 consists of five directors elected from the district at large.

27 (b) Unless four-year terms are established under Section

1 285.081, Health and Safety Code:

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

3 (2) the terms of three directors expire in
4 odd-numbered years and the terms of two directors expire in
5 even-numbered years.

6 (c) The election order must state the time, place, and
7 purpose of the election.

8 (d) A director may not serve more than three successive
9 terms. (Acts 63rd Leg., R.S., Ch. 58, Secs. 4(a) (part), (b)
10 (part).)

11 Sec. 1052.052. NOTICE OF ELECTION. At least five days
12 before the date of an election of directors, notice of the election
13 shall be published one time in a newspaper of general circulation in
14 the area of the district. (Acts 63rd Leg., R.S., Ch. 58, Sec. 4(a)
15 (part).)

16 Sec. 1052.053. BALLOT PETITION. A person who wants to have
17 the person's name printed on the ballot as a candidate for director
18 must file with the board secretary a petition requesting that
19 action. The petition must be:

20 (1) signed by at least 10 registered voters; and

21 (2) filed at least 25 days before the date of the
22 election. (Acts 63rd Leg., R.S., Ch. 58, Sec. 4(a) (part).)

23 Sec. 1052.054. QUALIFICATIONS FOR OFFICE. To be eligible
24 to hold office as a director, a person must be a resident
25 property-owning taxpaying voter of the district. (Acts 63rd Leg.,
26 R.S., Ch. 58, Sec. 4(b) (part).)

27 Sec. 1052.055. BOARD VACANCY. If a vacancy occurs in the

1 office of director, the remaining directors by majority vote shall
2 appoint a director for the unexpired term. (Acts 63rd Leg., R.S.,
3 Ch. 58, Sec. 4(a) (part).)

4 Sec. 1052.056. OFFICERS. (a) The board shall elect from
5 among its members a president, vice president, secretary, and other
6 officers as in the judgment of the board are necessary.

7 (b) The president is the chief executive officer of the
8 district and has the same right to vote as any other director.

9 (c) If the president is absent or fails and declines to act,
10 the vice president shall perform the president's duties and
11 exercise the president's powers under this chapter. (Acts 63rd
12 Leg., R.S., Ch. 58, Sec. 4(b) (part).)

13 Sec. 1052.057. COMPENSATION; EXPENSES. A director serves
14 without compensation but may receive actual expenses incurred in
15 attending to district business on approval of the expenses by the
16 remainder of the board. (Acts 63rd Leg., R.S., Ch. 58, Sec. 4(b)
17 (part).)

18 Sec. 1052.058. DISTRICT ADMINISTRATOR; ASSISTANT
19 ADMINISTRATOR. (a) The board shall appoint a qualified person as
20 district administrator.

21 (b) The board may appoint an assistant administrator.

22 (c) The district administrator and any assistant
23 administrator serve at the will of the board and are entitled to the
24 compensation determined by the board.

25 (d) On assuming the duties of district administrator, the
26 administrator shall execute a bond payable to the district in an
27 amount set by the board of not less than \$5,000 that:

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

3 (2) contains other conditions the board may require.
4 (Acts 63rd Leg., R.S., Ch. 58, Sec. 5 (part).)

5 Sec. 1052.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
6 Subject to the limitations prescribed by the board, the district
7 administrator shall:

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

10 (2) direct the affairs of the district. (Acts 63rd
11 Leg., R.S., Ch. 58, Sec. 5 (part).)

12 Sec. 1052.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
13 board may appoint to the staff any doctors the board considers
14 necessary for the efficient operation of the district and may make
15 temporary appointments as necessary.

16 (b) The board shall determine the type, number, and location
17 of district employees required to maintain an adequate hospital
18 system. The board may employ fiscal agents, accountants,
19 architects, attorneys, and other employees the board considers
20 proper.

21 (c) The board may delegate to the district administrator the
22 authority to hire district employees, including technicians and
23 nurses. (Acts 63rd Leg., R.S., Ch. 58, Secs. 5 (part), 10(a)
24 (part), 17.)

25 [Sections 1052.061-1052.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1052.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for providing hospital care for the district's
2 indigent residents. (Acts 63rd Leg., R.S., Ch. 58, Sec. 20 (part).)

3 Sec. 1052.102. RESTRICTION ON POLITICAL SUBDIVISION
4 TAXATION AND DEBT. A political subdivision located within the
5 district may not impose a tax or issue bonds or other obligations
6 for hospital purposes for the area of the district or to provide
7 medical care for district inhabitants. (Acts 63rd Leg., R.S., Ch.
8 58, Sec. 20 (part).)

9 Sec. 1052.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

10 (a) The board shall manage, control, and administer the hospital
11 system and the district's money and resources.

12 (b) Unless specifically stated otherwise in this chapter,
13 the board has the power to do anything which, in their opinion, is
14 necessary for the good maintenance, operation, and welfare of the
15 district and the district's employees, patients, and property.
16 (Acts 63rd Leg., R.S., Ch. 58, Secs. 5 (part), 21 (part).)

17 Sec. 1052.104. HOSPITAL SYSTEM. (a) The district shall
18 provide for the establishment of a hospital system by:

19 (1) purchasing, constructing, acquiring, repairing,
20 or renovating buildings and equipment;

21 (2) equipping the buildings; and

22 (3) administering the buildings and equipment for
23 hospital purposes.

24 (b) The hospital system may include:

25 (1) facilities for domiciliary care of the sick,
26 injured, or geriatric;

27 (2) facilities for outpatient clinics;

- 1 (3) dispensaries;
- 2 (4) convalescent home facilities;
- 3 (5) necessary nurses' domiciliaries and training
- 4 centers;
- 5 (6) blood banks;
- 6 (7) research centers or laboratories; and
- 7 (8) ambulances and other facilities or services the
- 8 board considers necessary for hospital care. (Acts 63rd Leg.,
- 9 R.S., Ch. 58, Secs. 2 (part), 10(a) (part).)

10 Sec. 1052.105. RULES. The board may adopt rules governing

11 the operation of the hospital, the hospital system, and the

12 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 58, Sec.

13 5 (part).)

14 Sec. 1052.106. PURCHASING AND ACCOUNTING PROCEDURES. The

15 board may prescribe:

16 (1) the method and manner of making purchases and

17 expenditures by and for the district; and

18 (2) all accounting and control procedures. (Acts 63rd

19 Leg., R.S., Ch. 58, Sec. 11 (part).)

20 Sec. 1052.107. DISTRICT PROPERTY, FACILITIES, AND

21 EQUIPMENT. (a) The board shall determine the type of equipment and

22 the type, number, and location of buildings required to maintain an

23 adequate hospital system.

24 (b) The board may lease all or part of the district's

25 buildings and other facilities on terms considered to be in the best

26 interest of the district's inhabitants. The term of the lease may

27 not exceed 25 years.

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

7 (d) The district may sell or otherwise dispose of any
8 property, including equipment, on terms the board finds are in the
9 best interest of the district's inhabitants. The board may not sell
10 or dispose of any real property unless the board affirmatively
11 finds that the real property is not needed for the operation of the
12 hospital system. (Acts 63rd Leg., R.S., Ch. 58, Secs. 10(a) (part),
13 (b) (part), 11 (part).)

14 Sec. 1052.108. EMINENT DOMAIN. (a) The district may
15 exercise the power of eminent domain to acquire a fee simple or
16 other interest in any type of property located in district
17 territory if the interest is necessary for the district to exercise
18 a power, right, or privilege conferred by this chapter.

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

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

25 (1) pay in advance or provide a bond or other security
26 for costs in the trial court;

27 (2) provide a bond for the issuance of a temporary

1 restraining order or a temporary injunction; or

2 (3) provide a bond for costs or a supersedeas bond on
3 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 58, Sec. 15.)

4 Sec. 1052.109. GIFTS AND ENDOWMENTS. The board may accept
5 for the district a gift or endowment for hospital purposes to be
6 held in trust and administered by the board for the purposes and
7 under the directions, limitations, or other provisions prescribed
8 in writing by the donor that are not inconsistent with the proper
9 management and objectives of the district. (Acts 63rd Leg., R.S.,
10 Ch. 58, Sec. 19.)

11 Sec. 1052.110. CONSTRUCTION CONTRACTS. A construction
12 contract that involves the expenditure of more than \$2,000 may be
13 made only after advertising in the manner provided by Chapter 252
14 and Subchapter C, Chapter 262, Local Government Code. (Acts 63rd
15 Leg., R.S., Ch. 58, Sec. 11 (part).)

16 Sec. 1052.111. OPERATING AND MANAGEMENT CONTRACTS. The
17 board may enter into an operating or management contract relating
18 to a district facility. (Acts 63rd Leg., R.S., Ch. 58, Sec. 10(b)
19 (part).)

20 Sec. 1052.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
21 CARE AND TREATMENT. (a) The board may contract with a county or
22 municipality located outside the district's boundaries for the care
23 and treatment of a sick or injured person of that county or
24 municipality.

25 (b) The board may contract with this state or a federal
26 agency for the treatment of a sick or injured person. (Acts 63rd
27 Leg., R.S., Ch. 58, Sec. 5 (part).)

1 Sec. 1052.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
2 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
3 political subdivision or governmental agency for the district to
4 provide investigatory or other services for the medical, hospital,
5 or welfare needs of district inhabitants. (Acts 63rd Leg., R.S.,
6 Ch. 58, Sec. 5 (part).)

7 Sec. 1052.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
8 When a patient who resides in the district is admitted to a district
9 facility, the district administrator may have an inquiry made into
10 the circumstances of:

11 (1) the patient; and

12 (2) the patient's relatives who are legally liable for
13 the patient's support.

14 (b) If the district administrator determines that the
15 patient or those relatives cannot pay all or part of the costs of
16 the care and treatment in the hospital, the amount of the costs that
17 cannot be paid becomes a charge against the district.

18 (c) If the district administrator determines that the
19 patient or those relatives can pay for all or part of the costs of
20 the patient's care and treatment, the patient or those relatives
21 shall be ordered to pay the district a specified amount each week
22 for the patient's care and support. The amount ordered must be
23 proportionate to the person's financial ability.

24 (d) The district administrator may collect the amount from
25 the patient's estate, or from any relative who is legally liable for
26 the patient's support, in the manner provided by law for the
27 collection of expenses of the last illness of a deceased person.

1 (e) If there is a dispute as to the ability to pay, or doubt
2 in the mind of the district administrator, the board shall hold a
3 hearing and, after calling witnesses, shall:

- 4 (1) resolve the dispute or doubt; and
5 (2) issue any appropriate orders.

6 (f) The final order of the board may be appealed to the
7 district court. The substantial evidence rule applies to the
8 appeal. (Acts 63rd Leg., R.S., Ch. 58, Sec. 18.)

9 Sec. 1052.115. AUTHORITY TO SUE AND BE SUED. The district,
10 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.
11 58, Sec. 5 (part).)

12 [Sections 1052.116-1052.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 1052.151. BUDGET. (a) The district administrator
15 shall prepare an annual budget for approval by the board.

16 (b) The proposed budget must contain a complete financial
17 statement of:

- 18 (1) the outstanding obligations of the district;
19 (2) the cash on hand in each district fund;
20 (3) the money received by the district from all
21 sources during the previous year;
22 (4) the money available to the district from all
23 sources during the ensuing year;
24 (5) the balances expected at the end of the year in
25 which the budget is being prepared;
26 (6) the estimated revenue and balances available to
27 cover the proposed budget;

1 (7) the estimated tax rate required; and

2 (8) the proposed expenditures and disbursements and
3 the estimated receipts and collections for the following fiscal
4 year. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(a) (part).)

5 Sec. 1052.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
6 The board shall hold a public hearing on the proposed annual budget.

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

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

13 (d) At the conclusion of the hearing, the board shall adopt
14 a final budget by acting on the budget proposed by the district
15 administrator. The board may make any changes in the proposed
16 budget that the board judges to be in the interests of the
17 taxpayers and that the law warrants. (Acts 63rd Leg., R.S., Ch. 58,
18 Secs. 6(a) (part), (b) (part).)

19 Sec. 1052.153. AMENDMENTS TO BUDGET. The budget may be
20 amended as required by circumstances. The board must approve all
21 amendments. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(b) (part).)

22 Sec. 1052.154. FISCAL YEAR. (a) The district operates on a
23 fiscal year established by the board.

24 (b) The fiscal year may not be changed more than once in a
25 24-month period. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(a) (part).)

26 Sec. 1052.155. AUDIT. (a) The board shall have an
27 independent audit made of the district's financial condition for

1 the fiscal year.

2 (b) As soon as the audit is completed, the audit shall be
3 filed at the district's principal office. (Acts 63rd Leg., R.S.,
4 Ch. 58, Sec. 6(a) (part).)

5 Sec. 1052.156. INSPECTION OF AUDIT AND DISTRICT RECORDS.
6 The audit and other district records shall be open to inspection at
7 the district's principal office. (Acts 63rd Leg., R.S., Ch. 58,
8 Sec. 6(a) (part).)

9 Sec. 1052.157. FINANCIAL REPORT. As soon as practicable
10 after the close of each fiscal year, the district administrator
11 shall prepare for the board:

12 (1) a complete sworn statement of all district money;
13 and

14 (2) a complete account of the disbursements of that
15 money. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(b) (part).)

16 Sec. 1052.158. DEPOSITORY. (a) The board shall select one
17 or more banks inside or outside the district to serve as a
18 depository for district money.

19 (b) District money, other than money invested as provided by
20 Section 1052.159(b), and money transmitted to a bank for payment of
21 bonds or obligations issued or assumed by the district, shall be
22 deposited as received with the depository bank and shall remain on
23 deposit.

24 (c) This chapter, including Subsection (b), does not limit
25 the power of the board to place a part of district money on time
26 deposit or to purchase certificates of deposit. (Acts 63rd Leg.,
27 R.S., Ch. 58, Sec. 12.)

1 Sec. 1052.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)
2 Except as otherwise provided by Section 1052.107(c) and by
3 Subchapter E, the district may not incur an obligation payable from
4 district revenue other than the revenue on hand or to be on hand in
5 the current and following district fiscal years.

6 (b) The board may invest operating, depreciation, or
7 building reserves only in funds or securities specified by Chapter
8 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 58, Secs. 5
9 (part), 11 (part).)

10 [Sections 1052.160-1052.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 1052.201. GENERAL OBLIGATION BONDS. The board may
13 issue and sell general obligation bonds in the name and on the faith
14 and credit of the district for any purpose relating to:

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

17 (2) equipping buildings or improvements for hospital
18 purposes. (Acts 63rd Leg., R.S., Ch. 58, Sec. 7 (part).)

19 Sec. 1052.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
20 the time general obligation bonds are issued by the district under
21 Section 1052.201, the board shall impose an ad valorem tax at a rate
22 sufficient to create an interest and sinking fund to pay the
23 principal of and interest on the bonds as the bonds mature.

24 (b) The tax required by this section together with any other
25 ad valorem tax the district imposes may not in any year exceed the
26 tax rate approved by the voters at the election authorizing the
27 imposition of the tax. (Acts 63rd Leg., R.S., Ch. 58, Sec. 7

1 (part).)

2 Sec. 1052.203. GENERAL OBLIGATION BOND ELECTION. (a) The
3 district may issue general obligation bonds only if the bonds are
4 authorized by a majority of the district voters.

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

7 (1) the date of the election;

8 (2) the location of the polling places;

9 (3) the presiding and alternate election judges for
10 each polling place;

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

12 (5) the maximum maturity of the bonds; and

13 (6) the maximum interest rate of the bonds.

14 (c) Notice of a bond election shall be given as provided by
15 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 58,
16 Sec. 7 (part).)

17 Sec. 1052.204. REVENUE BONDS. (a) The board may, without
18 an election, issue revenue bonds to:

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

21 (2) acquire sites to be used for hospital purposes.

22 (b) The bonds must be payable from and secured by a pledge of
23 all or part of the revenue derived from the operation of the
24 district's hospitals.

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

27 (d) The bonds must be issued in the manner and in accordance

1 with the procedures and requirements prescribed by Sections
2 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
3 issuance of revenue bonds by a county hospital authority. (Acts
4 63rd Leg., R.S., Ch. 58, Secs. 7 (part), 8(b) (part).)

5 Sec. 1052.205. REFUNDING BONDS. (a) The board may, without
6 an election, issue refunding bonds to refund outstanding
7 indebtedness issued or assumed by the district.

8 (b) A refunding bond may be:

9 (1) sold, with the proceeds of the refunding bond
10 applied to the payment of the outstanding indebtedness; or

11 (2) exchanged wholly or partly for not less than a
12 similar principal amount of outstanding indebtedness. (Acts 63rd
13 Leg., R.S., Ch. 58, Secs. 7 (part), 8(a) (part), (b) (part).)

14 Sec. 1052.206. MATURITY OF BONDS. District bonds must
15 mature not later than 40 years after the date of issuance. (Acts
16 63rd Leg., R.S., Ch. 58, Sec. 9 (part).)

17 Sec. 1052.207. EXECUTION OF BONDS. (a) The board president
18 shall execute the district's bonds in the district's name.

19 (b) The board secretary shall countersign the bonds in the
20 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,
21 R.S., Ch. 58, Sec. 9 (part).)

22 Sec. 1052.208. BONDS EXEMPT FROM TAXATION. The following
23 are exempt from taxation by this state or a political subdivision of
24 this state:

25 (1) bonds issued by the district;

26 (2) the transfer and issuance of the bonds; and

27 (3) profits made in the sale of the bonds. (Acts 63rd

1 Leg., R.S., Ch. 58, Sec. 22 (part).)

2 [Sections 1052.209-1052.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1052.251. IMPOSITION OF AD VALOREM TAX. (a) The board
5 shall impose a tax on all property in the district subject to
6 district taxation.

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

8 (1) pay the interest on and create a sinking fund for
9 bonds and other obligations issued or assumed by the district for
10 hospital purposes;

11 (2) provide for the operation and maintenance of the
12 district and hospital system, based on the final budget;

13 (3) make improvements and additions to the hospital
14 system; and

15 (4) acquire necessary sites for the hospital system by
16 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 58,
17 Secs. 3 (part), 13(a) (part).)

18 Sec. 1052.252. TAX RATE. (a) The board may impose the tax
19 at a rate not to exceed 75 cents on each \$100 valuation of taxable
20 property in the district.

21 (b) In setting the tax rate, the board shall consider the
22 income of the district from sources other than taxation. (Acts 63rd
23 Leg., R.S., Ch. 58, Secs. 3 (part), 13(a) (part), (b) (part).)

24 Sec. 1052.253. TAX ASSESSOR-COLLECTOR. (a) The board
25 shall appoint a tax assessor-collector to assess and collect taxes
26 imposed by the district.

27 (b) The district tax assessor-collector is not required to

1 reside in the district.

2 (c) The board shall set for the district tax
3 assessor-collector:

4 (1) the terms of employment; and

5 (2) compensation. (Acts 63rd Leg., R.S., Ch. 58, Sec.
6 16 (part).)

7 CHAPTER 1053. LUBBOCK COUNTY HOSPITAL DISTRICT OF LUBBOCK COUNTY,
8 TEXAS

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26 CHAPTER 1053. LUBBOCK COUNTY HOSPITAL DISTRICT OF LUBBOCK COUNTY,

27 TEXAS

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 1053.001. DEFINITIONS. In this chapter:

3 (1) "Board" means the board of hospital managers of
4 the district.

5 (2) "Commissioners court" means the Commissioners
6 Court of Lubbock County.

7 (3) "District" means the Lubbock County Hospital
8 District of Lubbock County, Texas.

9 (4) "Manager" means a member of the board. (New.)

10 Sec. 1053.002. AUTHORITY FOR OPERATION. The district
11 operates under the authority of Section 9, Article IX, Texas
12 Constitution. (Acts 60th Leg., R.S., Ch. 484, Sec. 1 (part).)

13 Sec. 1053.003. DISTRICT TERRITORY. (a) The boundaries of
14 the district are coextensive with the boundaries of Lubbock County,
15 Texas, as the boundaries of Lubbock County appear of record
16 according to the field notes and plats on file in the county clerk's
17 office.

18 (b) The boundaries of the district described by Subsection
19 (a) form a closure. An error in copying the description does not
20 affect the validity of the district. (Acts 60th Leg., R.S., Ch.
21 484, Secs. 1 (part), 2.)

22 Sec. 1053.004. DISTRICT SUPPORT, MAINTENANCE, AND DEBT NOT
23 STATE OBLIGATION. The support and maintenance of the district's
24 hospital system, including medical or other health facilities, and
25 any indebtedness incurred by the district under this chapter may
26 not become a charge against or obligation of this state. (Acts 60th
27 Leg., R.S., Ch. 484, Sec. 21 (part).)

1 Sec. 1053.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

2 The legislature may not make a direct appropriation for the
3 construction, maintenance, or improvement of a district facility.
4 (Acts 60th Leg., R.S., Ch. 484, Sec. 21 (part).)

5 [Sections 1053.006-1053.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1053.051. BOARD APPOINTMENT; TERM. (a) The board
8 consists of not fewer than five and not more than seven managers
9 appointed as follows:

10 (1) one ex officio manager appointed by the Texas Tech
11 University Board of Regents; and

12 (2) the remaining managers appointed by the
13 commissioners court.

14 (b) Managers serve two-year terms. The terms may overlap.
15 (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

16 Sec. 1053.052. EX OFFICIO MANAGER. (a) The ex officio
17 manager has all powers of another manager, except the ex officio
18 manager may not vote.

19 (b) The ex officio manager shall:

20 (1) attend executive sessions of the board; and

21 (2) have access to all documents reviewed or
22 considered by the board or its staff. (Acts 60th Leg., R.S., Ch.
23 484, Sec. 8(a) (part).)

24 Sec. 1053.053. OFFICERS. (a) The board shall select from
25 among the managers a presiding officer, who shall preside over the
26 board.

27 (b) A presiding officer pro tem shall preside in the absence

1 of the presiding officer.

2 (c) The district administrator or any manager may be
3 appointed secretary. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(e)
4 (part).)

5 Sec. 1053.054. COMPENSATION. A manager serves without pay.
6 (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

7 Sec. 1053.055. RECORDS OF PROCEEDINGS. (a) The secretary
8 shall keep suitable records of all proceedings of each board
9 meeting.

10 (b) After each meeting:

11 (1) the manager presiding at the meeting shall read
12 and sign the record; and

13 (2) the secretary shall attest the record. (Acts
14 60th Leg., R.S., Ch. 484, Sec. 8(e) (part).)

15 Sec. 1053.056. DISTRICT ADMINISTRATOR. (a) The board
16 shall appoint a general manager qualified by training and
17 experience as the district administrator.

18 (b) The district administrator serves for a term not to
19 exceed two years and is entitled to receive the compensation
20 determined by the board.

21 (c) The board may remove the district administrator at any
22 time.

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

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

1 (2) contains other conditions the board may require.
2 (Acts 60th Leg., R.S., Ch. 484, Sec. 8(b) (part).)

3 Sec. 1053.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
4 Subject to the limitations prescribed by the board, the district
5 administrator shall:

6 (1) perform the duties required by the board;
7 (2) supervise the work and activities of the district;
8 and

9 (3) direct the affairs of the district. (Acts 60th
10 Leg., R.S., Ch. 484, Sec. 8(b) (part).)

11 Sec. 1053.058. ASSISTANT ADMINISTRATOR. (a) The board may
12 designate an assistant administrator to discharge a duty or
13 function of the district administrator in the event of the
14 administrator's incapacity, absence, or inability to discharge the
15 duty or function.

16 (b) The assistant administrator shall post the bond
17 required by board order.

18 (c) The assistant administrator is subject to the
19 limitations prescribed by board order. (Acts 60th Leg., R.S., Ch.
20 484, Sec. 12.)

21 Sec. 1053.059. LEGAL COUNSEL. (a) The appropriate county,
22 district, or criminal district attorney charged with representing
23 Lubbock County in civil matters shall represent the district in all
24 legal matters.

25 (b) The district shall contribute sufficient money to the
26 Lubbock County general fund for the account designated for the
27 appropriate attorney described in Subsection (a) to pay all

1 additional salaries and expenses incurred by the attorney in
2 performing the duties required by the district.

3 (c) The board may employ additional legal counsel the board
4 considers advisable. (Acts 60th Leg., R.S., Ch. 484, Sec. 17.)

5 Sec. 1053.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
6 board may appoint to the staff any doctors and employ any
7 technicians, nurses, and other employees considered advisable for
8 the efficient operation of the hospital or hospital system,
9 including medical or other health facilities.

10 (b) A contract or term of employment under Subsection (a)
11 may not exceed two years. (Acts 60th Leg., R.S., Ch. 484, Sec.
12 8(c).)

13 Sec. 1053.061. RETIREMENT PROGRAM. (a) With the approval
14 of the commissioners court, the board may contract with this state
15 or the federal government as necessary to establish or continue a
16 retirement program for the benefit of district employees.

17 (b) The board may establish other retirement programs for
18 the benefit of district employees as it considers necessary and
19 advisable. (Acts 60th Leg., R.S., Ch. 484, Secs. 8(d) (part), 9.)

20 Sec. 1053.062. SEAL. The board shall have a seal engraved
21 with the district's name to authenticate the acts of the board. The
22 secretary of the board shall keep the seal. (Acts 60th Leg., R.S.,
23 Ch. 484, Sec. 8(e) (part).)

24 [Sections 1053.063-1053.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1053.101. DISTRICT RESPONSIBILITY. (a) The district
27 has full responsibility for providing medical and hospital care for

1 the district's needy and indigent residents.

2 (b) The district shall provide all necessary medical and
3 hospital care for the district's needy inhabitants.

4 (c) The district has full responsibility for providing
5 medical and hospital care for the district's residents and needy
6 inhabitants. (Acts 60th Leg., R.S., Ch. 484, Secs. 1 (part), 3
7 (part), 18 (part).)

8 Sec. 1053.102. RESTRICTION ON POLITICAL SUBDIVISION
9 TAXATION AND DEBT. A political subdivision, other than the
10 district, may not impose a tax or issue bonds or other obligations
11 for hospital purposes or to provide medical care in the district.
12 (Acts 60th Leg., R.S., Ch. 484, Secs. 1 (part), 3 (part), 18
13 (part).)

14 Sec. 1053.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
15 The board shall manage, control, and administer the hospital or
16 hospital system, including medical or other health facilities of
17 the district. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

18 Sec. 1053.104. HOSPITAL SYSTEM. (a) The district has the
19 responsibility to establish a hospital or hospital system,
20 including medical or other health facilities within its boundaries
21 to provide hospital and medical care to the district's residents.

22 (b) Subject to approval of the commissioners court, the
23 district may provide primary care, emergency services, preventive
24 medicine services, and other health-related services outside the
25 district, provided the activities fulfill the purposes of the
26 district under Subsection (a) and Section 1053.101(b). (Acts 60th
27 Leg., R.S., Ch. 484, Sec. 3 (part).)

1 Sec. 1053.105. RULES. The board may adopt rules for the
2 operation of the hospital or hospital system, including medical or
3 other health facilities. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a)
4 (part).)

5 Sec. 1053.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
6 The commissioners court may prescribe:

7 (1) the method and manner of making purchases and
8 expenditures by and for the district; and

9 (2) all accounting and control procedures.

10 (b) The commissioners court by resolution or order may
11 delegate to the board a power described by Subsection (a).

12 (c) The district shall pay the salaries and expenses
13 necessarily incurred by Lubbock County or by an officer or agent of
14 the county in performing a duty prescribed or required by this
15 section.

16 (d) An officer, employee, or agent of Lubbock County shall
17 perform any function or service prescribed by the commissioners
18 court under this section. (Acts 60th Leg., R.S., Ch. 484, Sec. 11.)

19 Sec. 1053.107. DISTRICT PROPERTY, FACILITIES, AND
20 EQUIPMENT. (a) Subject to Subchapter D and to approval by the
21 commissioners court, the board may:

22 (1) construct, condemn, purchase, acquire, lease, add
23 to, maintain, operate, develop, regulate, sell, exchange, and
24 convey any land, property, property rights, equipment, hospital
25 facilities and systems for the maintenance of hospitals, buildings,
26 structures, and any other facility or service the district requires
27 or has available to sell, lease, or exchange;

1 (2) cooperate and contract with any of the following
2 to effect a power described by Subdivision (1):

3 (A) the United States government;

4 (B) this state;

5 (C) a municipality;

6 (D) a hospital district;

7 (E) a department of a governing body described by
8 Subparagraphs (A)-(D); or

9 (F) a privately owned or operated hospital,
10 corporate or otherwise, in the district; and

11 (3) provide office space, equipment, supplies, and
12 services for the use of the Lubbock County medical examiner's
13 office for medical, hospital, or other purposes unrelated to a
14 criminal investigation.

15 (b) A contract under Subsection (a)(2) must, in the opinion
16 of the board and the commissioners court, be expedient and
17 advantageous to the district under existing circumstances, and for
18 fair and reasonable compensation and on terms and for a length of
19 time that furthers and assists the district in performing its duty
20 to provide medical and hospital care to needy inhabitants of
21 Lubbock County. (Acts 60th Leg., R.S., Ch. 484, Sec. 10.)

22 Sec. 1053.108. EMINENT DOMAIN. (a) The district may
23 exercise the power of eminent domain to acquire a fee simple or
24 other interest in any type of property, real, personal, or mixed,
25 located in district territory, if the interest is necessary or
26 convenient for the district to exercise a right, power, privilege,
27 or function conferred on the district by this chapter.

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

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

7 (1) pay in advance or provide a bond or other security
8 for costs in the trial court;

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

11 (3) provide a bond for costs or a supersedeas bond on
12 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 484, Sec.
13 14.)

14 Sec. 1053.109. GIFTS AND ENDOWMENTS. The board may accept
15 for the district a gift or endowment to be held in trust and
16 administered by the board for the purposes and under the
17 directions, limitations, or other provisions prescribed in writing
18 by the donor that are not inconsistent with the proper management
19 and objectives of the district. (Acts 60th Leg., R.S., Ch. 484,
20 Sec. 20.)

21 Sec. 1053.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
22 CARE AND TREATMENT. The board, with the approval of the
23 commissioners court, may contract with:

24 (1) a county for the care and treatment of a sick or
25 injured person of that county; and

26 (2) this state or a federal agency for the care and
27 treatment of a sick or injured person for whom the state or agency

1 is responsible. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(d) (part).)

2 Sec. 1053.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)

3 When a patient is admitted to a district facility, the district
4 administrator shall have an inquiry made into the circumstances of:

5 (1) the patient; and

6 (2) the patient's relatives who are legally liable for
7 the patient's support.

8 (b) If the district administrator determines that the
9 patient or those relatives cannot pay all or part of the costs of
10 the care and treatment in the hospital, the amount of the costs that
11 cannot be paid becomes a charge against the district.

12 (c) If the district administrator determines that the
13 patient or those relatives are liable for all or part of the costs
14 of the patient's care and treatment, the patient or those relatives
15 shall be ordered to pay the district's treasurer a specified amount
16 each week for the patient's support. The amount ordered must be
17 proportionate to the person's financial ability and may not exceed
18 the actual per capita cost of maintenance.

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

23 (e) If there is a dispute as to the ability to pay, or doubt
24 in the mind of the district administrator, the county court shall
25 hold a hearing and, after calling witnesses, shall:

26 (1) resolve the dispute or doubt; and

27 (2) issue an appropriate order.

1 (f) Either party to the dispute may appeal the order to the
2 district court. (Acts 60th Leg., R.S., Ch. 484, Sec. 19.)

3 Sec. 1053.112. AUTHORITY TO SUE AND BE SUED. The board may
4 sue and be sued. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

5 [Sections 1053.113-1053.150 reserved for expansion]

6 SUBCHAPTER D. SALE OR LEASE OF CERTAIN FACILITY

7 Sec. 1053.151. DEFINITION. In this subchapter, "hospital
8 official" means the following officers or employees, or their
9 equivalent, of the teaching hospital described by Section
10 1053.152(a):

- 11 (1) the executive director;
- 12 (2) the president;
- 13 (3) the chief executive officer;
- 14 (4) the chief operating officer;
- 15 (5) the chief financial officer;
- 16 (6) any vice president; and
- 17 (7) any other officer. (Acts 60th Leg., R.S., Ch. 484,

18 Sec. 10A(a)(1).)

19 Sec. 1053.152. RESOLUTION; SALE OR LEASE OF FACILITY. (a)
20 Subject to Subsection (c) and the approval of the commissioners
21 court, the board by resolution may order the sale or lease of a
22 facility that is:

- 23 (1) owned and operated by the district as a teaching
24 hospital; and
- 25 (2) located on the campus of Texas Tech University.

26 (b) The resolution must include a finding by the board that
27 the sale or lease:

1 (1) is in the best interests of district residents;
2 and

3 (2) will not financially benefit a hospital official,
4 other than from the continuation of a compensation package existing
5 before the date of the sale or lease.

6 (c) The board may sell or lease the facility only if:

7 (1) no hospital official has made a disclosure under
8 Sections 1053.156 and 1053.157 at any time before the date of the
9 sale or lease; and

10 (2) a majority of the votes cast at an election held
11 under this subchapter approves the sale or lease. (Acts 60th Leg.,
12 R.S., Ch. 484, Secs. 10A(b) (part), (j).)

13 Sec. 1053.153. ELECTION. (a) As soon as possible after the
14 board adopts a resolution under Section 1053.152, the commissioners
15 court shall order an election on the question of selling or leasing
16 the facility.

17 (b) The election shall be held on the first authorized
18 uniform election date prescribed by Subchapter A, Chapter 41,
19 Election Code, that complies with Section 3.005, Election Code.
20 (Acts 60th Leg., R.S., Ch. 484, Secs. 10A(b) (part), (c).)

21 Sec. 1053.154. BALLOT. The ballot for an election under
22 this subchapter shall be printed to permit voting for or against the
23 proposition: "Approving the _____ (sale or lease, as
24 appropriate) of _____ (name of facility)." (Acts 60th Leg.,
25 R.S., Ch. 484, Sec. 10A(d).)

26 Sec. 1053.155. DISCLOSURE OF SALE OR LEASE TERMS. The
27 presiding officer of the board shall disclose the terms of the

1 proposed sale or lease of a facility described by Section 1053.152
2 not later than the 30th day before the date of an election held
3 under this subchapter. The disclosure must include both oral and
4 written agreements relating to the sale or lease. (Acts 60th Leg.,
5 R.S., Ch. 484, Sec. 10A(e).)

6 Sec. 1053.156. DISCLOSURE OF FINANCIAL INTEREST. (a) In
7 this section, "substantial interest" has the meaning assigned by
8 Section 171.002, Local Government Code.

9 (b) A manager or hospital official shall disclose any
10 financial interest the person has in the sale or lease of a facility
11 described by Section 1053.152 not later than the 30th day before the
12 date of an election held under this subchapter.

13 (c) For purposes of this section, a person has a financial
14 interest in the sale or lease if the person:

15 (1) has a substantial interest in a business entity
16 involved in the sale or lease;

17 (2) is related within the second degree by
18 consanguinity or affinity, as determined under Chapter 573,
19 Government Code, to a person who has a substantial interest in a
20 business entity involved in the sale or lease; or

21 (3) is a hospital official who will benefit
22 financially from the sale or lease, other than from the
23 continuation of a compensation package existing before the date of
24 the sale or lease. (Acts 60th Leg., R.S., Ch. 484, Secs. 10A(a)(2),
25 (f).)

26 Sec. 1053.157. DISCLOSURE; PUBLIC RECORD. (a) A person
27 shall make a disclosure required under Section 1053.155 or 1053.156

1 by filing the disclosure with the commissioners court and the
2 board.

3 (b) The filed disclosure is a public record. (Acts 60th
4 Leg., R.S., Ch. 484, Sec. 10A(g).)

5 Sec. 1053.158. ELECTION CANCELLATION. The commissioners
6 court shall cancel an election ordered under this subchapter if a
7 hospital official makes a disclosure under Sections 1053.156 and
8 1053.157 at any time before the date of the election. (Acts 60th
9 Leg., R.S., Ch. 484, Sec. 10A(i).)

10 Sec. 1053.159. SUBSEQUENT ELECTIONS. If a majority of the
11 votes cast at an election under this subchapter do not approve the
12 sale or lease of a facility under this subchapter, another election
13 to approve the sale or lease, as appropriate, may not be held before
14 the first anniversary of the most recent election on the
15 proposition. (Acts 60th Leg., R.S., Ch. 484, Sec. 10A(l).)

16 Sec. 1053.160. SALE OR LEASE NOT INVALID. A disclosure
17 under this subchapter that is made after the date on which the sale
18 or lease of the facility occurs does not invalidate the sale or
19 lease. (Acts 60th Leg., R.S., Ch. 484, Sec. 10A(k).)

20 Sec. 1053.161. CRIMINAL PENALTY. (a) A person required to
21 make a disclosure under Section 1053.156 commits an offense if the
22 person knowingly fails to make the disclosure within the period
23 prescribed by that section.

24 (b) An offense under this section is a Class A misdemeanor.
25 (Acts 60th Leg., R.S., Ch. 484, Sec. 10A(h).)

26 [Sections 1053.162-1053.200 reserved for expansion]

1 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2 Sec. 1053.201. BUDGET. (a) The district administrator,
3 under the direction of the board, shall prepare an annual budget.

4 (b) The budget must be approved by the board and presented
5 to the commissioners court for final approval. In like manner, all
6 budget revisions shall be subject to approval by the commissioners
7 court. (Acts 60th Leg., R.S., Ch. 484, Sec. 13 (part).)

8 Sec. 1053.202. FINANCIAL REPORT. (a) As soon as
9 practicable after the close of each fiscal year, the district
10 administrator shall prepare a report that includes:

11 (1) a complete sworn statement of:

12 (A) all money and choses in action received by
13 the administrator; and

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

16 (2) the details of district operation during the
17 preceding fiscal year.

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

19 (1) the board;

20 (2) the commissioners court;

21 (3) the Department of State Health Services; and

22 (4) the comptroller. (Acts 60th Leg., R.S., Ch. 484,
23 Sec. 13 (part).)

24 Sec. 1053.203. DEPOSITORY. (a) The board shall select a
25 depository for the district in the manner provided by law for
26 selection of a county depository. The depository serves for two
27 years and until a successor is selected and qualified. In the

1 alternative, the board may use the depository selected by the
2 county.

3 (b) All income received by the district shall be deposited
4 with the district depository. (Acts 60th Leg., R.S., Ch. 484, Secs.
5 5 (part), 15.)

6 Sec. 1053.204. WARRANTS. A warrant against district money
7 does not require the signature of the county clerk of Lubbock
8 County. (Acts 60th Leg., R.S., Ch. 484, Sec. 5 (part).)

9 [Sections 1053.205-1053.250 reserved for expansion]

10 SUBCHAPTER F. BONDS

11 Sec. 1053.251. GENERAL OBLIGATION BONDS. The commissioners
12 court may issue and sell general obligation bonds in the name and on
13 the faith and credit of the district to:

14 (1) purchase, construct, acquire, repair, or renovate
15 buildings or improvements for hospital purposes;

16 (2) equip buildings or improvements for hospital
17 purposes; and

18 (3) purchase, construct, acquire, equip, or enlarge
19 the hospital or hospital system, including medical or other health
20 facilities for any purpose related to that activity. (Acts 60th
21 Leg., R.S., Ch. 484, Secs. 1 (part), 7 (part).)

22 Sec. 1053.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An
23 ad valorem tax shall be imposed on all property in the district
24 subject to district taxation at a rate sufficient to create an
25 interest and sinking fund to pay the principal of and interest on
26 general obligation bonds issued under Section 1053.251 as the bonds
27 mature.

1 (b) The tax required by this section together with any other
2 ad valorem tax imposed for the district may not in any year exceed
3 75 cents on each \$100 valuation of all taxable property in the
4 district. (Acts 60th Leg., R.S., Ch. 484, Sec. 7 (part).)

5 Sec. 1053.253. GENERAL OBLIGATION BOND ELECTION. (a) The
6 district may issue general obligation bonds only if the bonds are
7 authorized by a majority of the district voters voting at an
8 election held in accordance with the provisions of Chapter 1251,
9 Government Code, relating to county bonds.

10 (b) The commissioners court:

11 (1) may call the election on its own motion; or

12 (2) shall call the election at the request of the
13 board.

14 (c) The person charged with conducting and arranging
15 countywide elections is responsible for conducting the bond
16 election.

17 (d) The district must provide for the payment of the bond
18 election costs before the commissioners court is required to order
19 an election. (Acts 60th Leg., R.S., Ch. 484, Sec. 7 (part).)

20 Sec. 1053.254. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
21 The county judge of Lubbock County shall execute the general
22 obligation bonds in the district's name.

23 (b) The county clerk of Lubbock County shall countersign the
24 bonds. (Acts 60th Leg., R.S., Ch. 484, Sec. 7 (part).)

25 Sec. 1053.255. REFUNDING BONDS. (a) Refunding bonds may be
26 issued without an election and in the manner provided by this
27 subchapter to refund outstanding bonds issued or assumed by the

1 district.

2 (b) A refunding bond may be:

3 (1) sold, with the proceeds of the refunding bond
4 applied to the payment of the outstanding bonds; or

5 (2) exchanged wholly or partly for not less than a
6 similar amount of outstanding bonds and the matured but unpaid
7 interest on the bonds. (Acts 60th Leg., R.S., Ch. 484, Sec. 7
8 (part).)

9 [Sections 1053.256-1053.300 reserved for expansion]

10 SUBCHAPTER G. TAXES

11 Sec. 1053.301. IMPOSITION OF AD VALOREM TAX. (a) The
12 commissioners court shall impose a tax for the benefit of the
13 district on all property in the district subject to district
14 taxation.

15 (b) The commissioners court shall impose the tax to:

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

19 (2) pay for indebtedness assumed by the district;

20 (3) provide for the operation and maintenance of the
21 hospital or hospital system, including medical or other health
22 facilities; and

23 (4) when requested by the board and approved by the
24 commissioners court, make improvements and additions to the
25 hospital system, including medical and other health facilities, and
26 acquire necessary sites by purchase, lease, or condemnation. (Acts
27 60th Leg., R.S., Ch. 484, Secs. 1 (part), 5 (part).)

1 Sec. 1053.302. TAX RATE. The commissioners court shall
2 impose the tax at a rate not to exceed 75 cents on each \$100
3 valuation of taxable property in the district. (Acts 60th Leg.,
4 R.S., Ch. 484, Secs. 1 (part), 5 (part).)

5 Sec. 1053.303. COUNTY TAX ASSESSOR-COLLECTOR. The tax
6 assessor-collector of Lubbock County shall collect the taxes
7 imposed on all property subject to district taxation. (Acts 60th
8 Leg., R.S., Ch. 484, Sec. 5 (part).)

9 CHAPTER 1054. LYNN COUNTY HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1054.001. DEFINITIONS

12 Sec. 1054.002. AUTHORITY FOR OPERATION

13 Sec. 1054.003. ESSENTIAL PUBLIC FUNCTION

14 Sec. 1054.004. DISTRICT TERRITORY

15 Sec. 1054.005. DISTRICT SUPPORT AND MAINTENANCE NOT

16 STATE OBLIGATION

17 Sec. 1054.006. RESTRICTION ON STATE FINANCIAL

18 ASSISTANCE

19 [Sections 1054.007-1054.050 reserved for expansion]

20 SUBCHAPTER B. DISTRICT ADMINISTRATION

21 Sec. 1054.051. BOARD ELECTION; TERM

22 Sec. 1054.052. NOTICE OF ELECTION

23 Sec. 1054.053. BALLOT PETITION

24 Sec. 1054.054. QUALIFICATIONS FOR OFFICE

25 Sec. 1054.055. BOND; RECORD OF BOND

26 Sec. 1054.056. BOARD VACANCY

27 Sec. 1054.057. OFFICERS

- 1 Sec. 1054.058. EXPENSES
- 2 Sec. 1054.059. VOTING REQUIREMENT
- 3 Sec. 1054.060. DISTRICT ADMINISTRATOR; ASSISTANT
- 4 ADMINISTRATOR
- 5 Sec. 1054.061. GENERAL DUTIES OF DISTRICT
- 6 ADMINISTRATOR
- 7 Sec. 1054.062. EMPLOYEES; APPOINTMENT OF STAFF
- 8 Sec. 1054.063. RECRUITMENT OF MEDICAL STAFF
- 9 Sec. 1054.064. CONTINUING EDUCATION; RETRAINING
- 10 Sec. 1054.065. RETIREMENT BENEFITS
- 11 [Sections 1054.066-1054.100 reserved for expansion]
- 12 SUBCHAPTER C. POWERS AND DUTIES
- 13 Sec. 1054.101. DISTRICT RESPONSIBILITY
- 14 Sec. 1054.102. RESTRICTION ON POLITICAL SUBDIVISION
- 15 TAXATION AND DEBT
- 16 Sec. 1054.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 17 Sec. 1054.104. HOSPITAL SYSTEM
- 18 Sec. 1054.105. RULES
- 19 Sec. 1054.106. PURCHASING AND ACCOUNTING PROCEDURES
- 20 Sec. 1054.107. DISTRICT PROPERTY, FACILITIES, AND
- 21 EQUIPMENT
- 22 Sec. 1054.108. EMINENT DOMAIN
- 23 Sec. 1054.109. GIFTS AND ENDOWMENTS
- 24 Sec. 1054.110. CONSTRUCTION CONTRACTS
- 25 Sec. 1054.111. OPERATING AND MANAGEMENT CONTRACTS
- 26 Sec. 1054.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 27 FOR SERVICES

1 Sec. 1054.113. PROVISION OF CERTAIN HEALTH SERVICES

2 Sec. 1054.114. PAYMENT FOR TREATMENT; PROCEDURES

3 Sec. 1054.115. REIMBURSEMENT FOR SERVICE

4 Sec. 1054.116. AUTHORITY TO SUE AND BE SUED

5 [Sections 1054.117-1054.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 1054.151. BUDGET

8 Sec. 1054.152. NOTICE; HEARING; APPROVAL OF BUDGET

9 Sec. 1054.153. AMENDMENTS TO BUDGET

10 Sec. 1054.154. RESTRICTION ON EXPENDITURES

11 Sec. 1054.155. FISCAL YEAR

12 Sec. 1054.156. AUDIT

13 Sec. 1054.157. INSPECTION OF AUDIT AND DISTRICT

14 RECORDS

15 Sec. 1054.158. FINANCIAL REPORT

16 Sec. 1054.159. DEPOSITORY

17 Sec. 1054.160. SPENDING AND INVESTMENT RESTRICTIONS

18 Sec. 1054.161. AUTHORITY TO BORROW MONEY; SECURITY

19 [Sections 1054.162-1054.200 reserved for expansion]

20 SUBCHAPTER E. BONDS

21 Sec. 1054.201. GENERAL OBLIGATION BONDS

22 Sec. 1054.202. TAX TO PAY GENERAL OBLIGATION BONDS

23 Sec. 1054.203. REVENUE BONDS

24 Sec. 1054.204. REFUNDING BONDS

25 Sec. 1054.205. MATURITY OF BONDS

26 Sec. 1054.206. EXECUTION OF BONDS

27 Sec. 1054.207. BONDS EXEMPT FROM TAXATION

1 [Sections 1054.208-1054.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1054.251. IMPOSITION OF AD VALOREM TAX

4 Sec. 1054.252. TAX RATE

5 Sec. 1054.253. TAX ASSESSOR-COLLECTOR

6 CHAPTER 1054. LYNN COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1054.001. DEFINITIONS. In this chapter:

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

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

12 (3) "District" means the Lynn County Hospital
13 District. (New.)

14 Sec. 1054.002. AUTHORITY FOR OPERATION. The district
15 operates in accordance with Section 9, Article IX, Texas
16 Constitution, and has the rights, powers, and duties provided by
17 this chapter. (Acts 60th Leg., R.S., Ch. 66, Sec. 1 (part).)

18 Sec. 1054.003. ESSENTIAL PUBLIC FUNCTION. The district
19 performs an essential public function in carrying out the purposes
20 of this chapter. (Acts 60th Leg., R.S., Ch. 66, Sec. 20 (part).)

21 Sec. 1054.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of Lynn County, Texas.
23 (Acts 60th Leg., R.S., Ch. 66, Sec. 1 (part).)

24 Sec. 1054.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
25 OBLIGATION. The support and maintenance of the district may not
26 become a charge against or obligation of this state. (Acts 60th
27 Leg., R.S., Ch. 66, Sec. 21 (part).)

1 Sec. 1054.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

2 The legislature may not make a direct appropriation for the
3 construction, maintenance, or improvement of a district facility.

4 (Acts 60th Leg., R.S., Ch. 66, Sec. 21 (part).)

5 [Sections 1054.007-1054.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1054.051. BOARD ELECTION; TERM. (a) The board
8 consists of seven directors elected from the district at large.

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

10 (c) An election shall be held on the uniform election date
11 in May of each year to elect the appropriate number of directors.

12 (Acts 60th Leg., R.S., Ch. 66, Secs. 4(a), (e) (part).)

13 Sec. 1054.052. NOTICE OF ELECTION. At least 10 days before
14 the date of an election of directors, notice of the election shall
15 be published one time in a newspaper of general circulation in the
16 district. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(e) (part).)

17 Sec. 1054.053. BALLOT PETITION. A person who wants to have
18 the person's name printed on the ballot as a candidate for director
19 must file with the board secretary a petition requesting that
20 action. The petition must be:

21 (1) signed by not fewer than 25 registered voters; and

22 (2) filed before the 31st day before the date of the
23 election. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(e) (part).)

24 Sec. 1054.054. QUALIFICATIONS FOR OFFICE. (a) To be
25 eligible to be a candidate for or to serve as a director, a person
26 must be:

27 (1) a district resident; and

1 (2) a qualified voter.

2 (b) A district employee may not serve as a director. (Acts
3 60th Leg., R.S., Ch. 66, Secs. 4(c), (f).)

4 Sec. 1054.055. BOND; RECORD OF BOND. (a) Before assuming
5 the duties of office, each director must execute a bond for \$5,000
6 that is:

7 (1) payable to the district; and

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

10 (b) The board may pay for a director's bond with district
11 money.

12 (c) Each director's bond shall be kept in the district's
13 permanent records. (Acts 60th Leg., R.S., Ch. 66, Secs. 4(g), (h).)

14 Sec. 1054.056. BOARD VACANCY. (a) If a vacancy occurs in
15 the office of director, the remaining directors shall appoint a
16 director for the unexpired term.

17 (b) If the number of directors is reduced to fewer than four
18 for any reason, the remaining directors shall immediately call a
19 special election to fill the vacancies. If the remaining directors
20 do not call the election, a district court, on application of a
21 district voter or taxpayer, may order the directors to hold the
22 election. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(d) (part).)

23 Sec. 1054.057. OFFICERS. (a) The board shall elect:

24 (1) a president and a vice president from among its
25 members; and

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

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

1 (c) The board shall fill a vacancy in a board office for the
2 unexpired term. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(d) (part).)

3 Sec. 1054.058. EXPENSES. A director or officer may be
4 reimbursed for actual expenses incurred in the performance of
5 official duties. The expenses must be:

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

7 (2) approved by the board. (Acts 60th Leg., R.S., Ch.
8 66, Sec. 4(i).)

9 Sec. 1054.059. VOTING REQUIREMENT. A concurrence of four
10 directors is sufficient in any matter relating to district
11 business. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(d) (part).)

12 Sec. 1054.060. DISTRICT ADMINISTRATOR; ASSISTANT
13 ADMINISTRATOR. (a) The board shall appoint a qualified person as
14 district administrator.

15 (b) The board may appoint an assistant administrator.

16 (c) The district administrator and any assistant
17 administrator serve at the will of the board and are entitled to the
18 compensation determined by the board.

19 (d) On assuming the duties of district administrator, the
20 administrator shall execute a bond payable to the district in an
21 amount set by the board of not less than \$5,000 that:

22 (1) is conditioned on the administrator performing the
23 administrator's duties; and

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

25 (e) The board may pay for the bond with district money.
26 (Acts 60th Leg., R.S., Ch. 66, Sec. 5(a) (part).)

27 Sec. 1054.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

1 Subject to the limitations prescribed by the board, the district
2 administrator shall:

3 (1) supervise the work and activities of the district;
4 and

5 (2) direct the affairs of the district. (Acts 60th
6 Leg., R.S., Ch. 66, Sec. 5(a) (part).)

7 Sec. 1054.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
8 board may appoint to the staff any doctors and employ any
9 technicians, nurses, and other employees the board considers
10 necessary for the efficient operation of the district.

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

13 (c) The board may provide that the district administrator
14 has the authority to hire district employees, including technicians
15 and nurses.

16 (d) The board may define the duties, functions, and
17 responsibilities of district staff and employees. (Acts 60th Leg.,
18 R.S., Ch. 66, Secs. 5(a) (part), 16.)

19 Sec. 1054.063. RECRUITMENT OF MEDICAL STAFF. The board may
20 spend district money to recruit physicians, nurses, and other
21 trained medical personnel. The board may pay the tuition or other
22 education-related costs or expenses of a person who:

23 (1) graduates from a medical school, nursing school,
24 or an institution of higher education; and

25 (2) contractually agrees to become a district
26 employee. (Acts 60th Leg., R.S., Ch. 66, Sec. 5A(b) (part).)

27 Sec. 1054.064. CONTINUING EDUCATION; RETRAINING. The board

1 may spend district money for continuing education and retraining of
2 district employees. (Acts 60th Leg., R.S., Ch. 66, Sec. 5A(b)
3 (part).)

4 Sec. 1054.065. RETIREMENT BENEFITS. The board may provide
5 retirement benefits for district employees by:

6 (1) establishing or administering a retirement
7 program; or

8 (2) participating in:

9 (A) the Texas County and District Retirement
10 System; or

11 (B) another statewide retirement system in which
12 the district is eligible to participate. (Acts 60th Leg., R.S., Ch.
13 66, Sec. 5B.)

14 [Sections 1054.066-1054.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 1054.101. DISTRICT RESPONSIBILITY. The district has
17 full responsibility for operating all hospital facilities for
18 providing medical and hospital care for the district's needy
19 inhabitants. (Acts 60th Leg., R.S., Ch. 66, Sec. 19 (part).)

20 Sec. 1054.102. RESTRICTION ON POLITICAL SUBDIVISION
21 TAXATION AND DEBT. A political subdivision located within the
22 district may not impose a tax or issue bonds or other obligations
23 for hospital purposes or to provide medical care. (Acts 60th Leg.,
24 R.S., Ch. 66, Sec. 19 (part).)

25 Sec. 1054.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
26 The board shall manage, control, and administer the district's
27 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 66, Sec.

1 5(a) (part).)

2 Sec. 1054.104. HOSPITAL SYSTEM. The district shall provide
3 for the establishment of a hospital or hospital system in the
4 district by:

5 (1) purchasing, constructing, acquiring, repairing,
6 or renovating buildings and improvements;

7 (2) equipping the buildings and improvements; and

8 (3) administering the buildings and improvements for
9 hospital purposes. (Acts 60th Leg., R.S., Ch. 66, Sec. 2 (part).)

10 Sec. 1054.105. RULES. The board may adopt rules for the
11 operation of the district. (Acts 60th Leg., R.S., Ch. 66, Sec. 5(a)
12 (part).)

13 Sec. 1054.106. PURCHASING AND ACCOUNTING PROCEDURES. The
14 board may prescribe:

15 (1) the method and manner of making purchases and
16 expenditures by and for the district in a manner consistent with
17 Subtitle C, Title 8, Local Government Code; and

18 (2) all accounting and control procedures. (Acts 60th
19 Leg., R.S., Ch. 66, Sec. 10 (part).)

20 Sec. 1054.107. DISTRICT PROPERTY, FACILITIES, AND
21 EQUIPMENT. (a) The board shall determine the type, number, and
22 location of buildings required to maintain an adequate hospital
23 system. Nothing in this chapter prohibits the establishing and
24 equipping of a clinic as part of the hospital system.

25 (b) The board may lease all or part of the district's
26 buildings and other facilities on terms considered to be in the best
27 interest of the district's inhabitants. The term of the lease may

1 not exceed 25 years.

2 (c) The district may acquire equipment for use in the
3 district's hospital system and mortgage or pledge the property as
4 security for the payment of the purchase price.

5 (d) The district may sell or otherwise dispose of any
6 property, including equipment, on terms the board finds are in the
7 best interest of the district's inhabitants. (Acts 60th Leg.,
8 R.S., Ch. 66, Secs. 9 (part), 10 (part).)

9 Sec. 1054.108. EMINENT DOMAIN. (a) The district may
10 exercise the power of eminent domain to acquire a fee simple or
11 other interest in any type of property located in district
12 territory if the interest is necessary or convenient for the
13 district to exercise a power, right, or privilege conferred by this
14 chapter.

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

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

21 (1) pay in advance or provide a bond or other security
22 for costs in the trial court;

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

25 (3) provide a bond for costs or a supersedeas bond on
26 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 66, Sec. 14.)

27 Sec. 1054.109. GIFTS AND ENDOWMENTS. The board may accept

1 for the district a gift or endowment to be held in trust and
2 administered by the board for the purposes and under the
3 directions, limitations, or other provisions prescribed in writing
4 by the donor that are not inconsistent with the proper management
5 and objectives of the district. (Acts 60th Leg., R.S., Ch. 66, Sec.
6 18.)

7 Sec. 1054.110. CONSTRUCTION CONTRACTS. (a) The board may
8 enter into construction contracts for the district.

9 (b) The board may enter into a construction contract that
10 involves the expenditure of more than the amount prescribed by
11 Section 271.024, Local Government Code, only after competitive
12 bidding as provided by Subchapter B, Chapter 271, Local Government
13 Code. (Acts 60th Leg., R.S., Ch. 66, Sec. 10A.)

14 Sec. 1054.111. OPERATING AND MANAGEMENT CONTRACTS. The
15 board may enter into an operating or management contract relating
16 to a district facility. (Acts 60th Leg., R.S., Ch. 66, Secs. 5(b),
17 9 (part).)

18 Sec. 1054.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
19 SERVICES. (a) The board may contract with a political subdivision
20 of this state or with a state or federal agency for the district to:

- 21 (1) furnish a mobile emergency medical service; or
22 (2) provide for the investigatory or welfare needs of
23 district inhabitants.

24 (b) The board may contract with this state or a federal
25 agency for the care and treatment of a sick or injured person.
26 (Acts 60th Leg., R.S., Ch. 66, Secs. 5(a) (part), (e).)

27 Sec. 1054.113. PROVISION OF CERTAIN HEALTH SERVICES. The

1 board may provide emergency services, home health care services,
2 long-term health care services, special care facility services, or
3 any other health care services the board determines are necessary
4 to meet the needs of the district. (Acts 60th Leg., R.S., Ch. 66,
5 Sec. 5A(a).)

6 Sec. 1054.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
7 When a patient who resides in the district is admitted to a district
8 facility, the district administrator may have an inquiry made into
9 the circumstances of:

10 (1) the patient; and

11 (2) the patient's relatives who are legally liable for
12 the patient's support.

13 (b) If the district administrator determines that the
14 patient or those relatives cannot pay all or part of the costs of
15 the care and treatment in the hospital, the amount of the costs that
16 cannot be paid becomes a charge against the district.

17 (c) If the district administrator determines that the
18 patient or those relatives can pay for all or part of the costs of
19 the patient's care and treatment, the patient or those relatives
20 shall be ordered to pay the district a specified amount each week
21 for the patient's care and support. The amount ordered must be
22 proportionate to the person's financial ability.

23 (d) The district administrator may collect the amount from
24 the patient's estate, or from any relative who is legally liable for
25 the patient's support, in the manner provided by law for the
26 collection of expenses of the last illness of a deceased person.

27 (e) If there is a dispute as to the ability to pay, or doubt

1 in the mind of the district administrator, the board shall hold a
2 hearing and, after calling witnesses, shall:

3 (1) resolve the dispute or doubt; and

4 (2) issue any appropriate orders.

5 (f) A final order of the board may be appealed to the
6 district court. The substantial evidence rule applies to the
7 appeal. (Acts 60th Leg., R.S., Ch. 66, Sec. 17.)

8 Sec. 1054.115. REIMBURSEMENT FOR SERVICE. (a) The board
9 shall require a county, municipality, or public hospital located
10 outside the district to reimburse the district for the district's
11 care and treatment of a sick or injured person of that county,
12 municipality, or public hospital as provided by Chapter 61, Health
13 and Safety Code.

14 (b) The board shall require the sheriff of a county or the
15 police chief of a municipality to reimburse the district for the
16 district's care and treatment of a person who is confined in a jail
17 facility of the county or municipality and is not a resident of the
18 district. (Acts 60th Leg., R.S., Ch. 66, Secs. 5(c), (d).)

19 Sec. 1054.116. AUTHORITY TO SUE AND BE SUED. The district,
20 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.
21 66, Sec. 5(a) (part).)

22 [Sections 1054.117-1054.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1054.151. BUDGET. The district administrator shall
25 prepare an annual budget for approval by the board. (Acts 60th
26 Leg., R.S., Ch. 66, Sec. 6 (part).)

27 Sec. 1054.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)

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

2 (b) Notice of the hearing must be published one time at
3 least 10 days before the date of the hearing.

4 (c) The board must approve the annual budget. (Acts 60th
5 Leg., R.S., Ch. 66, Sec. 6 (part).)

6 Sec. 1054.153. AMENDMENTS TO BUDGET. The budget may be
7 amended as required by circumstances. The board must approve all
8 amendments. (Acts 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

9 Sec. 1054.154. RESTRICTION ON EXPENDITURES. Money may be
10 spent only for an expense included in the budget or an amendment to
11 the budget. (Acts 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

12 Sec. 1054.155. FISCAL YEAR. The district operates on a
13 fiscal year that begins on October 1 and ends on September 30. (Acts
14 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

15 Sec. 1054.156. AUDIT. The board shall have an audit made of
16 the district's financial condition. (Acts 60th Leg., R.S., Ch. 66,
17 Sec. 6 (part).)

18 Sec. 1054.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
19 The audit and other district records shall be open to inspection at
20 the district's principal office. (Acts 60th Leg., R.S., Ch. 66,
21 Sec. 6 (part).)

22 Sec. 1054.158. FINANCIAL REPORT. As soon as practicable
23 after the close of each fiscal year, the district administrator
24 shall prepare for the board:

25 (1) a complete sworn statement of all district money;
26 and

27 (2) a complete account of the disbursements of that

1 money. (Acts 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

2 Sec. 1054.159. DEPOSITORY. (a) The board shall select one
3 or more banks in the district to serve as a depository for district
4 money.

5 (b) District money shall be immediately deposited on
6 receipt with a depository bank, except that sufficient money must
7 be remitted to the place or places designated as agent for the
8 payment of principal of and interest on the district's outstanding
9 bonds in time for the agent to make that payment on or before the
10 maturity date of the principal and interest.

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

15 (d) Membership on the district's board of an officer or
16 director of a bank does not disqualify the bank from being
17 designated as a depository bank. (Acts 60th Leg., R.S., Ch. 66,
18 Sec. 11.)

19 Sec. 1054.160. SPENDING AND INVESTMENT RESTRICTIONS.
20 Except as otherwise provided by Section 1054.107(c) and by
21 Subchapter E, the district may not incur an obligation payable from
22 district revenue other than the revenue on hand or to be on hand in
23 the current and immediately following district fiscal years. (Acts
24 60th Leg., R.S., Ch. 66, Sec. 10 (part).)

25 Sec. 1054.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
26 The board may borrow money at a rate not to exceed the maximum
27 annual percentage rate allowed by law for district obligations at

1 the time the loan is made if the board declares that:

2 (1) money is not available to meet authorized
3 obligations of the district; and

4 (2) an emergency exists.

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

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

8 (2) a district tax to be imposed by the district in the
9 next 12-month period that is not pledged to pay the principal of or
10 interest on district bonds; or

11 (3) district bonds that have been authorized but not
12 sold.

13 (c) A loan for which taxes or bonds are pledged must mature
14 not later than the first anniversary of the date the loan is made. A
15 loan for which district revenue is pledged must mature not later
16 than the fifth anniversary of the date the loan is made.

17 (d) The board may not spend money obtained from a loan under
18 this section for any purpose other than:

19 (1) the purpose for which the board declared an
20 emergency; and

21 (2) if district taxes or bonds are pledged to pay the
22 loan, the purpose for which the pledged taxes were imposed or the
23 pledged bonds were authorized. (Acts 60th Leg., R.S., Ch. 66, Sec.
24 7A.)

25 [Sections 1054.162-1054.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1054.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith
2 and credit of the district to:

3 (1) purchase, construct, acquire, repair, or renovate
4 buildings or improvements;

5 (2) equip buildings or improvements for hospital
6 purposes; or

7 (3) acquire and operate a mobile emergency medical
8 service. (Acts 60th Leg., R.S., Ch. 66, Sec. 7(a) (part).)

9 Sec. 1054.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
10 the time general obligation bonds are issued by the district under
11 Section 1054.201, the board shall impose an ad valorem tax at a rate
12 sufficient to create an interest and sinking fund to pay the
13 principal of and interest on the bonds as the bonds mature.

14 (b) The tax required by this section together with any other
15 ad valorem tax the district imposes may not in any year exceed 75
16 cents on each \$100 valuation of all taxable property in the
17 district. (Acts 60th Leg., R.S., Ch. 66, Sec. 7(a) (part).)

18 Sec. 1054.203. REVENUE BONDS. (a) The board may issue
19 revenue bonds to:

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

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

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

26 (b) The bonds must be payable from and secured by a pledge of
27 all or part of the revenue derived from the operation of the

1 district's hospital system.

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

4 (d) The bonds must be issued in the manner provided by
5 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
6 Code, for issuance of revenue bonds by a county hospital authority.
7 (Acts 60th Leg., R.S., Ch. 66, Secs. 7(d), (e), (f).)

8 Sec. 1054.204. REFUNDING BONDS. (a) The board may issue
9 refunding bonds to refund outstanding indebtedness.

10 (b) A refunding bond may be:

11 (1) sold, with the proceeds of the refunding bond
12 applied to the payment of the outstanding indebtedness; or

13 (2) exchanged wholly or partly for not less than a
14 similar principal amount of outstanding indebtedness. (Acts 60th
15 Leg., R.S., Ch. 66, Sec. 7(b) (part).)

16 Sec. 1054.205. MATURITY OF BONDS. District bonds must
17 mature not later than the 50th anniversary of the date of issuance.
18 (Acts 60th Leg., R.S., Ch. 66, Sec. 7(c) (part).)

19 Sec. 1054.206. EXECUTION OF BONDS. (a) The board president
20 shall execute the district's bonds in the district's name.

21 (b) The board secretary shall countersign the bonds in the
22 manner provided by Chapter 618, Government Code. (Acts 60th Leg.,
23 R.S., Ch. 66, Sec. 7(c) (part).)

24 Sec. 1054.207. BONDS EXEMPT FROM TAXATION. The following
25 are exempt from taxation by this state or a political subdivision of
26 this state:

27 (1) bonds issued by the district;

1 (2) the transfer and issuance of the bonds; and

2 (3) profits made in the sale of the bonds. (Acts 60th
3 Leg., R.S., Ch. 66, Sec. 20 (part).)

4 [Sections 1054.208-1054.250 reserved for expansion]

5 SUBCHAPTER F. TAXES

6 Sec. 1054.251. IMPOSITION OF AD VALOREM TAX. (a) The board
7 may impose a tax on all property in the district subject to district
8 taxation.

9 (b) The board shall impose the tax to pay:

10 (1) indebtedness issued or assumed by the district;
11 and

12 (2) the maintenance and operating expenses of the
13 district.

14 (c) The district may not impose a tax to pay the principal of
15 or interest on revenue bonds issued under this chapter. (Acts 60th
16 Leg., R.S., Ch. 66, Secs. 12 (part), 15(a) (part), (b), (c).)

17 Sec. 1054.252. TAX RATE. (a) The board may impose the tax
18 at a rate not to exceed the limit approved by the voters at the
19 election authorizing the imposition of the tax.

20 (b) The tax rate for all purposes may not exceed 75 cents on
21 each \$100 valuation of all taxable property in the district.

22 (c) In setting the tax rate, the board shall consider the
23 income of the district from sources other than taxation. (Acts 60th
24 Leg., R.S., Ch. 66, Secs. 12 (part), 15(a) (part).)

25 Sec. 1054.253. TAX ASSESSOR-COLLECTOR. The board may
26 provide for the appointment of a tax assessor-collector for the
27 district or may contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 60th Leg., R.S., Ch. 66, Sec.
2 15(e).)

3 CHAPTER 1055. MARION COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1055.001. DEFINITIONS

6 Sec. 1055.002. AUTHORITY FOR OPERATION

7 Sec. 1055.003. POLITICAL SUBDIVISION

8 Sec. 1055.004. DISTRICT TERRITORY

9 Sec. 1055.005. CORRECTION OF INVALID PROCEDURES

10 [Sections 1055.006-1055.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 1055.051. BOARD ELECTION; TERM

13 Sec. 1055.052. NOTICE OF ELECTION

14 Sec. 1055.053. QUALIFICATIONS FOR OFFICE

15 Sec. 1055.054. BOND; RECORD OF BOND AND OATH OR

16 AFFIRMATION

17 Sec. 1055.055. BOARD VACANCY

18 Sec. 1055.056. DIRECTOR RIGHTS AND RESPONSIBILITIES

19 Sec. 1055.057. OFFICERS

20 Sec. 1055.058. COMPENSATION; EXPENSES

21 Sec. 1055.059. VOTING REQUIREMENT

22 Sec. 1055.060. EMPLOYEES

23 Sec. 1055.061. MAINTENANCE OF RECORDS; PUBLIC

24 INSPECTION

25 Sec. 1055.062. SEAL

26 [Sections 1055.063-1055.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1055.101. DISTRICT RESPONSIBILITY

3 Sec. 1055.102. RESTRICTION ON COUNTY OR MUNICIPALITY

4 TAXATION

5 Sec. 1055.103. RULES

6 Sec. 1055.104. PURCHASING AND ACCOUNTING PROCEDURES

7 Sec. 1055.105. EMINENT DOMAIN

8 Sec. 1055.106. GIFTS AND ENDOWMENTS

9 Sec. 1055.107. AUTHORITY TO LEASE DISTRICT FACILITIES

10 Sec. 1055.108. PAYMENT FOR TREATMENT; PROCEDURES

11 Sec. 1055.109. AUTHORITY TO SUE AND BE SUED

12 [Sections 1055.110-1055.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 1055.151. BUDGET

15 Sec. 1055.152. PROPOSED BUDGET: NOTICE AND HEARING

16 Sec. 1055.153. FISCAL YEAR

17 Sec. 1055.154. ANNUAL AUDIT

18 Sec. 1055.155. DEPOSITORY OR TREASURER

19 [Sections 1055.156-1055.200 reserved for expansion]

20 SUBCHAPTER E. BONDS AND OTHER FINANCIAL ARRANGEMENTS

21 Sec. 1055.201. GENERAL OBLIGATION BONDS AND OTHER

22 FINANCIAL ARRANGEMENTS

23 Sec. 1055.202. TAX TO PAY GENERAL OBLIGATION BONDS OR

24 OTHER FINANCIAL ARRANGEMENTS

25 Sec. 1055.203. ELECTION FOR GENERAL OBLIGATION BONDS

26 OR OTHER FINANCIAL ARRANGEMENTS

27 Sec. 1055.204. EXECUTION OF GENERAL OBLIGATION BONDS

1 Sec. 1055.205. REVENUE BONDS; OTHER FINANCIAL
2 ARRANGEMENTS

3 Sec. 1055.206. MATURITY OF BONDS

4 [Sections 1055.207-1055.250 reserved for expansion]

5 SUBCHAPTER F. TAXES

6 Sec. 1055.251. IMPOSITION OF AD VALOREM TAX

7 Sec. 1055.252. TAX RATE

8 Sec. 1055.253. TAX ASSESSOR-COLLECTOR

9 CHAPTER 1055. MARION COUNTY HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1055.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the
13 district.

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

15 (3) "District" means the Marion County Hospital
16 District. (New.)

17 Sec. 1055.002. AUTHORITY FOR OPERATION. The district
18 operates in accordance with Section 9, Article IX, Texas
19 Constitution. (Acts 60th Leg., R.S., Ch. 184, Sec. 1 (part).)

20 Sec. 1055.003. POLITICAL SUBDIVISION. The district is a
21 political subdivision of this state. (Acts 60th Leg., R.S., Ch.
22 184, Sec. 16 (part).)

23 Sec. 1055.004. DISTRICT TERRITORY. The boundaries of the
24 district are coextensive with the boundaries of Marion County,
25 Texas. (Acts 60th Leg., R.S., Ch. 184, Sec. 1 (part).)

26 Sec. 1055.005. CORRECTION OF INVALID PROCEDURES. If a
27 court holds that any procedure under this chapter violates the

1 constitution of this state or of the United States, the district by
2 resolution may provide an alternative procedure that conforms with
3 the constitution. (Acts 60th Leg., R.S., Ch. 184, Sec. 18 (part).)

4 [Sections 1055.006-1055.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT ADMINISTRATION

6 Sec. 1055.051. BOARD ELECTION; TERM. (a) The district is
7 governed by a board of seven directors elected from the district at
8 large.

9 (b) Directors serve staggered two-year terms unless
10 four-year terms are established under Section 285.081, Health and
11 Safety Code. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

12 Sec. 1055.052. NOTICE OF ELECTION. Not later than the 10th
13 day before the date of an election of directors, notice of the
14 election shall be published one time in a newspaper of general
15 circulation in Marion County. (Acts 60th Leg., R.S., Ch. 184, Sec. 4
16 (part).)

17 Sec. 1055.053. QUALIFICATIONS FOR OFFICE. A person may not
18 be elected or appointed as a director unless the person is a
19 district resident. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

20 Sec. 1055.054. BOND; RECORD OF BOND AND OATH OR
21 AFFIRMATION. (a) Each director shall execute a good and sufficient
22 bond for \$1,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the
25 director's duties.

26 (b) The district shall pay for the directors' bonds.

27 (c) Each director's bond and the constitutional oath or

1 affirmation of office shall be deposited with the district's
2 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 184,
3 Sec. 4 (part).)

4 Sec. 1055.055. BOARD VACANCY. (a) If a vacancy occurs in
5 the office of director, the remaining directors shall appoint a
6 director for the unexpired term.

7 (b) If the number of directors is reduced to fewer than four
8 for any reason, the remaining directors shall immediately call a
9 special election to fill the vacancies. If the remaining directors
10 do not call the election, a district court, on application of a
11 district voter or taxpayer, may order the directors to hold the
12 election. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

13 Sec. 1055.056. DIRECTOR RIGHTS AND RESPONSIBILITIES. All
14 directors have the same rights and responsibilities with regard to
15 voting and other matters. (Acts 60th Leg., R.S., Ch. 184, Sec. 4
16 (part).)

17 Sec. 1055.057. OFFICERS. The board shall elect from among
18 its members a president and a secretary. (Acts 60th Leg., R.S., Ch.
19 184, Sec. 4 (part).)

20 Sec. 1055.058. COMPENSATION; EXPENSES. A director serves
21 without compensation but may be reimbursed for actual expenses
22 incurred in the performance of official duties on approval of the
23 expenses by a majority of the board. (Acts 60th Leg., R.S., Ch.
24 184, Sec. 4 (part).)

25 Sec. 1055.059. VOTING REQUIREMENT. A concurrence of four
26 directors is sufficient in any matter relating to district
27 business. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

1 Sec. 1055.060. EMPLOYEES. The board may employ a general
2 manager, attorneys, bookkeepers, architects, or any other
3 employees considered necessary for the efficient operation of the
4 district. (Acts 60th Leg., R.S., Ch. 184, Sec. 7 (part).)

5 Sec. 1055.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
6 Except as provided by Section 1055.054, all district records,
7 including books, accounts, notices, minutes, and all other matters
8 of the district and the operation of its facilities, shall be:

9 (1) maintained at the district office; and

10 (2) open to public inspection at the district office
11 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 184, Sec. 7
12 (part).)

13 Sec. 1055.062. SEAL. The board may adopt a seal for the
14 district. (Acts 60th Leg., R.S., Ch. 184, Sec. 7 (part).)

15 [Sections 1055.063-1055.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 1055.101. DISTRICT RESPONSIBILITY. The district has
18 full responsibility for providing medical and hospital care for the
19 district's needy and indigent residents. (Acts 60th Leg., R.S.,
20 Ch. 184, Secs. 2 (part), 12 (part).)

21 Sec. 1055.102. RESTRICTION ON COUNTY OR MUNICIPALITY
22 TAXATION. Marion County or a municipality in the district may not
23 impose a tax on property in the district for hospital purposes.
24 (Acts 60th Leg., R.S., Ch. 184, Sec. 12 (part).)

25 Sec. 1055.103. RULES. (a) The board may adopt rules
26 governing the operation of the district, including district
27 facilities.

1 (b) On approval by the board, the rules may be published in
2 booklet form at district expense and made available to any taxpayer
3 on request. (Acts 60th Leg., R.S., Ch. 184, Sec. 7 (part).)

4 Sec. 1055.104. PURCHASING AND ACCOUNTING PROCEDURES. (a)
5 The board may prescribe the method and manner of making purchases
6 and expenditures by and for the district.

7 (b) The board shall prescribe:

8 (1) all accounting and control procedures; and

9 (2) the method of purchasing necessary supplies,
10 materials, and equipment. (Acts 60th Leg., R.S., Ch. 184, Sec. 7
11 (part).)

12 Sec. 1055.105. EMINENT DOMAIN. (a) The district may
13 exercise the power of eminent domain to acquire a fee simple or
14 other interest in any type of property, real, personal, or mixed,
15 located in district territory, if the interest is necessary or
16 convenient for the district to exercise a right, power, privilege,
17 or function conferred on the district by this chapter.

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

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

24 (1) pay in advance or provide a bond or other security
25 for costs in the trial court;

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

1 (3) provide a bond for costs or a supersedeas bond on
2 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 184, Sec. 9.)

3 Sec. 1055.106. GIFTS AND ENDOWMENTS. The board may accept
4 for the district a gift or endowment to be held in trust and
5 administered by the board for the purposes and under the
6 directions, limitations, or provisions prescribed in writing by the
7 donor that are not inconsistent with the proper management and
8 objectives of the district. (Acts 60th Leg., R.S., Ch. 184, Sec.
9 14.)

10 Sec. 1055.107. AUTHORITY TO LEASE DISTRICT FACILITIES. (a)
11 The district may lease district facilities acquired or constructed
12 under this chapter to any person for consideration the board
13 determines is reasonable and adequate.

14 (b) The terms of a lease entered under this section may
15 include a provision that requires the lessee to:

16 (1) agree to maintain the district's hospital
17 facilities; or

18 (2) care for and treat the indigent or needy patients
19 of Marion County.

20 (c) If a lease under this section includes a provision
21 described by Subsection (b)(2), Marion County may:

22 (1) spend money and make payments to the lessee for the
23 care and treatment;

24 (2) impose ad valorem taxes; or

25 (3) pledge any of the county's money or resources to
26 payments made under the contract. (Acts 60th Leg., R.S., Ch. 184,
27 Sec. 17.)

1 Sec. 1055.108. PAYMENT FOR TREATMENT; PROCEDURES. (a)

2 When a patient who resides in the district is admitted to a district
3 facility, the board shall have an inquiry made into the
4 circumstances of:

5 (1) the patient; and

6 (2) the patient's relatives who are legally liable for
7 the patient's support.

8 (b) If an agent designated by the district to handle the
9 inquiry determines that the patient or those relatives cannot pay
10 all or part of the costs of the care and treatment in the hospital,
11 the amount of the costs that cannot be paid becomes a charge against
12 the district.

13 (c) If the board determines that the patient or those
14 relatives are liable to pay for all or part of the costs of the
15 patient's care and treatment, the patient or those relatives shall
16 be ordered to pay the district's treasurer a specified amount each
17 week for the patient's support. The amount ordered must be
18 proportionate to the person's financial ability and may not exceed
19 the actual per capita cost of maintenance.

20 (d) The district may collect the amount from the patient's
21 estate, or from any relative who is legally liable for the patient's
22 support, in the manner provided by law for the collection of
23 expenses of the last illness of a deceased person.

24 (e) If there is a dispute as to the ability to pay, or doubt
25 in the mind of the district's designated agent, the board shall hold
26 a hearing and, after calling witnesses, shall:

27 (1) resolve the dispute or doubt; and

1 (2) issue an appropriate order.

2 (f) Either party to the dispute may appeal the order to the
3 district court. (Acts 60th Leg., R.S., Ch. 184, Sec. 13.)

4 Sec. 1055.109. AUTHORITY TO SUE AND BE SUED. As a
5 governmental agency, the district may sue and be sued in its own
6 name in any court of this state. (Acts 60th Leg., R.S., Ch. 184,
7 Sec. 16 (part).)

8 [Sections 1055.110-1055.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 1055.151. BUDGET. The board annually shall require a
11 budget to be prepared for the next fiscal year that includes:

- 12 (1) proposed expenditures and disbursements;
13 (2) estimated receipts and collections; and
14 (3) the amount of taxes required to be imposed for the
15 year. (Acts 60th Leg., R.S., Ch. 184, Sec. 8 (part).)

16 Sec. 1055.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
17 The board shall hold a public hearing on the proposed budget.

18 (b) Notice of the hearing must be published at least once in
19 a newspaper of general circulation in Marion County not later than
20 the 10th day before the date of the hearing.

21 (c) Any district taxpayer is entitled to:

22 (1) appear at the time and place designated in the
23 notice; and

24 (2) be heard regarding any item included in the
25 proposed budget. (Acts 60th Leg., R.S., Ch. 184, Sec. 8 (part).)

26 Sec. 1055.153. FISCAL YEAR. The district operates on a
27 fiscal year that begins on October 1 and ends on September 30.

1 (Acts 60th Leg., R.S., Ch. 184, Sec. 8 (part).)

2 Sec. 1055.154. ANNUAL AUDIT. (a) The board annually shall
3 have an independent audit made of the district's books and records
4 for the fiscal year.

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

7 (1) with the comptroller; and

8 (2) at the district office. (Acts 60th Leg., R.S., Ch.
9 184, Sec. 8 (part).)

10 Sec. 1055.155. DEPOSITORY OR TREASURER. (a) The board by
11 resolution shall designate a bank in Marion County as the
12 district's depository or treasurer. A designated bank serves for
13 two years until a successor is designated.

14 (b) All income received by the district shall be deposited
15 with the district depository.

16 (c) All district money shall be secured in the manner
17 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 184,
18 Secs. 5 (part), 10.)

19 [Sections 1055.156-1055.200 reserved for expansion]

20 SUBCHAPTER E. BONDS AND OTHER FINANCIAL ARRANGEMENTS

21 Sec. 1055.201. GENERAL OBLIGATION BONDS AND OTHER FINANCIAL
22 ARRANGEMENTS. The board may issue and sell general obligation
23 bonds, secure long-term loans, or make other financial arrangements
24 as district obligations in the name and on the faith and credit of
25 the district. The money shall be used for any purpose relating to:

26 (1) the purchase, construction, acquisition, repair,
27 or renovation of buildings or improvements;

1 (2) equipping buildings or improvements for hospital
2 purposes; and

3 (3) the operation of the district. (Acts 60th Leg.,
4 R.S., Ch. 184, Sec. 6 (part).)

5 Sec. 1055.202. TAX TO PAY GENERAL OBLIGATION BONDS OR OTHER
6 FINANCIAL ARRANGEMENTS. (a) The board shall impose an ad valorem
7 tax at a rate sufficient to create an interest and sinking fund to
8 pay the principal of and interest on general obligation bonds
9 issued or other financial arrangements made under Section 1055.201
10 as the bonds or other arrangements mature.

11 (b) The tax required by this section together with any other
12 ad valorem tax the district imposes may not in any year exceed 75
13 cents on each \$100 valuation of all taxable property in the
14 district. (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

15 Sec. 1055.203. ELECTION FOR GENERAL OBLIGATION BONDS OR
16 OTHER FINANCIAL ARRANGEMENTS. (a) The district may issue general
17 obligation bonds or make other financial arrangements secured by
18 tax revenue only if authorized by a majority of the district voters
19 voting at an election held for that purpose.

20 (b) The board may order the election on its own motion.

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

22 (1) the date of the election;

23 (2) the location of the polling places;

24 (3) the presiding election officers;

25 (4) the purpose for which the bonds are to be issued or
26 the financial arrangements made;

27 (5) the amount of the bonds or other financial

1 arrangements to be authorized;

2 (6) the maximum interest rate for the bonds or other
3 financial arrangements; and

4 (7) the maximum maturity of the bonds.

5 (d) Notice of an election under this section shall be given
6 by publishing a substantial copy of the order calling the election
7 in a newspaper of general circulation in Marion County once a week
8 for two consecutive weeks before the date of the election. The
9 first publication must occur at least 14 days before the date of the
10 election. (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

11 Sec. 1055.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
12 The board president shall execute the general obligation bonds in
13 the district's name.

14 (b) The board secretary shall countersign the bonds. (Acts
15 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

16 Sec. 1055.205. REVENUE BONDS; OTHER FINANCIAL
17 ARRANGEMENTS. (a) The board may, without an election, issue
18 revenue bonds or make other financial arrangements payable from and
19 secured by a pledge of all or part of the revenue derived from the
20 operation of the district's hospital system. The district may use
21 the money to:

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

24 (2) acquire sites to be used for hospital purposes.

25 (b) The bonds must be issued in the manner provided by
26 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
27 Code, for issuance of revenue bonds by a county hospital authority.

1 (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

2 Sec. 1055.206. MATURITY OF BONDS. General obligation bonds
3 and revenue bonds must mature not later than 40 years after the date
4 of issuance. (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

5 [Sections 1055.207-1055.250 reserved for expansion]

6 SUBCHAPTER F. TAXES

7 Sec. 1055.251. IMPOSITION OF AD VALOREM TAX. (a) On final
8 approval of the annual budget, the board shall impose a tax on all
9 property in the district subject to district taxation.

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

11 (1) pay the interest on and create a sinking fund for
12 bonds or other obligations issued or assumed by the district for
13 hospital purposes;

14 (2) provide for the operation and maintenance of the
15 district and hospital system;

16 (3) make improvements and additions to the hospital
17 system; and

18 (4) acquire necessary sites for the hospital system by
19 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 184,
20 Secs. 5 (part), 8 (part).)

21 Sec. 1055.252. TAX RATE. The board may impose the tax at a
22 rate not to exceed 75 cents on each \$100 valuation of all taxable
23 property in the district. (Acts 60th Leg., R.S., Ch. 184, Sec. 5
24 (part).)

25 Sec. 1055.253. TAX ASSESSOR-COLLECTOR. The tax
26 assessor-collector of Marion County shall assess and collect taxes
27 imposed by the district. (Acts 60th Leg., R.S., Ch. 184, Secs. 5

1 (part), 8 (part).)

2 CHAPTER 1057. MATAGORDA COUNTY HOSPITAL DISTRICT OF MATAGORDA

3 COUNTY, TEXAS

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1057.001. DEFINITIONS

6 Sec. 1057.002. AUTHORITY FOR CREATION

7 Sec. 1057.003. POLITICAL SUBDIVISION

8 Sec. 1057.004. DISTRICT TERRITORY

9 Sec. 1057.005. CORRECTION OF INVALID PROCEDURES

10 Sec. 1057.006. DISTRICT SUPPORT AND MAINTENANCE NOT

11 STATE OBLIGATION

12 [Sections 1057.007-1057.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1057.051. BOARD APPOINTMENT; TERM

15 Sec. 1057.052. OFFICERS

16 Sec. 1057.053. COMPENSATION

17 Sec. 1057.054. RECORDS OF PROCEEDINGS

18 Sec. 1057.055. DISTRICT ADMINISTRATOR

19 Sec. 1057.056. GENERAL DUTIES OF DISTRICT

20 ADMINISTRATOR

21 Sec. 1057.057. EMPLOYEES

22 Sec. 1057.058. RETIREMENT PROGRAM

23 Sec. 1057.059. SEAL

24 [Sections 1057.060-1057.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1057.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1057.102. RESTRICTION ON POLITICAL SUBDIVISION
2 TAXATION AND DEBT
3 Sec. 1057.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
4 Sec. 1057.104. HOSPITAL SYSTEM
5 Sec. 1057.105. RULES
6 Sec. 1057.106. LEASES
7 Sec. 1057.107. EMINENT DOMAIN
8 Sec. 1057.108. GIFTS AND ENDOWMENTS
9 Sec. 1057.109. CONTRACTS WITH GOVERNMENTAL ENTITIES
10 FOR CARE AND TREATMENT
11 Sec. 1057.110. AUTHORITY TO SUE AND BE SUED
12 [Sections 1057.111-1057.150 reserved for expansion]
13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
14 Sec. 1057.151. AUDITOR
15 Sec. 1057.152. DEPOSITORY
16 Sec. 1057.153. AUTHORITY TO BORROW MONEY; SECURITY
17 [Sections 1057.154-1057.200 reserved for expansion]
18 SUBCHAPTER E. BONDS
19 Sec. 1057.201. GENERAL OBLIGATION BONDS
20 Sec. 1057.202. TAX TO PAY GENERAL OBLIGATION BONDS
21 Sec. 1057.203. GENERAL OBLIGATION BOND ELECTION
22 Sec. 1057.204. MATURITY OF GENERAL OBLIGATION BONDS
23 Sec. 1057.205. EXECUTION OF GENERAL OBLIGATION BONDS
24 Sec. 1057.206. INVESTMENT OF GENERAL OBLIGATION BOND
25 PROCEEDS
26 Sec. 1057.207. REVENUE BONDS
27 [Sections 1057.208-1057.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Sec. 1057.251. IMPOSITION OF AD VALOREM TAX

3 Sec. 1057.252. TAX RATE

4 Sec. 1057.253. TAX ASSESSOR-COLLECTOR

5 CHAPTER 1057. MATAGORDA COUNTY HOSPITAL DISTRICT OF MATAGORDA
6 COUNTY, TEXAS

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1057.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the board of hospital managers of
10 the district.

11 (2) "District" means the Matagorda County Hospital
12 District of Matagorda County, Texas.

13 (3) "Manager" means a member of the board. (New.)

14 Sec. 1057.002. AUTHORITY FOR CREATION. The district of
15 Matagorda County, Texas, is created under the authority of Section
16 9, Article IX, Texas Constitution. (Acts 59th Leg., R.S., Ch. 41,
17 Sec. 1 (part).)

18 Sec. 1057.003. POLITICAL SUBDIVISION. The district is a
19 political subdivision of this state. (Acts 59th Leg., R.S., Ch. 41,
20 Sec. 13 (part).)

21 Sec. 1057.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of Matagorda County,
23 Texas. (Acts 59th Leg., R.S., Ch. 41, Sec. 1 (part).)

24 Sec. 1057.005. CORRECTION OF INVALID PROCEDURES. If a
25 court holds that any procedure under this chapter violates the
26 constitution of this state or of the United States, the district by
27 resolution may provide an alternative procedure that conforms with

1 the constitution. (Acts 59th Leg., R.S., Ch. 41, Sec. 15 (part).)

2 Sec. 1057.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
3 OBLIGATION. The support and maintenance of the district's hospital
4 system may not become a charge against or obligation of this state.
5 (Acts 59th Leg., R.S., Ch. 41, Sec. 6 (part).)

6 [Sections 1057.007-1057.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1057.051. BOARD APPOINTMENT; TERM. (a) The board
9 consists of not fewer than five and not more than seven managers
10 appointed by the Matagorda County Commissioners Court.

11 (b) Managers serve two-year terms. The terms may overlap.
12 (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

13 Sec. 1057.052. OFFICERS. (a) The board shall select from
14 among the managers a presiding officer who shall preside over the
15 board.

16 (b) A presiding officer pro tem shall preside in the absence
17 of the presiding officer.

18 (c) The district administrator or any manager may be
19 appointed secretary. (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

20 Sec. 1057.053. COMPENSATION. A manager serves without pay.
21 (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

22 Sec. 1057.054. RECORDS OF PROCEEDINGS. (a) The secretary
23 shall keep suitable records of all proceedings of each board
24 meeting.

25 (b) After each meeting:

26 (1) the manager presiding at the meeting shall read
27 and sign the record; and

1 (2) the secretary shall attest the record. (Acts 59th
2 Leg., R.S., Ch. 41, Sec. 4 (part).)

3 Sec. 1057.055. DISTRICT ADMINISTRATOR. (a) The board
4 shall appoint a general manager as the district administrator.

5 (b) The district administrator serves for a term not to
6 exceed two years and is entitled to receive the compensation
7 determined by the board.

8 (c) The board may remove the district administrator at any
9 time.

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

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

15 (2) contains other conditions the board may require.
16 (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

17 Sec. 1057.056. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
18 Subject to the limitations prescribed by the board, the district
19 administrator shall:

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

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

22 and

23 (3) direct the affairs of the district. (Acts 59th
24 Leg., R.S., Ch. 41, Sec. 4 (part).)

25 Sec. 1057.057. EMPLOYEES. (a) The board may employ
26 doctors, technicians, nurses, and other employees considered
27 advisable for the efficient operation of the hospital or hospital

1 system.

2 (b) A contract or term of employment under Subsection (a)
3 may not exceed two years. (Acts 59th Leg., R.S., Ch. 41, Sec. 4
4 (part).)

5 Sec. 1057.058. RETIREMENT PROGRAM. With the approval of
6 the Matagorda County Commissioners Court, the board may contract
7 with this state or the federal government as necessary to establish
8 or continue a retirement program for the benefit of district
9 employees. (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

10 Sec. 1057.059. SEAL. The board shall have a seal engraved
11 with the district's name to authenticate the acts of the board. The
12 secretary of the board shall keep the seal. (Acts 59th Leg., R.S.,
13 Ch. 41, Sec. 4 (part).)

14 [Sections 1057.060-1057.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 1057.101. DISTRICT RESPONSIBILITY. The district has
17 full responsibility for providing medical and hospital care for the
18 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 41, Sec. 2
19 (part).)

20 Sec. 1057.102. RESTRICTION ON POLITICAL SUBDIVISION
21 TAXATION AND DEBT. A political subdivision in Matagorda County,
22 other than the district, may not impose a tax or issue bonds or
23 other obligations for hospital purposes or to provide medical care
24 in the district. (Acts 59th Leg., R.S., Ch. 41, Sec. 2 (part).)

25 Sec. 1057.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
26 The board shall manage, control, and administer the district's
27 hospital or hospital system. (Acts 59th Leg., R.S., Ch. 41, Sec. 4

1 (part).)

2 Sec. 1057.104. HOSPITAL SYSTEM. The district shall provide
3 for the establishment of a hospital or hospital system in the
4 district to furnish medical and hospital care to district residents
5 by:

6 (1) purchasing, constructing, acquiring, repairing,
7 or renovating buildings and improvements for hospital purposes;

8 (2) equipping the buildings and improvements for those
9 purposes; and

10 (3) administering the buildings and improvements for
11 those purposes. (Acts 59th Leg., R.S., Ch. 41, Sec. 2 (part).)

12 Sec. 1057.105. RULES. The board may adopt rules for the
13 operation of the hospital or hospital system. (Acts 59th Leg.,
14 R.S., Ch. 41, Sec. 4 (part).)

15 Sec. 1057.106. LEASES. (a) The board may lease district
16 property, including facilities or equipment, to individuals,
17 companies, corporations, or other legal entities on terms the board
18 determines further the district's purposes.

19 (b) The term of a lease under this section may not exceed 25
20 years. (Acts 59th Leg., R.S., Ch. 41, Sec. 4A.)

21 Sec. 1057.107. EMINENT DOMAIN. (a) The district may
22 exercise the power of eminent domain to acquire a fee simple or
23 other interest in any type of property, real, personal, or mixed,
24 located in district territory, if the interest is necessary or
25 convenient for the district to exercise a right, power, privilege,
26 or function conferred on the district by this chapter.

27 (b) The district must exercise the power of eminent domain

1 in the manner provided by Chapter 21, Property Code, except the
2 district is not required to deposit in the trial court money or a
3 bond as provided by Section 21.021(a), Property Code.

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

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

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

10 (3) provide a bond for costs or a supersedeas bond on
11 an appeal or writ of error. (Acts 59th Leg., R.S., Ch. 41, Sec. 9.)

12 Sec. 1057.108. GIFTS AND ENDOWMENTS. The board may accept
13 for the district a gift or endowment to be held in trust and
14 administered by the board for the purposes and under the
15 directions, limitations, or other provisions prescribed in writing
16 by the donor that are not inconsistent with the proper management
17 and objectives of the district. (Acts 59th Leg., R.S., Ch. 41, Sec.
18 14.)

19 Sec. 1057.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
20 CARE AND TREATMENT. The board, with the approval of the Matagorda
21 County Commissioners Court, may contract with:

22 (1) a county for the care and treatment of a sick or
23 injured person of that county; and

24 (2) this state or a federal agency for the care and
25 treatment of a sick or injured person for whom the state or agency
26 is responsible. (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

27 Sec. 1057.110. AUTHORITY TO SUE AND BE SUED. As a

1 governmental agency, the district may sue and be sued in its own
2 name in any court of this state. (Acts 59th Leg., R.S., Ch. 41, Sec.
3 13 (part).)

4 [Sections 1057.111-1057.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1057.151. AUDITOR. (a) The Matagorda County auditor
7 is the auditor for the district.

8 (b) The auditor shall make any report and perform any
9 accounting service reasonably incident or necessary to the proper
10 conduct of the district's business.

11 (c) The auditor shall receive the compensation determined
12 by the board after considering the amount and value of the services
13 performed for the district. (Acts 59th Leg., R.S., Ch. 41, Sec.
14 16.)

15 Sec. 1057.152. DEPOSITORY. (a) The board by resolution
16 shall designate a bank in the county as the district's depository.
17 A designated bank serves for two years and until a successor is
18 designated.

19 (b) All income received by the district shall be deposited
20 with the district depository.

21 (c) The net revenue from the tax imposed under Section
22 1057.201 may be withdrawn as directed by the board.

23 (d) All district money shall be secured in the manner
24 provided for securing county funds. (Acts 59th Leg., R.S., Ch. 41,
25 Secs. 7 (part), 8.)

26 Sec. 1057.153. AUTHORITY TO BORROW MONEY; SECURITY. (a)
27 The board may borrow money at a rate the board determines is

1 reasonable.

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

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

5 (2) tax revenue to be collected by the district in the
6 next 12-month period that is not pledged to pay the principal of or
7 interest on district bonds;

8 (3) district bonds that have been authorized but not
9 sold; and

10 (4) any other unencumbered district assets.

11 (c) The board may use the proceeds of a loan made under this
12 section only for the district's operational and capital
13 requirements. (Acts 59th Leg., R.S., Ch. 41, Sec. 10B.)

14 [Sections 1057.154-1057.200 reserved for expansion]

15 SUBCHAPTER E. BONDS

16 Sec. 1057.201. GENERAL OBLIGATION BONDS. The board may
17 issue and sell general obligation bonds in the name and on the faith
18 and credit of the district for any purpose relating to:

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

21 (2) equipping buildings or improvements for hospital
22 purposes. (Acts 59th Leg., R.S., Ch. 41, Sec. 10 (part).)

23 Sec. 1057.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An
24 ad valorem tax shall be imposed at a rate sufficient to create an
25 interest and sinking fund to pay the principal of and interest on
26 general obligation bonds issued under Section 1057.201 as the bonds
27 mature.

1 (b) The tax required by this section together with any other
2 ad valorem tax imposed for the district may not in any year exceed
3 75 cents on each \$100 valuation of all taxable property in the
4 district. (Acts 59th Leg., R.S., Ch. 41, Sec. 10 (part).)

5 Sec. 1057.203. GENERAL OBLIGATION BOND ELECTION. (a) The
6 district may issue general obligation bonds only if the bonds are
7 authorized by a majority of the district voters voting in an
8 election held for that purpose.

9 (b) The board may order the election on its own motion.

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

- 11 (1) the date of the election;
12 (2) the location of the polling places;
13 (3) the presiding election officers;
14 (4) the purpose of the bond issuance;
15 (5) the amount of the bonds to be authorized;
16 (6) the maximum interest rate of the bonds; and
17 (7) the maximum maturity of the bonds.

18 (d) Notice of a bond election shall be given by publishing a
19 substantial copy of the order calling the election in a newspaper of
20 general circulation in the district once each week for two
21 consecutive weeks before the date of the election. The first
22 publication must occur at least 14 days before the date of the
23 election. (Acts 59th Leg., R.S., Ch. 41, Secs. 5 (part), 10
24 (part).)

25 Sec. 1057.204. MATURITY OF GENERAL OBLIGATION BONDS.
26 District general obligation bonds must mature not later than 40
27 years after the date of issuance. (Acts 59th Leg., R.S., Ch. 41,

1 Sec. 10 (part).)

2 Sec. 1057.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
3 The board's presiding officer shall execute the general obligation
4 bonds in the district's name.

5 (b) The board secretary shall countersign the bonds. (Acts
6 59th Leg., R.S., Ch. 41, Sec. 10 (part).)

7 Sec. 1057.206. INVESTMENT OF GENERAL OBLIGATION BOND
8 PROCEEDS. Until the proceeds from the sale of general obligation
9 bonds are needed to carry out the bond purpose, the proceeds may be:

10 (1) invested in direct obligations of the United
11 States; or

12 (2) placed on time deposit. (Acts 59th Leg., R.S., Ch.
13 41, Sec. 10 (part).)

14 Sec. 1057.207. REVENUE BONDS. (a) The board may issue
15 revenue bonds to:

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

18 (2) acquiresites to be used for hospital purposes.

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

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

24 (d) The bonds must be issued in the manner provided by
25 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
26 Code, for issuance of revenue bonds by a county hospital authority.

27 (e) An election is not required to authorize the issuance of

1 revenue bonds. (Acts 59th Leg., R.S., Ch. 41, Sec. 10A.)

2 [Sections 1057.208-1057.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1057.251. IMPOSITION OF AD VALOREM TAX. (a) The board
5 shall impose a tax on all property in the district subject to
6 district taxation.

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

8 (1) meet the requirements of district bonds and
9 indebtedness assumed by the district;

10 (2) provide for the district's maintenance and
11 operation expenses;

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

14 (4) acquire necessary sites by gift, purchase, lease,
15 or condemnation. (Acts 59th Leg., R.S., Ch. 41, Secs. 6 (part), 7
16 (part).)

17 Sec. 1057.252. TAX RATE. The board shall impose the tax at
18 a rate not to exceed 75 cents on each \$100 valuation of all taxable
19 property in the district. (Acts 59th Leg., R.S., Ch. 41, Sec. 6
20 (part).)

21 Sec. 1057.253. TAX ASSESSOR-COLLECTOR. The tax
22 assessor-collector of Matagorda County shall collect taxes imposed
23 by the district. (Acts 59th Leg., R.S., Ch. 41, Sec. 7 (part).)

24 CHAPTER 1059. MCCULLOCH COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1059.001. DEFINITIONS

27 Sec. 1059.002. AUTHORITY FOR OPERATION

1 Sec. 1059.003. ESSENTIAL PUBLIC FUNCTION

2 Sec. 1059.004. DISTRICT TERRITORY

3 Sec. 1059.005. DISTRICT SUPPORT AND MAINTENANCE NOT
4 STATE OBLIGATION

5 Sec. 1059.006. RESTRICTION ON STATE FINANCIAL
6 ASSISTANCE

7 [Sections 1059.007-1059.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Sec. 1059.051. BOARD ELECTION; TERMS

10 Sec. 1059.052. NOTICE OF ELECTION

11 Sec. 1059.053. QUALIFICATIONS FOR OFFICE

12 Sec. 1059.054. BOND; RECORD OF BOND

13 Sec. 1059.055. BOARD VACANCY

14 Sec. 1059.056. OFFICERS

15 Sec. 1059.057. COMPENSATION; EXPENSES

16 Sec. 1059.058. VOTING REQUIREMENT

17 Sec. 1059.059. DISTRICT ADMINISTRATOR

18 Sec. 1059.060. GENERAL DUTIES OF DISTRICT
19 ADMINISTRATOR

20 Sec. 1059.061. EMPLOYEES; APPOINTMENT AND REMOVAL OF
21 STAFF

22 Sec. 1059.062. RECRUITMENT OF MEDICAL STAFF AND
23 PROFESSIONAL PERSONNEL

24 Sec. 1059.063. RETIREMENT BENEFITS

25 [Sections 1059.064-1059.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1059.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1059.102. RESTRICTION ON POLITICAL SUBDIVISION
2 TAXATION AND DEBT
3 Sec. 1059.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
4 Sec. 1059.104. RULES
5 Sec. 1059.105. PURCHASING AND ACCOUNTING PROCEDURES
6 Sec. 1059.106. MOBILE EMERGENCY MEDICAL OR AIR
7 AMBULANCE SERVICE
8 Sec. 1059.107. DISTRICT PROPERTY, FACILITIES,
9 EQUIPMENT, AND SERVICES
10 Sec. 1059.108. EMINENT DOMAIN
11 Sec. 1059.109. COST OF RELOCATING OR ALTERING PROPERTY
12 Sec. 1059.110. GIFTS AND ENDOWMENTS
13 Sec. 1059.111. CONSTRUCTION CONTRACTS
14 Sec. 1059.112. OPERATING AND MANAGEMENT CONTRACTS
15 Sec. 1059.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
16 FOR SERVICES
17 Sec. 1059.114. PAYMENT FOR TREATMENT; PROCEDURES
18 Sec. 1059.115. POLICIES OR RULES ON INDIGENT HEALTH
19 CARE
20 Sec. 1059.116. REIMBURSEMENT FOR SERVICES
21 Sec. 1059.117. AUTHORITY TO SUE AND BE SUED
22 [Sections 1059.118-1059.150 reserved for expansion]
23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
24 Sec. 1059.151. BUDGET
25 Sec. 1059.152. NOTICE; HEARING; ADOPTION OF BUDGET
26 Sec. 1059.153. AMENDMENTS TO BUDGET
27 Sec. 1059.154. RESTRICTION ON EXPENDITURES

1 Sec. 1059.155. FISCAL YEAR

2 Sec. 1059.156. ANNUAL AUDIT

3 Sec. 1059.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
4 RECORDS

5 Sec. 1059.158. FINANCIAL REPORT

6 Sec. 1059.159. DEPOSITORY

7 Sec. 1059.160. SPENDING AND INVESTMENT RESTRICTIONS

8 Sec. 1059.161. AUTHORITY TO BORROW MONEY

9 [Sections 1059.162-1059.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 1059.201. GENERAL OBLIGATION BONDS

12 Sec. 1059.202. TAX TO PAY GENERAL OBLIGATION BONDS

13 Sec. 1059.203. GENERAL OBLIGATION BOND ELECTION

14 Sec. 1059.204. REVENUE BONDS

15 Sec. 1059.205. REFUNDING BONDS

16 Sec. 1059.206. MATURITY OF BONDS

17 Sec. 1059.207. EXECUTION OF BONDS

18 Sec. 1059.208. BONDS EXEMPT FROM TAXATION

19 [Sections 1059.209-1059.250 reserved for expansion]

20 SUBCHAPTER F. AD VALOREM TAX

21 Sec. 1059.251. IMPOSITION OF AD VALOREM TAX

22 Sec. 1059.252. TAX RATE

23 Sec. 1059.253. TAX ASSESSOR-COLLECTOR

24 [Sections 1059.254-1059.300 reserved for expansion]

25 SUBCHAPTER G. DISSOLUTION

26 Sec. 1059.301. DISSOLUTION; ELECTION

27 Sec. 1059.302. NOTICE OF ELECTION

1 Sec. 1059.303. BALLOT

2 Sec. 1059.304. ELECTION RESULTS

3 Sec. 1059.305. TRANSFER OR ADMINISTRATION OF ASSETS

4 Sec. 1059.306. SALE OR TRANSFER OF ASSETS AND

5 LIABILITIES

6 Sec. 1059.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

7 TAXES

8 Sec. 1059.308. REPORT; DISSOLUTION ORDER

9 CHAPTER 1059. MCCULLOCH COUNTY HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1059.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the
13 district.

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

15 (3) "District" means the McCulloch County Hospital
16 District. (Acts 71st Leg., R.S., Ch. 51, Sec. 1.01.)

17 Sec. 1059.002. AUTHORITY FOR OPERATION. The district
18 operates and is financed as provided by Section 9, Article IX, Texas
19 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 51,
20 Sec. 1.02.)

21 Sec. 1059.003. ESSENTIAL PUBLIC FUNCTION. The district is
22 a public entity performing an essential public function. (Acts
23 71st Leg., R.S., Ch. 51, Sec. 7.11 (part).)

24 Sec. 1059.004. DISTRICT TERRITORY. The boundaries of the
25 district are coextensive with the boundaries of McCulloch County,
26 Texas. (Acts 71st Leg., R.S., Ch. 51, Sec. 1.03.)

27 Sec. 1059.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE

1 OBLIGATION. The state may not become obligated for the support or
2 maintenance of the district. (Acts 71st Leg., R.S., Ch. 51, Sec.
3 9.01 (part).)

4 Sec. 1059.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
5 The legislature may not make a direct appropriation for the
6 construction, maintenance, or improvement of a district facility.
7 (Acts 71st Leg., R.S., Ch. 51, Sec. 9.01 (part).)

8 [Sections 1059.007-1059.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT ADMINISTRATION

10 Sec. 1059.051. BOARD ELECTION; TERMS. (a) The district is
11 governed by a board of seven directors.

12 (b) One director is elected from each commissioners
13 precinct and three directors are elected from the district at
14 large.

15 (c) Directors serve staggered three-year terms.

16 (d) An election shall be held on the uniform election date
17 in May of each year to elect the appropriate number of directors.
18 (Acts 71st Leg., R.S., Ch. 51, Secs. 4.01(a), 4.03(a), (d).)

19 Sec. 1059.052. NOTICE OF ELECTION. Not earlier than 30 days
20 or later than 10 days before the date of an election of directors,
21 notice of the election shall be published one time in a newspaper
22 with general circulation in the district. (Acts 71st Leg., R.S.,
23 Ch. 51, Sec. 4.04.)

24 Sec. 1059.053. QUALIFICATIONS FOR OFFICE. (a) To be
25 eligible to be a candidate for or to serve as a director, a person
26 must be:

27 (1) a district resident;

1 (2) a qualified voter; and

2 (3) able to obtain a bond as prescribed by Section
3 1059.054.

4 (b) In addition to Subsection (a), a person who is elected
5 from a commissioners precinct or who is appointed to fill a vacancy
6 for a commissioners precinct must be a resident of that
7 commissioners precinct.

8 (c) A district employee or member of the district's medical
9 staff may not serve as a director.

10 (d) A person formerly employed by the district may not serve
11 as a director before the second anniversary of the date of the
12 termination of that person's employment by the district. (Acts
13 71st Leg., R.S., Ch. 51, Sec. 4.06.)

14 Sec. 1059.054. BOND; RECORD OF BOND. (a) Before assuming
15 the duties of office, each director must execute a bond for \$5,000
16 that is:

17 (1) payable to the district; and

18 (2) conditioned on the faithful performance of the
19 director's duties.

20 (b) Each director's bond shall be kept in the district's
21 permanent records.

22 (c) The director shall obtain the bond from an insurer
23 authorized to engage in business in this state. (Acts 71st Leg.,
24 R.S., Ch. 51, Sec. 4.07.)

25 Sec. 1059.055. BOARD VACANCY. If a vacancy occurs in the
26 office of director, the remaining directors shall appoint a
27 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 51,

1 Sec. 4.08.)

2 Sec. 1059.056. OFFICERS. (a) The board shall elect a
3 president and a vice president from among its members.

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

6 (c) Each officer of the board serves for a term of one year.

7 (d) The board shall fill a vacancy in a board office for the
8 unexpired term. (Acts 71st Leg., R.S., Ch. 51, Secs. 4.09, 4.10.)

9 Sec. 1059.057. COMPENSATION; EXPENSES. A director or
10 officer serves without compensation but may be reimbursed for
11 actual expenses incurred in the performance of official duties.
12 The expenses must be:

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

14 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
15 51, Sec. 4.11.)

16 Sec. 1059.058. VOTING REQUIREMENT. A concurrence of a
17 majority of the directors voting is necessary in any matter
18 relating to district business. (Acts 71st Leg., R.S., Ch. 51, Sec.
19 4.12.)

20 Sec. 1059.059. DISTRICT ADMINISTRATOR. (a) The board may
21 appoint a qualified person as district administrator.

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

24 (c) Before assuming the duties of district administrator,
25 the administrator shall execute a bond in the amount determined by
26 the board of not less than \$5,000 that is:

27 (1) payable to the district; and

1 (2) conditioned on the faithful performance of the
2 administrator's duties under this chapter.

3 (d) The bond shall be kept in the district's permanent
4 records.

5 (e) The district administrator shall obtain the bond from an
6 insurer authorized to engage in business in this state.

7 (f) The board may pay for the bond with district money.
8 (Acts 71st Leg., R.S., Ch. 51, Sec. 4.13.)

9 Sec. 1059.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
10 Subject to the limitations prescribed by the board, the district
11 administrator shall:

12 (1) supervise the work and activities of the district;
13 and

14 (2) direct the general affairs of the district. (Acts
15 71st Leg., R.S., Ch. 51, Sec. 4.17.)

16 Sec. 1059.061. EMPLOYEES; APPOINTMENT AND REMOVAL OF STAFF.

17 (a) The board may:

18 (1) appoint to or remove from the staff any doctors the
19 board considers necessary for the efficient operation of the
20 district and may make temporary appointments as necessary; and

21 (2) adopt policies relating to the method of
22 appointing and removing staff members.

23 (b) The district may employ technicians, nurses, fiscal
24 agents, accountants, architects, attorneys, and other necessary
25 employees.

26 (c) The board may delegate to the district administrator the
27 authority to employ persons for the district.

1 (d) The district may not employ a person who is related to a
2 director within the second degree by consanguinity or affinity, as
3 determined under Subchapter B, Chapter 573, Government Code, during
4 that director's term of office. A district employee who is related
5 to a person elected as a director within the second degree by
6 consanguinity or affinity shall resign from employment when that
7 director takes office. (Acts 71st Leg., R.S., Ch. 51, Secs. 4.14,
8 4.15.)

9 Sec. 1059.062. RECRUITMENT OF MEDICAL STAFF AND
10 PROFESSIONAL PERSONNEL. The board may use innovative methods to
11 recruit physicians, nurses, technicians, and other professional
12 personnel, including:

- 13 (1) scholarship programs;
- 14 (2) agreements for future services;
- 15 (3) shared personnel;
- 16 (4) bonuses; and
- 17 (5) any other method the district considers
18 necessary. (Acts 71st Leg., R.S., Ch. 51, Sec. 4.16.)

19 Sec. 1059.063. RETIREMENT BENEFITS. The board may provide
20 retirement benefits for district employees by:

- 21 (1) establishing or administering a retirement
22 program; or
- 23 (2) participating in:
 - 24 (A) the Texas County and District Retirement
25 System; or
 - 26 (B) another statewide retirement system in which
27 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.

1 51, Sec. 4.18.)

2 [Sections 1059.064-1059.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 1059.101. DISTRICT RESPONSIBILITY. The district has
5 full responsibility for:

6 (1) operating hospital facilities; and

7 (2) providing medical and hospital care for the
8 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 51, Sec.
9 5.02(a) (part).)

10 Sec. 1059.102. RESTRICTION ON POLITICAL SUBDIVISION
11 TAXATION AND DEBT. McCulloch County, the City of Brady, and the
12 McCulloch County Hospital Authority may not impose a tax or issue
13 bonds or other obligations for hospital purposes or to provide
14 medical care for district residents. (Acts 71st Leg., R.S., Ch. 51,
15 Sec. 5.01(b).)

16 Sec. 1059.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
17 The board shall manage, control, and administer the hospital system
18 and the district's money and resources. (Acts 71st Leg., R.S., Ch.
19 51, Sec. 5.03.)

20 Sec. 1059.104. RULES. The board may adopt rules governing:

21 (1) the operation of the hospital and hospital system;
22 and

23 (2) the duties, functions, and responsibilities of
24 district staff and employees. (Acts 71st Leg., R.S., Ch. 51, Sec.
25 5.04.)

26 Sec. 1059.105. PURCHASING AND ACCOUNTING PROCEDURES. The
27 board may prescribe:

1 (1) the method of making purchases and expenditures by
2 and for the district; and

3 (2) accounting and control procedures for the
4 district. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.05.)

5 Sec. 1059.106. MOBILE EMERGENCY MEDICAL OR AIR AMBULANCE
6 SERVICE. The district may operate or provide for the operation of a
7 mobile emergency medical or air ambulance service. (Acts 71st
8 Leg., R.S., Ch. 51, Sec. 5.02(a) (part).)

9 Sec. 1059.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT,
10 AND SERVICES. (a) The board shall determine:

11 (1) the type, number, and location of buildings
12 required to maintain an adequate hospital system; and

13 (2) the type of equipment necessary for hospital care.

14 (b) The district has complete discretion as to the type and
15 extent of services the district will offer. The district may
16 provide any services or facilities the board finds necessary for
17 hospital or medical care, including:

18 (1) facilities for domiciliary care, including
19 geriatric domiciliary care;

20 (2) outpatient clinics;

21 (3) dispensaries;

22 (4) convalescent home facilities;

23 (5) necessary nurses;

24 (6) domiciliaries and training centers;

25 (7) blood banks;

26 (8) community mental health centers;

27 (9) alcohol or chemical dependency centers;

1 (10) minor emergency centers;

2 (11) research centers; or

3 (12) laboratories.

4 (c) The board may:

5 (1) acquire property, including facilities and
6 equipment, for the district for use in the hospital system; and

7 (2) mortgage or pledge the property as security for
8 the payment of the purchase price.

9 (d) The board may lease hospital facilities for the
10 district.

11 (e) The board may sell or otherwise dispose of property,
12 including facilities or equipment, for the district at public or
13 private sale at the price and terms the board considers most
14 advantageous. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.06.)

15 Sec. 1059.108. EMINENT DOMAIN. (a) The district may
16 exercise the power of eminent domain to acquire a fee simple or
17 other interest in property located in district territory if the
18 property interest is necessary to exercise a right or authority
19 conferred by this chapter.

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

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

26 (1) pay in advance or provide a bond or other security
27 for costs in the trial court;

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

3 (3) provide a bond for costs or a supersedeas bond on
4 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 51, Sec.
5 5.09.)

6 Sec. 1059.109. COST OF RELOCATING OR ALTERING PROPERTY. In
7 exercising the power of eminent domain, if the board requires
8 relocating, raising, lowering, rerouting, changing the grade of, or
9 altering the construction of any railroad, highway, pipeline, or
10 electric transmission and electric distribution, telegraph, or
11 telephone line, conduit, pole, or facility, the district must bear
12 the actual cost of relocating, raising, lowering, rerouting,
13 changing the grade, or altering the construction to provide
14 comparable replacement without enhancement of facilities, after
15 deducting the net salvage value derived from the old facility.
16 (Acts 71st Leg., R.S., Ch. 51, Sec. 5.10.)

17 Sec. 1059.110. GIFTS AND ENDOWMENTS. The board may accept
18 for the district a gift or endowment to be held in trust for any
19 purpose and under any direction, limitation, or other provision
20 prescribed in writing by the donor that is consistent with the
21 proper management of the district. (Acts 71st Leg., R.S., Ch. 51,
22 Sec. 5.14.)

23 Sec. 1059.111. CONSTRUCTION CONTRACTS. (a) The board may
24 enter into construction contracts for the district.

25 (b) The board may enter into a construction contract that
26 involves the expenditure of more than the amount provided by
27 Section 271.024, Local Government Code, only after competitive

1 bidding as provided by Subchapter B, Chapter 271, Local Government
2 Code. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.07(a).)

3 Sec. 1059.112. OPERATING AND MANAGEMENT CONTRACTS. The
4 board may enter into an operating or management contract relating
5 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.
6 51, Sec. 5.08.)

7 Sec. 1059.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
8 SERVICES. The board may contract with a political subdivision of
9 this state or with a state or federal agency for the district to:

10 (1) furnish a mobile emergency medical or air
11 ambulance service; or

12 (2) provide for the investigatory or welfare needs of
13 district inhabitants. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.13.)

14 Sec. 1059.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
15 When a patient who resides in the district is admitted to a district
16 facility, the district administrator may have an inquiry made into
17 the financial circumstances of:

18 (1) the patient; or

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

21 (b) As required by Section 9, Article IX, Texas
22 Constitution, the district without charge shall provide to a
23 patient who resides in the district the care and treatment that the
24 patient or a relative of the patient who is legally responsible for
25 the patient's support cannot pay.

26 (c) On determining that the patient or a relative legally
27 responsible for the patient's support can pay for all or part of the

1 care and treatment provided by the district, the district
2 administrator shall report that determination to the board, and the
3 board shall issue an order directing the patient or the relative to
4 pay the district a specified amount each week. The amount must be
5 based on the individual's ability to pay.

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

11 (e) If there is a dispute relating to an individual's
12 ability to pay or if the district administrator has any doubt
13 concerning an individual's ability to pay, the board shall:

- 14 (1) call witnesses;
- 15 (2) issue subpoenas and subpoenas duces tecum;
- 16 (3) administer oaths;
- 17 (4) hear and resolve the question; and
- 18 (5) issue a final order.

19 (f) A final order of the board may be appealed to a district
20 court in McCulloch County. The substantial evidence rule applies
21 to the appeal. (Acts 71st Leg., R.S., Ch. 51, Secs. 5.11(a), (d),
22 (e), (f), (g).)

23 Sec. 1059.115. POLICIES OR RULES ON INDIGENT HEALTH CARE.

24 (a) The district may adopt, amend, or repeal policies or rules
25 relating to indigent health care that include:

- 26 (1) eligibility of patients for indigent health care;
- 27 (2) application forms for patients or relatives of

1 patients requesting indigent health care that may require personal
2 and financial information to be furnished;

3 (3) procedures for obtaining and completing
4 applications for indigent health care and for filing the completed
5 applications with the district;

6 (4) procedures for reviewing applications to
7 determine eligibility for indigent health care; and

8 (5) other procedures provided by this section and
9 Section 1059.116.

10 (b) The application procedure to determine eligibility for
11 indigent health care must be adopted not later than the beginning of
12 each operating year and must comply with Chapter 61, Health and
13 Safety Code. (Acts 71st Leg., R.S., Ch. 51, Secs. 5.11(b), (c).)

14 Sec. 1059.116. REIMBURSEMENT FOR SERVICES. (a) The board
15 shall require a county, municipality, or public hospital located
16 outside the district to reimburse the district for the district's
17 care and treatment of a sick or injured person of that county,
18 municipality, or public hospital as provided by Chapter 61, Health
19 and Safety Code.

20 (b) The board shall require the sheriff of McCulloch County
21 to reimburse the district for the district's care and treatment of a
22 person who is confined in a jail facility of McCulloch County and is
23 not a district resident.

24 (c) The board may contract with the state or federal
25 government for that government to reimburse the district for
26 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
27 51, Sec. 5.12.)

1 Sec. 1059.117. AUTHORITY TO SUE AND BE SUED. (a) The board
2 may sue and be sued on behalf of the district.

3 (b) The district may assert any defense or counterclaim the
4 McCulloch County Hospital Authority could have asserted related to
5 any debt that was:

6 (1) incurred by the authority for hospital purposes;
7 and

8 (2) assumed by the district on the district's
9 creation. (Acts 71st Leg., R.S., Ch. 51, Secs. 5.02(b), 5.15.)

10 [Sections 1059.118-1059.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 1059.151. BUDGET. (a) The district administrator
13 shall prepare a proposed annual budget for the district.

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

16 (1) the outstanding obligations of the district;
17 (2) the amount of cash on hand in each district fund;
18 (3) the amount of money received by the district from
19 all sources during the previous year;

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

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

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

26 (7) the estimated tax rate required. (Acts 71st Leg.,
27 R.S., Ch. 51, Sec. 6.04.)

1 Sec. 1059.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

3 (b) The board shall publish notice of the hearing in a
4 newspaper of general circulation in the district not later than the
5 10th day before the date of the hearing.

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

8 (d) At the conclusion of the hearing, the board shall adopt
9 a budget by acting on the budget proposed by the district
10 administrator. The board may make any changes in the proposed
11 budget that the board judges to be in the interests of the
12 taxpayers.

13 (e) The budget is effective only after adoption by the
14 board. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.05.)

15 Sec. 1059.153. AMENDMENTS TO BUDGET. After adoption, the
16 annual budget may be amended on the board's approval. (Acts 71st
17 Leg., R.S., Ch. 51, Sec. 6.06.)

18 Sec. 1059.154. RESTRICTION ON EXPENDITURES. Money may be
19 spent only for an expense included in the budget or an amendment to
20 the budget. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.07.)

21 Sec. 1059.155. FISCAL YEAR. (a) The district operates on a
22 fiscal year established by the board.

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

24 (1) when revenue bonds of the district are
25 outstanding; or

26 (2) more than once in a 24-month period. (Acts 71st
27 Leg., R.S., Ch. 51, Sec. 6.01.)

1 Sec. 1059.156. ANNUAL AUDIT. The board annually shall have
2 an audit made of the district's financial condition. (Acts 71st
3 Leg., R.S., Ch. 51, Sec. 6.02.)

4 Sec. 1059.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
5 RECORDS. The annual audit and other district records are open to
6 inspection during regular business hours at the district's
7 principal office. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.03.)

8 Sec. 1059.158. FINANCIAL REPORT. As soon as practicable
9 after the close of the fiscal year, the district administrator
10 shall prepare for the board:

11 (1) a sworn statement of the amount of district money;
12 and

13 (2) an account of the disbursements of that money.
14 (Acts 71st Leg., R.S., Ch. 51, Sec. 6.08.)

15 Sec. 1059.159. DEPOSITORY. (a) The board shall select at
16 least one bank to serve as a depository for district money.

17 (b) District money, other than money invested as provided by
18 Section 1059.160(b) and money transmitted to a bank for payment of
19 bonds or obligations issued or assumed by the district, shall be
20 deposited as received with the depository bank and must remain on
21 deposit. This subsection does not limit the power of the board to
22 place a portion of district money on time deposit or to purchase
23 certificates of deposit.

24 (c) The district may not deposit money with a bank in an
25 amount that exceeds the maximum amount secured by the Federal
26 Deposit Insurance Corporation unless the bank first executes a bond
27 or other security in an amount sufficient to secure from loss the

1 district money that exceeds the amount secured by the Federal
2 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 51, Sec.
3 6.11.)

4 Sec. 1059.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
5 Except as provided by Sections 1059.111, 1059.201, 1059.204, and
6 1059.205, the district may not incur a debt payable from district
7 revenue other than the revenue on hand or to be on hand in the
8 current and immediately following district fiscal years.

9 (b) The board may invest operating, depreciation, or
10 building reserves only in funds or securities specified by Chapter
11 2256, Government Code. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.09.)

12 Sec. 1059.161. AUTHORITY TO BORROW MONEY. (a) The district
13 may borrow money for district operating expenses in an amount not to
14 exceed the amount of tax revenue the district expects to receive
15 during the 12-month period following the date the money is
16 borrowed.

17 (b) The district may pledge all or any part of that tax
18 revenue to repay the amount borrowed. (Acts 71st Leg., R.S., Ch.
19 51, Sec. 6.10.)

20 [Sections 1059.162-1059.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1059.201. GENERAL OBLIGATION BONDS. The board may
23 issue and sell general obligation bonds authorized by an election
24 in the name and on the faith and credit of the district to:

25 (1) purchase, construct, acquire, repair, or renovate
26 buildings or improvements;

27 (2) equip buildings or improvements for hospital

1 purposes; or

2 (3) acquire and operate a mobile emergency medical or
3 air ambulance service. (Acts 71st Leg., R.S., Ch. 51, Sec. 7.01.)

4 Sec. 1059.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
5 the time general obligation bonds are issued by the district under
6 Section 1059.201, the board shall impose an ad valorem tax at a rate
7 sufficient to create an interest and sinking fund to pay the
8 principal of and interest on the bonds as the bonds mature.

9 (b) The tax required by this section together with any other
10 ad valorem tax the district imposes may not in any year exceed the
11 limit approved by the voters at the election authorizing the
12 imposition of the tax. (Acts 71st Leg., R.S., Ch. 51, Sec. 7.02.)

13 Sec. 1059.203. GENERAL OBLIGATION BOND ELECTION. (a) The
14 district may issue general obligation bonds only if the bonds are
15 authorized by a majority of the district voters voting at an
16 election held for that purpose.

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

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

- 19 (1) the nature and date of the election;
20 (2) the hours during which the polls will be open;
21 (3) the location of polling places;
22 (4) the amount of the bonds to be authorized; and
23 (5) the maximum maturity of the bonds.

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

26 (e) The board shall declare the results of the bond
27 election. (Acts 71st Leg., R.S., Ch. 51, Sec. 7.03.)

1 Sec. 1059.204. REVENUE BONDS. (a) The board may issue
2 revenue bonds to:

3 (1) purchase, construct, acquire, repair, equip, or
4 renovate buildings or improvements for hospital purposes,
5 including the purposes described by Section 1059.107;

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

7 (3) acquire and operate a mobile emergency medical or
8 air ambulance service to assist the district in carrying out its
9 hospital purposes.

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

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

15 (d) The bonds must be issued in the manner provided by
16 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
17 Code, for issuance of revenue bonds by a county hospital authority.
18 (Acts 71st Leg., R.S., Ch. 51, Sec. 7.04.)

19 Sec. 1059.205. REFUNDING BONDS. (a) The board may issue
20 refunding bonds to refund outstanding indebtedness issued or
21 assumed by the district.

22 (b) A refunding bond may be:

23 (1) sold, with the proceeds of the refunding bond
24 applied to the payment of the outstanding indebtedness; or

25 (2) exchanged wholly or partly for not less than a
26 similar principal amount of outstanding indebtedness. (Acts 71st
27 Leg., R.S., Ch. 51, Secs. 7.05(a), (c) (part).)

1 Sec. 1059.206. MATURITY OF BONDS. District bonds must
2 mature not later than 50 years after the date of issuance. (Acts
3 71st Leg., R.S., Ch. 51, Sec. 7.06 (part).)

4 Sec. 1059.207. EXECUTION OF BONDS. (a) The board president
5 shall execute the district's bonds in the district's name.

6 (b) The board secretary shall countersign the bonds in the
7 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,
8 R.S., Ch. 51, Sec. 7.07.)

9 Sec. 1059.208. BONDS EXEMPT FROM TAXATION. The following
10 are exempt from taxation by this state or a political subdivision of
11 this state:

- 12 (1) bonds issued by the district;
13 (2) any transaction relating to the bonds; and
14 (3) profits made in the sale of the bonds. (Acts 71st
15 Leg., R.S., Ch. 51, Sec. 7.11 (part).)

16 [Sections 1059.209-1059.250 reserved for expansion]

17 SUBCHAPTER F. AD VALOREM TAX

18 Sec. 1059.251. IMPOSITION OF AD VALOREM TAX. (a) The board
19 may impose a tax on all property in the district subject to district
20 taxation.

- 21 (b) The tax may be used to pay:
22 (1) indebtedness issued or assumed by the district;
23 and
24 (2) the maintenance and operating expenses of the
25 district.

26 (c) The district may not impose a tax to pay the principal of
27 or interest on revenue bonds issued under this chapter. (Acts 71st

1 Leg., R.S., Ch. 51, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

2 Sec. 1059.252. TAX RATE. (a) The board may impose the tax
3 at a rate not to exceed the limit approved by the voters at the
4 election authorizing the imposition of the tax.

5 (b) The tax rate for all purposes may not exceed 75 cents on
6 each \$100 valuation of all taxable property in the district.

7 (c) In setting the tax rate, the board shall consider the
8 income of the district from sources other than taxation. (Acts
9 71st Leg., R.S., Ch. 51, Secs. 8.01(a) (part), (b), 8.03 (part).)

10 Sec. 1059.253. TAX ASSESSOR-COLLECTOR. The board may
11 provide for the appointment of a tax assessor-collector for the
12 district or may contract for the assessment and collection of taxes
13 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 51, Sec.
14 8.04(b).)

15 [Sections 1059.254-1059.300 reserved for expansion]

16 SUBCHAPTER G. DISSOLUTION

17 Sec. 1059.301. DISSOLUTION; ELECTION. (a) The district
18 may be dissolved only on approval of a majority of the district
19 voters voting in an election held for that purpose.

20 (b) The board may order an election on the question of
21 dissolving the district and disposing of the district's assets and
22 obligations.

23 (c) The board shall order an election if the board receives
24 a petition requesting an election that is signed by a number of
25 district residents equal to at least 15 percent of the registered
26 voters in the district.

27 (d) The order calling the election must state:

1 (1) the nature of the election, including the
2 proposition 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) Section 41.001(a), Election Code, does not apply to an
7 election ordered under this section. (Acts 71st Leg., R.S., Ch. 51,
8 Secs. 10.01(a), (b), (c) (part).)

9 Sec. 1059.302. NOTICE OF ELECTION. (a) The board shall
10 give notice of an election under this subchapter by publishing once
11 a week for two consecutive weeks the election order in a newspaper
12 with general circulation in the district.

13 (b) The first publication of notice must appear not later
14 than the 35th day before the date set for the election. (Acts 71st
15 Leg., R.S., Ch. 51, Sec. 10.01(d) (part).)

16 Sec. 1059.303. BALLOT. The ballot for an election under
17 this subchapter must be printed to permit voting for or against the
18 proposition: "The dissolution of the McCulloch County Hospital
19 District." (Acts 71st Leg., R.S., Ch. 51, Sec. 10.01(d) (part).)

20 Sec. 1059.304. ELECTION RESULTS. (a) If a majority of the
21 votes in an election under this subchapter favor dissolution, the
22 board shall find that the district is dissolved.

23 (b) If a majority of the votes in the election do not favor
24 dissolution, the board shall continue to administer the district
25 and another election on the question of dissolution may not be held
26 before the first anniversary of the date of the most recent election
27 to dissolve the district. (Acts 71st Leg., R.S., Ch. 51, Sec.

1 10.01(e).)

2 Sec. 1059.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
3 If a majority of the votes in the election held under this
4 subchapter favor dissolution, the board shall:

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

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

12 (b) If the district makes the transfer under Subsection
13 (a)(1), the county or entity assumes all debts and obligations of
14 the district at the time of the transfer, and the district is
15 dissolved. (Acts 71st Leg., R.S., Ch. 51, Secs. 10.01(f), (g).)

16 Sec. 1059.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

17 (a) The district may not be dissolved unless the board provides for
18 the sale or transfer of the district's assets and liabilities to
19 another person.

20 (b) The dissolution of the district and the sale or transfer
21 of the district's assets or liabilities may not contravene a trust
22 indenture or bond resolution relating to the district's outstanding
23 bonds. The dissolution and sale or transfer does not diminish or
24 impair the rights of a holder of an outstanding bond, warrant, or
25 other obligation of the district.

26 (c) The sale or transfer of the district's assets and
27 liabilities must satisfy the debt and bond obligations of the

1 district in a manner that protects the interests of district
2 residents, including the residents' collective property rights in
3 the district's assets.

4 (d) The district may not transfer or dispose of the
5 district's assets except for due compensation unless:

6 (1) the transfer is made to another governmental
7 entity that serves the district; and

8 (2) the transferred assets are to be used for the
9 benefit of district residents.

10 (e) A grant from federal funds is an obligation to be repaid
11 in satisfaction. (Acts 71st Leg., R.S., Ch. 51, Secs. 10.01(m),
12 (n).)

13 Sec. 1059.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
14 TAXES. (a) After the board finds that the district is dissolved,
15 the board shall:

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

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

20 (b) On the payment of all outstanding debts and obligations
21 of the district, the board shall order the secretary to return to
22 each district taxpayer the taxpayer's pro rata share of all unused
23 tax money.

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

1 71st Leg., R.S., Ch. 51, Secs. 10.01(h), (i), (j).)

2 Sec. 1059.308. REPORT; DISSOLUTION ORDER. (a) After the
3 district has paid all district debts and has disposed of all
4 district money and other assets as prescribed by this subchapter,
5 the board shall file a written report with the Commissioners Court
6 of McCulloch County summarizing the board's actions in dissolving
7 the district.

8 (b) Not later than the 10th day after the date the
9 Commissioners Court of McCulloch County receives the report and
10 determines that the requirements of this subchapter have been
11 fulfilled, the commissioners court shall enter an order dissolving
12 the district and releasing the board from any further duty or
13 obligation. (Acts 71st Leg., R.S., Ch. 51, Secs. 10.01(k), (l).)

14 CHAPTER 1060. MENARD COUNTY HOSPITAL DISTRICT OF MENARD COUNTY,
15 TEXAS

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1060.001. DEFINITIONS

18 Sec. 1060.002. AUTHORITY FOR CREATION

19 Sec. 1060.003. DISTRICT TERRITORY

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21 STATE OBLIGATION

22 Sec. 1060.005. RESTRICTION ON STATE FINANCIAL

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24 [Sections 1060.006-1060.050 reserved for expansion]

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26 Sec. 1060.051. BOARD ELECTION; TERM

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5 Sec. 1060.056. OFFICERS
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9 Sec. 1060.060. MAINTENANCE OF RECORDS; PUBLIC
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11 [Sections 1060.061-1060.100 reserved for expansion]
12 SUBCHAPTER C. POWERS AND DUTIES
13 Sec. 1060.101. DISTRICT RESPONSIBILITY
14 Sec. 1060.102. RESTRICTION ON POLITICAL SUBDIVISION
15 TAXATION AND DEBT
16 Sec. 1060.103. MANAGEMENT AND CONTROL OF DISTRICT
17 Sec. 1060.104. HOSPITAL SYSTEM
18 Sec. 1060.105. RULES
19 Sec. 1060.106. PURCHASING AND ACCOUNTING PROCEDURES
20 Sec. 1060.107. EMINENT DOMAIN
21 Sec. 1060.108. GIFTS AND ENDOWMENTS
22 Sec. 1060.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE
23 Sec. 1060.110. PAYMENT FOR TREATMENT; PROCEDURES
24 [Sections 1060.111-1060.150 reserved for expansion]
25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
26 Sec. 1060.151. BUDGET
27 Sec. 1060.152. PROPOSED BUDGET: NOTICE AND HEARING

1 Sec. 1060.153. FISCAL YEAR

2 Sec. 1060.154. ANNUAL AUDIT

3 Sec. 1060.155. DEPOSITORY

4 [Sections 1060.156-1060.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1060.201. BONDS

7 Sec. 1060.202. TAX TO PAY BONDS

8 Sec. 1060.203. BOND ELECTION

9 Sec. 1060.204. MATURITY OF BONDS

10 Sec. 1060.205. EXECUTION OF BONDS

11 [Sections 1060.206-1060.250 reserved for expansion]

12 SUBCHAPTER F. TAXES

13 Sec. 1060.251. IMPOSITION OF AD VALOREM TAX

14 Sec. 1060.252. TAX RATE

15 Sec. 1060.253. TAX ASSESSOR-COLLECTOR

16 CHAPTER 1060. MENARD COUNTY HOSPITAL DISTRICT OF MENARD COUNTY,

17 TEXAS

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1060.001. DEFINITIONS. In this chapter:

20 (1) "Board" means the board of directors of the
21 district.

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

23 (3) "District" means the Menard County Hospital
24 District of Menard County, Texas. (New.)

25 Sec. 1060.002. AUTHORITY FOR CREATION. The district of
26 Menard County, Texas, is created under the authority of Section 9,
27 Article IX, Texas Constitution. (Acts 64th Leg., R.S., Ch. 665,

1 Sec. 1.)

2 Sec. 1060.003. DISTRICT TERRITORY. The boundaries of the
3 district are coextensive with the boundaries of Menard County.
4 (Acts 64th Leg., R.S., Ch. 665, Sec. 2.)

5 Sec. 1060.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
6 OBLIGATION. The support and maintenance of the district's hospital
7 system and any indebtedness incurred by the district under this
8 chapter may not become a charge against or obligation of this state.
9 (Acts 64th Leg., R.S., Ch. 665, Sec. 18 (part).)

10 Sec. 1060.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
11 The legislature may not make a direct appropriation for the
12 construction, maintenance, or improvement of a district facility.
13 (Acts 64th Leg., R.S., Ch. 665, Sec. 18 (part).)

14 [Sections 1060.006-1060.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1060.051. BOARD ELECTION; TERM. (a) The board
17 consists of five directors elected from the district at large.

18 (b) Directors serve staggered two-year terms unless
19 four-year terms are established under Section 285.081, Health and
20 Safety Code. (Acts 64th Leg., R.S., Ch. 665, Secs. 5(a), (d), (e),
21 (g).)

22 Sec. 1060.052. NOTICE OF ELECTION. At least 30 days before
23 the date of an election of directors, notice of the election shall
24 be published one time in a newspaper or newspapers that
25 individually or collectively have general circulation in the
26 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 5(f) (part).)

27 Sec. 1060.053. QUALIFICATIONS FOR OFFICE. To qualify for

1 election to the board, a person must:

2 (1) be at least 21 years of age;

3 (2) have been a district resident for at least two
4 years; and

5 (3) be a qualified voter of the district. (Acts 64th
6 Leg., R.S., Ch. 665, Sec. 5(b).)

7 Sec. 1060.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
8 OF OFFICE. (a) Each director shall execute a good and sufficient
9 commercial bond for \$1,000 that is:

10 (1) payable to the district; and

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

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

14 (c) Each director's bond and constitutional oath or
15 affirmation of office shall be deposited with the district's
16 depository for safekeeping. (Acts 64th Leg., R.S., Ch. 665, Sec.
17 6(a).)

18 Sec. 1060.055. BOARD VACANCY. If a vacancy occurs in the
19 office of director, a majority of the directors shall appoint a
20 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 665,
21 Sec. 5(h).)

22 Sec. 1060.056. OFFICERS. The board shall elect from among
23 its members a president, a secretary, and a treasurer at the first
24 meeting of the board after each directors' election. (Acts 64th
25 Leg., R.S., Ch. 665, Sec. 6(b).)

26 Sec. 1060.057. COMPENSATION; EXPENSES. A director serves
27 without compensation but is entitled to reimbursement for necessary

1 expenses incurred in the performance of official duties. (Acts
2 64th Leg., R.S., Ch. 665, Sec. 6(c).)

3 Sec. 1060.058. DISTRICT ADMINISTRATOR. (a) The board may
4 employ a district administrator to manage the operations of the
5 hospital system.

6 (b) The district administrator may employ necessary
7 personnel to perform the services provided by the hospital system.
8 (Acts 64th Leg., R.S., Ch. 665, Sec. 12(e) (part).)

9 Sec. 1060.059. EMPLOYEES. The board may employ an
10 attorney, general manager, bookkeeper, architect, and other
11 employees necessary for the efficient operation of the district.
12 (Acts 64th Leg., R.S., Ch. 665, Sec. 12(e) (part).)

13 Sec. 1060.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
14 The board shall:

15 (1) maintain all district records, including books,
16 accounts, notices, minutes, and other matters of the district and
17 its operation, at the district office; and

18 (2) make those records available for public inspection
19 at reasonable times. (Acts 64th Leg., R.S., Ch. 665, Sec. 12(b).)

20 [Sections 1060.061-1060.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 1060.101. DISTRICT RESPONSIBILITY. The district shall
23 provide all necessary hospital and medical care for the district's
24 needy inhabitants. (Acts 64th Leg., R.S., Ch. 665, Sec. 3 (part).)

25 Sec. 1060.102. RESTRICTION ON POLITICAL SUBDIVISION
26 TAXATION AND DEBT. A political subdivision of this state, other
27 than the district, may not impose a tax or issue bonds or other

1 obligations to provide hospital service or medical care in the
2 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 3 (part).)

3 Sec. 1060.103. MANAGEMENT AND CONTROL OF DISTRICT. The
4 board has full power to manage and control the district. (Acts 64th
5 Leg., R.S., Ch. 665, Sec. 12(a) (part).)

6 Sec. 1060.104. HOSPITAL SYSTEM. The district has the
7 responsibility to establish a hospital or hospital system within
8 its boundaries to provide hospital and medical care to the
9 district's residents. (Acts 64th Leg., R.S., Ch. 665, Sec. 3
10 (part).)

11 Sec. 1060.105. RULES. (a) The board shall adopt rules for
12 the efficient operation of the district, including district
13 facilities.

14 (b) The board shall:

15 (1) publish the rules in book form; and

16 (2) provide copies to interested persons on request at
17 district expense. (Acts 64th Leg., R.S., Ch. 665, Sec. 12(c).)

18 Sec. 1060.106. PURCHASING AND ACCOUNTING PROCEDURES. The
19 board may prescribe the method of making purchases and expenditures
20 and the manner of accounting and control used by the district.
21 (Acts 64th Leg., R.S., Ch. 665, Sec. 12(e) (part).)

22 Sec. 1060.107. EMINENT DOMAIN. (a) The district may
23 exercise the power of eminent domain to acquire a fee simple or
24 other interest in real, personal, or mixed property located in
25 district territory if the interest is necessary or convenient for
26 the district to exercise a power or duty conferred on the district
27 by this chapter.

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

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

7 (1) pay in advance or provide a bond or other security
8 for costs in the trial court; or

9 (2) provide a bond for costs or a supersedeas bond on
10 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 665, Sec.
11 15.)

12 Sec. 1060.108. GIFTS AND ENDOWMENTS. The board may accept
13 for the district a gift or endowment to be held in trust and
14 administered by the board under the directions, limitations, or
15 other provisions prescribed in writing by the donor that are not
16 inconsistent with the proper management of the district. (Acts
17 64th Leg., R.S., Ch. 665, Sec. 12(f).)

18 Sec. 1060.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE.
19 The board may contract with another political subdivision to
20 provide hospital and medical care for needy persons who reside
21 outside the district. (Acts 64th Leg., R.S., Ch. 665, Sec. 12(g).)

22 Sec. 1060.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A
23 person who resides in the district is entitled to receive necessary
24 medical and hospital care regardless of whether the person has the
25 ability to pay for the care and may apply to receive this care
26 without cost.

27 (b) The board or the district administrator shall employ a

1 person to investigate the ability of the patient and any relative
2 who is liable for the patient's support to pay for the medical and
3 hospital care received by the patient.

4 (c) If the investigator determines that the patient or
5 relative legally liable for the patient's support cannot pay all or
6 part of the costs of the patient's care, the expense of the care
7 becomes a charge against the district.

8 (d) If the patient or a relative legally liable for the
9 patient's support can pay for all or part of the costs of the
10 patient's care, the board shall order the patient or relative to pay
11 the treasurer each week an amount specified in the order, which must
12 be proportionate to the person's ability to pay.

13 (e) The district may collect the amount from the patient's
14 estate, or from any relative who is liable for the patient's
15 support, in the manner provided by law for the collection of
16 expenses of the last illness of a deceased person.

17 (f) If there is a dispute as to the ability to pay, or doubt
18 in the mind of the investigator, the board shall hold a hearing and,
19 after calling witnesses, shall:

20 (1) determine the question; and

21 (2) make the proper order based on the board's
22 findings.

23 (g) A party to the hearing who is not satisfied with the
24 result of the order may appeal to the district court in the
25 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 14.)

26 [Sections 1060.111-1060.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 1060.151. BUDGET. The board shall prepare a budget
3 that includes:

- 4 (1) proposed expenditures and disbursements;
5 (2) estimated receipts and collections for the next
6 fiscal year; and
7 (3) the amount of taxes required to be imposed to meet
8 the proposed budget. (Acts 64th Leg., R.S., Ch. 665, Sec. 13(b).)

9 Sec. 1060.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
10 The board shall hold a public hearing on the proposed budget.

11 (b) Notice of the hearing must be published at least once in
12 a newspaper of general circulation in the district not later than
13 the 11th day before the date of the hearing.

14 (c) Any person who owns taxable property in the district and
15 has rendered that property for taxation is entitled to:

- 16 (1) appear at the hearing; and
17 (2) be heard regarding any item in the proposed
18 budget. (Acts 64th Leg., R.S., Ch. 665, Secs. 13(c), (d).)

19 Sec. 1060.153. FISCAL YEAR. The district's fiscal year is
20 from October 1 to September 30. (Acts 64th Leg., R.S., Ch. 665,
21 Sec. 13(a).)

22 Sec. 1060.154. ANNUAL AUDIT. (a) The board annually shall
23 require an independent audit of the district's books and records.

24 (b) Not later than December 1 of each year, the board shall
25 file a copy of the audit with:

- 26 (1) the comptroller; and
27 (2) the district. (Acts 64th Leg., R.S., Ch. 665, Sec.

1 12(d).)

2 Sec. 1060.155. DEPOSITORY. (a) The board by resolution
3 shall designate a bank in Menard County as the district's
4 depository. A designated bank serves for two years until a
5 successor is designated.

6 (b) All district money shall be deposited in the district's
7 depository and secured in the manner provided for securing county
8 funds. (Acts 64th Leg., R.S., Ch. 665, Sec. 16.)

9 [Sections 1060.156-1060.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 1060.201. BONDS. The district may issue bonds to:

12 (1) purchase, construct, acquire, repair, or renovate
13 buildings and improvements; and

14 (2) equip buildings for hospital purposes. (Acts 64th
15 Leg., R.S., Ch. 665, Secs. 9(a) (part), 10(a) (part).)

16 Sec. 1060.202. TAX TO PAY BONDS. The board may issue bonds
17 under Section 1060.201 only if the board imposes an ad valorem tax
18 at a rate sufficient to create an interest and sinking fund to pay
19 the principal of and interest on the bonds as the bonds mature.
20 (Acts 64th Leg., R.S., Ch. 665, Sec. 10(c).)

21 Sec. 1060.203. BOND ELECTION. (a) The board may issue
22 bonds under Section 1060.201 only if the bonds are authorized by a
23 majority of district voters voting in an election held for that
24 purpose. The total face value of the bonds may not exceed the
25 amount specified in the election order.

26 (b) The board may order a bond election at any time.

27 (c) The order calling the election must include:

- 1 (1) the time of the election;
- 2 (2) the location of the polling places;
- 3 (3) the form of the ballots;
- 4 (4) the presiding judge for each polling place;
- 5 (5) the purpose of the bond issuance;
- 6 (6) the amount of the bonds to be authorized;
- 7 (7) the maximum interest rate of the bonds; and
- 8 (8) the maximum maturity date of the bonds.

9 (d) A substantial copy of the election order shall be
10 published in a newspaper of general circulation in the district
11 once a week for two consecutive weeks before the date of the
12 election. The first notice must be published not later than the
13 15th day before the date of the election.

14 (e) A copy of the election results must be filed with the
15 county clerk and become a public record. (Acts 64th Leg., R.S., Ch.
16 665, Secs. 4(b), (c), (d) (part); 9(a) (part), (b), (d); 10(a)
17 (part).)

18 Sec. 1060.204. MATURITY OF BONDS. District bonds must
19 mature not later than 40 years after the date of issuance. (Acts
20 64th Leg., R.S., Ch. 665, Sec. 9(c).)

21 Sec. 1060.205. EXECUTION OF BONDS. (a) The board president
22 shall execute the district's bonds in the district's name.

23 (b) The board secretary shall countersign the bonds. (Acts
24 64th Leg., R.S., Ch. 665, Sec. 10(b) (part).)

25 [Sections 1060.206-1060.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1060.251. IMPOSITION OF AD VALOREM TAX. (a) The board

1 shall impose a tax on all property in the district subject to
2 district taxation.

3 (b) The tax may be used only to:

4 (1) pay the interest on and create a sinking fund for
5 bonds issued under this chapter;

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

8 (3) make improvements and additions to the hospital
9 system; or

10 (4) acquire sites for additions to the hospital
11 system. (Acts 64th Leg., R.S., Ch. 665, Secs. 8(a) (part), (c).)

12 Sec. 1060.252. TAX RATE. The board may impose the tax at a
13 rate not to exceed 75 cents on each \$100 valuation of all taxable
14 property in the district. (Acts 64th Leg., R.S., Ch. 665, Sec. 8(a)
15 (part).)

16 Sec. 1060.253. TAX ASSESSOR-COLLECTOR. The tax
17 assessor-collector of Menard County shall collect taxes for the
18 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 8(d) (part).)

19 CHAPTER 1062. MITCHELL COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1062.001. DEFINITIONS

22 Sec. 1062.002. AUTHORITY FOR OPERATION

23 Sec. 1062.003. DISTRICT TERRITORY

24 Sec. 1062.004. DISTRICT SUPPORT AND MAINTENANCE NOT

25 STATE OBLIGATION

26 Sec. 1062.005. RESTRICTION ON STATE FINANCIAL

27 ASSISTANCE

1 [Sections 1062.006-1062.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1062.051. BOARD ELECTION; TERM

4 Sec. 1062.052. NOTICE OF ELECTION

5 Sec. 1062.053. QUALIFICATIONS FOR OFFICE

6 Sec. 1062.054. BOARD VACANCY

7 Sec. 1062.055. OFFICERS

8 Sec. 1062.056. COMPENSATION; EXPENSES

9 Sec. 1062.057. VOTING REQUIREMENT

10 Sec. 1062.058. DISTRICT ADMINISTRATOR; ASSISTANT

11 ADMINISTRATOR

12 Sec. 1062.059. GENERAL DUTIES OF DISTRICT

13 ADMINISTRATOR

14 Sec. 1062.060. APPOINTMENT AND RECRUITMENT OF STAFF

15 AND EMPLOYEES

16 Sec. 1062.061. PERSONNEL CONTRACTS

17 Sec. 1062.062. EDUCATIONAL PROGRAMS; COURSES

18 Sec. 1062.063. RETIREMENT BENEFITS

19 [Sections 1062.064-1062.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1062.101. DISTRICT RESPONSIBILITY

22 Sec. 1062.102. RESTRICTION ON POLITICAL SUBDIVISION

23 TAXATION AND DEBT

24 Sec. 1062.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

25 Sec. 1062.104. HOSPITAL SYSTEM

26 Sec. 1062.105. RULES

27 Sec. 1062.106. PURCHASING AND ACCOUNTING PROCEDURES

- 1 Sec. 1062.107. DISTRICT PROPERTY, FACILITIES, AND
2 EQUIPMENT
- 3 Sec. 1062.108. EMINENT DOMAIN
- 4 Sec. 1062.109. GIFTS AND ENDOWMENTS
- 5 Sec. 1062.110. CONSTRUCTION CONTRACTS
- 6 Sec. 1062.111. CONTRACTS WITH GOVERNMENTAL ENTITIES
7 FOR CARE AND TREATMENT
- 8 Sec. 1062.112. PAYMENT FOR TREATMENT; PROCEDURES
- 9 Sec. 1062.113. NONPROFIT CORPORATION
- 10 Sec. 1062.114. AUTHORITY TO SUE AND BE SUED
- 11 [Sections 1062.115-1062.150 reserved for expansion]
- 12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 13 Sec. 1062.151. BUDGET
- 14 Sec. 1062.152. NOTICE; HEARING; APPROVAL OF BUDGET
- 15 Sec. 1062.153. AMENDMENTS TO BUDGET
- 16 Sec. 1062.154. RESTRICTION ON EXPENDITURES
- 17 Sec. 1062.155. FISCAL YEAR
- 18 Sec. 1062.156. ANNUAL AUDIT
- 19 Sec. 1062.157. INSPECTION OF ANNUAL AUDIT AND
20 DISTRICT RECORDS
- 21 Sec. 1062.158. FINANCIAL REPORT
- 22 Sec. 1062.159. DEPOSITORY
- 23 Sec. 1062.160. SPENDING AND INVESTMENT RESTRICTIONS
- 24 Sec. 1062.161. GENERAL AUTHORITY TO BORROW MONEY;
25 SECURITY
- 26 Sec. 1062.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;
27 SECURITY

1 [Sections 1062.163-1062.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 1062.201. GENERAL OBLIGATION BONDS

4 Sec. 1062.202. TAX TO PAY GENERAL OBLIGATION BONDS

5 Sec. 1062.203. GENERAL OBLIGATION BOND ELECTION

6 Sec. 1062.204. REVENUE BONDS

7 Sec. 1062.205. MATURITY OF BONDS

8 Sec. 1062.206. EXECUTION OF BONDS

9 [Sections 1062.207-1062.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

11 Sec. 1062.251. IMPOSITION OF AD VALOREM TAX

12 Sec. 1062.252. TAX RATE

13 Sec. 1062.253. TAX ASSESSOR-COLLECTOR

14 [Sections 1062.254-1062.300 reserved for expansion]

15 SUBCHAPTER G. DISSOLUTION

16 Sec. 1062.301. DISSOLUTION; ELECTION

17 Sec. 1062.302. NOTICE OF ELECTION

18 Sec. 1062.303. BALLOT

19 Sec. 1062.304. ELECTION RESULTS

20 Sec. 1062.305. TRANSFER, SALE, OR ADMINISTRATION OF

21 ASSETS

22 Sec. 1062.306. SALE OR TRANSFER OF ASSETS AND

23 LIABILITIES

24 Sec. 1062.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

25 TAXES

26 Sec. 1062.308. REPORT; DISSOLUTION ORDER

1 CHAPTER 1062. MITCHELL COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1062.001. DEFINITIONS. In this chapter:

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

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

7 (3) "District" means the Mitchell County Hospital
8 District. (Acts 60th Leg., R.S., Ch. 466, Sec. 1a(a) (part); New.)

9 Sec. 1062.002. AUTHORITY FOR OPERATION. The district
10 operates in accordance with Section 9, Article IX, Texas
11 Constitution, and has the rights, powers, and duties provided by
12 this chapter. (Acts 60th Leg., R.S., Ch. 466, Sec. 1 (part).)

13 Sec. 1062.003. DISTRICT TERRITORY. The boundaries of the
14 district are coextensive with the boundaries of:

15 (1) Commissioners Precincts Nos. 1, 2, and 3 of
16 Mitchell County, Texas, as those boundaries existed on January 1,
17 1967; and

18 (2) Commissioners Precinct No. 4 of Mitchell County,
19 Texas, as those boundaries existed on January 1, 1973. (Acts 60th
20 Leg., R.S., Ch. 466, Secs. 1 (part), 1a(a) (part).)

21 Sec. 1062.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
22 OBLIGATION. The support and maintenance of the district may not
23 become a charge against or obligation of this state. (Acts 60th
24 Leg., R.S., Ch. 466, Sec. 20 (part).)

25 Sec. 1062.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
26 The legislature may not make a direct appropriation for the
27 construction, maintenance, or improvement of a district facility.

1 (Acts 60th Leg., R.S., Ch. 466, Sec. 20 (part).)

2 [Sections 1062.006-1062.050 reserved for expansion]

3 SUBCHAPTER B. DISTRICT ADMINISTRATION

4 Sec. 1062.051. BOARD ELECTION; TERM. (a) The board
5 consists of seven directors elected from the district at large.

6 (b) Unless four-year terms are established under Section
7 285.081, Health and Safety Code:

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

9 (2) an election shall be held on the uniform election
10 date in May of each year to elect the appropriate number of
11 directors.

12 (c) The election order must state the time, place, and
13 purpose of the election. (Acts 60th Leg., R.S., Ch. 466, Secs. 4(a)
14 (part), (b) (part), (e) (part).)

15 Sec. 1062.052. NOTICE OF ELECTION. At least 10 days before
16 the date of an election of directors, notice of the election shall
17 be published one time in a newspaper of general circulation in the
18 district. (Acts 60th Leg., R.S., Ch. 466, Sec. 4(e) (part).)

19 Sec. 1062.053. QUALIFICATIONS FOR OFFICE. (a) To be
20 qualified for election to the board, a person must be:

21 (1) a district resident; and

22 (2) a qualified voter.

23 (b) A district employee may not serve as a director. (Acts
24 60th Leg., R.S., Ch. 466, Sec. 4(c) (part).)

25 Sec. 1062.054. BOARD VACANCY. (a) If a vacancy occurs in
26 the office of director, the remaining directors by majority vote
27 shall elect a director to hold office for the remainder of the

1 unexpired term.

2 (b) If the number of directors is reduced to fewer than four
3 for any reason, the remaining directors shall immediately call a
4 special election to fill the vacancies. If the remaining directors
5 do not call the election, a district court, on application of a
6 qualified voter or taxpayer of the district, may order the
7 directors to hold the election. (Acts 60th Leg., R.S., Ch. 466,
8 Sec. 4(d) (part).)

9 Sec. 1062.055. OFFICERS. (a) The board shall elect a
10 president and a vice president from among its members.

11 (b) The board shall elect a person, who is not required to be
12 a director, to serve as secretary and treasurer.

13 (c) Each officer of the board serves for a term of one year.
14 (Acts 60th Leg., R.S., Ch. 466, Sec. 4(d) (part).)

15 Sec. 1062.056. COMPENSATION; EXPENSES. A director is not
16 entitled to compensation but is entitled to reimbursement for
17 actual expenses incurred in attending to district business. The
18 expenses must be:

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

20 (2) approved by the remainder of the board. (Acts 60th
21 Leg., R.S., Ch. 466, Sec. 4(c) (part).)

22 Sec. 1062.057. VOTING REQUIREMENT. A concurrence of four
23 directors is sufficient in any matter relating to district
24 business. (Acts 60th Leg., R.S., Ch. 466, Sec. 4(d) (part).)

25 Sec. 1062.058. DISTRICT ADMINISTRATOR; ASSISTANT
26 ADMINISTRATOR. (a) The board shall appoint a qualified person as
27 district administrator.

1 (b) The board may appoint an assistant administrator.

2 (c) The district administrator and any assistant
3 administrator serve at the will of the board and are entitled to the
4 compensation determined by the board.

5 (d) The board may require the district administrator, on
6 assuming the administrator's duties, to execute a bond payable to
7 the district in an amount set by the board of not less than \$5,000
8 that:

9 (1) is conditioned on the administrator performing the
10 administrator's duties; and

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

12 (e) The board may pay for the bond with district money.
13 (Acts 60th Leg., R.S., Ch. 466, Sec. 5(a) (part).)

14 Sec. 1062.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
15 Subject to the limitations prescribed by the board, the district
16 administrator shall:

17 (1) supervise the work and activities of the district;
18 and

19 (2) direct the affairs of the district. (Acts 60th
20 Leg., R.S., Ch. 466, Sec. 5(a) (part).)

21 Sec. 1062.060. APPOINTMENT AND RECRUITMENT OF STAFF AND
22 EMPLOYEES. (a) The board may appoint to the staff or may employ any
23 doctors, technicians, nurses, and other employees the board
24 considers necessary for the efficient operation of the district.

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

27 (c) The board may provide that the district administrator

1 has the authority to hire district employees, including technicians
2 and nurses.

3 (d) The board may spend district money to recruit
4 physicians, nurses, and other trained medical personnel. (Acts
5 60th Leg., R.S., Ch. 466, Secs. 5(a) (part), (d), 16.)

6 Sec. 1062.061. PERSONNEL CONTRACTS. (a) The board may
7 contract to provide administrative and other personnel for the
8 operation of the hospital facilities.

9 (b) The term of the contract may not exceed 25 years from
10 the date the contract is entered. (Acts 60th Leg., R.S., Ch. 466,
11 Sec. 9(c) (part).)

12 Sec. 1062.062. EDUCATIONAL PROGRAMS; COURSES. The board
13 may provide or contract to provide educational programs or courses
14 for district employees and medical staff. (Acts 60th Leg., R.S.,
15 Ch. 466, Sec. 5(f).)

16 Sec. 1062.063. RETIREMENT BENEFITS. The board may provide
17 retirement benefits for district employees by:

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

20 (2) participating in a statewide retirement system.
21 (Acts 60th Leg., R.S., Ch. 466, Sec. 5(c).)

22 [Sections 1062.064-1062.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1062.101. DISTRICT RESPONSIBILITY. The district has
25 full responsibility for operating all hospital facilities for
26 providing medical and hospital care for the district's needy
27 inhabitants. (Acts 60th Leg., R.S., Ch. 466, Sec. 19 (part).)

1 Sec. 1062.102. RESTRICTION ON POLITICAL SUBDIVISION
2 TAXATION AND DEBT. A political subdivision located within the
3 district may not impose a tax or issue bonds or other obligations
4 for hospital purposes or to provide medical care. (Acts 60th Leg.,
5 R.S., Ch. 466, Sec. 19 (part).)

6 Sec. 1062.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
7 The board shall manage, control, and administer the district's
8 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 466, Sec.
9 5(a) (part).)

10 Sec. 1062.104. HOSPITAL SYSTEM. The district shall provide
11 for the establishment of a hospital system by:

12 (1) purchasing, constructing, acquiring, repairing,
13 or renovating buildings and equipment;

14 (2) equipping the buildings; and

15 (3) administering the buildings and equipment for
16 hospital purposes. (Acts 60th Leg., R.S., Ch. 466, Sec. 2 (part).)

17 Sec. 1062.105. RULES. The board may adopt rules for the
18 operation of the district. (Acts 60th Leg., R.S., Ch. 466, Sec.
19 5(a) (part).)

20 Sec. 1062.106. PURCHASING AND ACCOUNTING PROCEDURES. The
21 board may prescribe:

22 (1) the method and manner of making purchases and
23 expenditures by and for the district; and

24 (2) all accounting and control procedures. (Acts 60th
25 Leg., R.S., Ch. 466, Sec. 10 (part).)

26 Sec. 1062.107. DISTRICT PROPERTY, FACILITIES, AND
27 EQUIPMENT. (a) The board shall determine the type, number, and

1 location of buildings required to maintain an adequate hospital
2 system. Nothing here prohibits the establishing and equipping of a
3 clinic as a part of the hospital system.

4 (b) The board may:

5 (1) purchase or lease property, including facilities
6 and equipment, for the district to use in the hospital system; and

7 (2) mortgage or pledge the property as security for
8 the payment of the purchase price.

9 (c) The board may lease district hospital facilities to
10 individuals, corporations, or other legal entities.

11 (d) The board may sell or otherwise dispose of the
12 district's property, including facilities and equipment.

13 (e) The district may acquire equipment for use in the
14 district's hospital system and mortgage or pledge the property as
15 security for the payment of the purchase price. A contract entered
16 into under this subsection must provide that the entire obligation
17 be retired not later than the fifth anniversary of the date of the
18 contract. (Acts 60th Leg., R.S., Ch. 466, Secs. 9(a), (b), (c)
19 (part), 10 (part).)

20 Sec. 1062.108. EMINENT DOMAIN. (a) The district may
21 exercise the power of eminent domain to acquire a fee simple or
22 other interest in any type of property located in district
23 territory if the interest is necessary or convenient for the
24 district to exercise a power, right, or privilege conferred by this
25 chapter.

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

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

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

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

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

9 (3) provide a bond for costs or a supersedeas bond on
10 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 466, Sec.
11 14.)

12 Sec. 1062.109. GIFTS AND ENDOWMENTS. The board may accept
13 for the district a gift or endowment to be held in trust and
14 administered by the board for the purposes and under the
15 directions, limitations, or other provisions prescribed in writing
16 by the donor that are not inconsistent with the proper management
17 and objectives of the district. (Acts 60th Leg., R.S., Ch. 466,
18 Sec. 18.)

19 Sec. 1062.110. CONSTRUCTION CONTRACTS. The board may
20 contract for construction only after competitive bidding as
21 provided by Subchapter B, Chapter 271, Local Government Code.
22 (Acts 60th Leg., R.S., Ch. 466, Sec. 10 (part).)

23 Sec. 1062.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
24 CARE AND TREATMENT. (a) The board may contract with a county or
25 municipality located outside the district's boundaries for the care
26 and treatment of a sick or injured person of that county or
27 municipality.

1 (b) The board may contract with this state or a federal
2 agency for the treatment of a sick or injured person. (Acts 60th
3 Leg., R.S., Ch. 466, Sec. 5(b).)

4 Sec. 1062.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)
5 When a patient who resides in the district is admitted to a district
6 facility, the district administrator may have an inquiry made into
7 the financial circumstances of:

8 (1) the patient; and

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

11 (b) If the district administrator determines that the
12 patient or relative cannot pay all or part of the costs of the
13 patient's care and treatment in the hospital, the amount of the
14 costs that cannot be paid becomes a charge against the district.

15 (c) If the district administrator determines that the
16 patient or relative can pay for all or part of the costs of the care
17 and treatment provided to the patient by the district, the patient
18 or relative shall be ordered to pay the district a specified amount
19 each week for the patient's care and support. The amount ordered
20 must be proportionate to the person's financial ability.

21 (d) The district administrator may collect the amount from
22 the patient's estate, or from any relative who is legally
23 responsible for the patient's support, in the manner provided by
24 law for the collection of expenses of the last illness of a deceased
25 person.

26 (e) The board may institute a suit to collect an amount owed
27 to the district by a patient who is not able to pay under this

1 section.

2 (f) If there is a dispute as to the ability to pay, or doubt
3 in the mind of the district administrator concerning the ability to
4 pay, the board shall hold a hearing and, after calling witnesses,
5 shall:

6 (1) resolve the dispute or doubt; and

7 (2) issue any appropriate orders.

8 (g) A final order of the board may be appealed to the
9 district court. (Acts 60th Leg., R.S., Ch. 466, Secs. 5(g), 17.)

10 Sec. 1062.113. NONPROFIT CORPORATION. (a) The district
11 may create and sponsor a nonprofit corporation under the Business
12 Organizations Code and may contribute money to or solicit money for
13 the corporation.

14 (a-1) On or before December 31, 2009, the district may
15 create and sponsor a nonprofit corporation under the Texas
16 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
17 Texas Civil Statutes) or the Business Organizations Code, as
18 applicable, and may contribute money to or solicit money for the
19 corporation.

20 (b) The corporation may use district money only to provide
21 health care or other services the district is authorized to provide
22 under this chapter.

23 (c) The corporation may invest the corporation's money in
24 any manner in which the district may invest the district's money,
25 including investing money as authorized by Chapter 2256, Government
26 Code.

27 (d) The board shall establish controls to ensure that the

1 corporation uses its money as required by this section.

2 (e) This subsection and Subsection (a-1) expire December
3 31, 2009. (Acts 60th Leg., R.S., Ch. 466, Sec. 5(h).)

4 Sec. 1062.114. AUTHORITY TO SUE AND BE SUED. The district,
5 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.
6 466, Sec. 5(a) (part).)

7 [Sections 1062.115-1062.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 1062.151. BUDGET. The district administrator shall
10 prepare an annual budget for approval by the board. (Acts 60th
11 Leg., R.S., Ch. 466, Sec. 6 (part).)

12 Sec. 1062.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)
13 The board shall hold a public hearing on the proposed annual budget.

14 (b) At least 10 days before the date of the hearing, notice
15 of the hearing must be published one time in a newspaper of general
16 circulation in the district.

17 (c) The annual budget must be approved by the board. (Acts
18 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

19 Sec. 1062.153. AMENDMENTS TO BUDGET. The budget may be
20 amended as required by circumstances. The board must approve all
21 amendments. (Acts 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

22 Sec. 1062.154. RESTRICTION ON EXPENDITURES. Money may be
23 spent only for an expense included in the budget or an amendment to
24 the budget. (Acts 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

25 Sec. 1062.155. FISCAL YEAR. (a) The district operates on a
26 fiscal year established by the board.

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

1 (1) if revenue bonds of the district are outstanding;

2 or

3 (2) more than once in a 24-month period. (Acts 60th
4 Leg., R.S., Ch. 466, Sec. 6 (part).)

5 Sec. 1062.156. ANNUAL AUDIT. The board annually shall have
6 an audit made of the district's financial condition. (Acts 60th
7 Leg., R.S., Ch. 466, Sec. 6 (part).)

8 Sec. 1062.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
9 RECORDS. The annual audit and other district records shall be open
10 to inspection at the district's principal office. (Acts 60th Leg.,
11 R.S., Ch. 466, Sec. 6 (part).)

12 Sec. 1062.158. FINANCIAL REPORT. As soon as practicable
13 after the close of each fiscal year, the district administrator
14 shall prepare for the board:

15 (1) a complete sworn statement of all district money;

16 and

17 (2) a complete account of the disbursements of that
18 money. (Acts 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

19 Sec. 1062.159. DEPOSITORY. (a) The board shall select one
20 or more banks to serve as a depository for district money.

21 (b) District money shall be immediately deposited on
22 receipt with a depository bank, except that sufficient money must
23 be remitted to the place or places designated as agent for the
24 payment of principal of and interest on the district's outstanding
25 bonds or other obligations in time for the agent to make that
26 payment on or before the maturity date of the principal and
27 interest.

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

5 (d) Membership on the district's board of an officer or
6 director of a bank does not disqualify the bank from being
7 designated as a depository bank. (Acts 60th Leg., R.S., Ch. 466,
8 Sec. 11.)

9 Sec. 1062.160. SPENDING AND INVESTMENT RESTRICTIONS.
10 Except as otherwise provided by Section 1062.107(e) and by
11 Subchapter E, the district may not incur an obligation payable from
12 district revenue other than the revenue on hand or to be on hand in
13 the current district fiscal year. (Acts 60th Leg., R.S., Ch. 466,
14 Sec. 10 (part).)

15 Sec. 1062.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.
16 (a) The board may borrow money at a rate not to exceed the maximum
17 annual percentage rate allowed by law for district obligations at
18 the time the loan is made.

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

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

22 (2) tax revenue to be collected by the district in the
23 next 12-month period that is not pledged to pay the principal of or
24 interest on district bonds; or

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

27 (c) A loan for which tax revenue or bonds are pledged must

1 mature not later than the first anniversary of the date the loan is
2 made. A loan for which other district revenue is pledged must
3 mature not later than the fifth anniversary of the date the loan is
4 made. (Acts 60th Leg., R.S., Ch. 466, Sec. 20B.)

5 Sec. 1062.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;
6 SECURITY. (a) The board may borrow money at a rate not to exceed
7 the maximum annual percentage rate allowed by law for district
8 obligations at the time the loan is made if the board determines
9 that:

10 (1) money is not available to meet authorized
11 obligations of the district; and

12 (2) an emergency exists.

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

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

16 (2) tax revenue to be collected by the district in the
17 next 12-month period that is not pledged to pay the principal of or
18 interest on district bonds; or

19 (3) district bonds that have been authorized but not
20 sold.

21 (c) A loan for which tax revenue or bonds are pledged must
22 mature not later than the first anniversary of the date the loan is
23 made. A loan for which other district revenue is pledged must
24 mature not later than the fifth anniversary of the date the loan is
25 made.

26 (d) The board may not spend money obtained from a loan under
27 this section for any purpose other than:

1 (1) the purpose for which the board declared an
2 emergency; and

3 (2) if district tax revenue or bonds are pledged to pay
4 the loan, the purpose for which the pledged taxes were imposed or
5 the pledged bonds were authorized. (Acts 60th Leg., R.S., Ch. 466,
6 Sec. 20A.)

7 [Sections 1062.163-1062.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Sec. 1062.201. GENERAL OBLIGATION BONDS. The board may
10 issue and sell general obligation bonds authorized by an election
11 in the name and on the faith and credit of the district to:

12 (1) purchase, construct, acquire, repair, or renovate
13 buildings or improvements;

14 (2) equip buildings or improvements for hospital
15 purposes; or

16 (3) acquire and operate a mobile emergency medical or
17 air ambulance service. (Acts 60th Leg., R.S., Ch. 466, Sec. 7(a).)

18 Sec. 1062.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
19 the time general obligation bonds are issued by the district under
20 Section 1062.201, the board shall impose an ad valorem tax at a rate
21 sufficient to create an interest and sinking fund to pay the
22 principal of and interest on the bonds as the bonds mature.

23 (b) The tax required by this section together with any other
24 ad valorem tax the district imposes may not in any year exceed the
25 limit approved by the voters at the election authorizing the
26 imposition of the tax. (Acts 60th Leg., R.S., Ch. 466, Sec. 7(b).)

27 Sec. 1062.203. GENERAL OBLIGATION BOND ELECTION. (a) The

1 district may issue general obligation bonds only if the bonds are
2 authorized by a majority of the district voters voting at an
3 election held for that purpose.

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

5 (c) The election shall be conducted as provided by Chapter
6 1251, Government Code. (Acts 60th Leg., R.S., Ch. 466, Secs. 7(c),
7 (d).)

8 Sec. 1062.204. REVENUE BONDS. (a) The board may issue
9 revenue bonds to:

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

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

13 (3) acquire and operate a mobile emergency medical or
14 air ambulance service to assist the district in carrying out its
15 hospital purposes.

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

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

21 (d) The bonds must be issued in the manner provided by
22 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
23 Code, for issuance of revenue bonds by a county hospital authority.
24 (Acts 60th Leg., R.S., Ch. 466, Sec. 7A.)

25 Sec. 1062.205. MATURITY OF BONDS. District bonds must
26 mature not later than 40 years after the date of issuance. (Acts
27 60th Leg., R.S., Ch. 466, Sec. 7C (part).)

1 Sec. 1062.206. EXECUTION OF BONDS. (a) The board president
2 shall execute the district's bonds in the district's name.

3 (b) The board secretary shall countersign the bonds in the
4 manner provided by Chapter 618, Government Code. (Acts 60th Leg.,
5 R.S., Ch. 466, Sec. 7C (part).)

6 [Sections 1062.207-1062.250 reserved for expansion]

7 SUBCHAPTER F. TAXES

8 Sec. 1062.251. IMPOSITION OF AD VALOREM TAX. (a) The board
9 may impose a tax on all property in the district subject to district
10 taxation.

11 (b) The board shall impose the tax to pay:

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

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

16 (c) The board may not impose a tax to pay the principal of or
17 interest on revenue bonds. (Acts 60th Leg., R.S., Ch. 466, Secs. 12
18 (part), 15 (part).)

19 Sec. 1062.252. TAX RATE. (a) The board may impose the tax
20 at a rate not to exceed the limit approved by the voters at the
21 election authorizing the imposition of the tax.

22 (b) The tax rate for all purposes may not exceed 75 cents on
23 each \$100 valuation of all taxable property in the district.

24 (c) In setting the tax rate, the board shall consider the
25 income of the district from sources other than taxation. (Acts 60th
26 Leg., R.S., Ch. 466, Secs. 12 (part), 15 (part).)

27 Sec. 1062.253. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the
2 district or may contract for the assessment and collection of taxes
3 as provided by the Tax Code. (Acts 60th Leg., R.S., Ch. 466, Sec. 15
4 (part).)

5 [Sections 1062.254-1062.300 reserved for expansion]

6 SUBCHAPTER G. DISSOLUTION

7 Sec. 1062.301. DISSOLUTION; ELECTION. (a) The district
8 may be dissolved only on approval of a majority of the district
9 voters voting in an election held for that purpose.

10 (b) The board may order an election on the question of
11 dissolving the district and disposing of the district's assets and
12 obligations.

13 (c) The board shall order an election if the board receives
14 a petition requesting an election that is signed by at least 15
15 percent of the registered voters of the district.

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

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

19 (2) the date of the election;

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

21 (4) the location of the polling places.

22 (e) Section 41.001(a), Election Code, does not apply to an
23 election ordered under this section. (Acts 60th Leg., R.S., Ch.
24 466, Secs. 20C(a), (b), (c) (part).)

25 Sec. 1062.302. NOTICE OF ELECTION. (a) The board shall
26 give notice of an election under this subchapter by publishing once
27 a week for two consecutive weeks a copy of the election order in a

1 newspaper with general circulation in the district.

2 (b) The first publication of the notice must appear on or
3 before the 35th day before the date set for the election. (Acts
4 60th Leg., R.S., Ch. 466, Sec. 20C(d) (part).)

5 Sec. 1062.303. BALLOT. The ballot for an election under
6 this subchapter must be printed to permit voting for or against the
7 proposition: "The dissolution of the Mitchell County Hospital
8 District." (Acts 60th Leg., R.S., Ch. 466, Sec. 20C(d) (part).)

9 Sec. 1062.304. ELECTION RESULTS. (a) If a majority of the
10 votes in an election under this subchapter favor dissolution, the
11 board shall find that the district is dissolved.

12 (b) If a majority of the votes in the election do not favor
13 dissolution, the board shall continue to administer the district
14 and another election on the question of dissolution may not be held
15 before the first anniversary of the date of the most recent election
16 to dissolve the district. (Acts 60th Leg., R.S., Ch. 466, Sec.
17 20C(e).)

18 Sec. 1062.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

19 (a) If a majority of the votes in the election held under this
20 subchapter favor dissolution, the board shall:

21 (1) transfer the land, buildings, improvements,
22 equipment, and other assets that belong to the district to a county
23 or to another governmental entity in Mitchell County;

24 (2) sell the assets and liabilities to another person;
25 or

26 (3) 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 (b) If the board makes the transfer under Subsection (a)(1),
3 the county or entity assumes all debts and obligations of the
4 district at the time of the transfer, and the district is dissolved.

5 (c) If Subsections (a)(1) and (2) do not apply and the board
6 administers the property, assets, and debts of the district under
7 Subsection (a)(3), the district is dissolved when all money has
8 been disposed of and all district debts have been paid or settled.
9 (Acts 60th Leg., R.S., Ch. 466, Secs. 20C(f), (g), (m) (part).)

10 Sec. 1062.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

11 (a) The dissolution of the district and the sale or transfer of the
12 district's assets and liabilities to another person may not
13 contravene a trust indenture or bond resolution relating to the
14 district's outstanding bonds. The dissolution and sale or transfer
15 does not diminish or impair the rights of a holder of an outstanding
16 bond, warrant, or other obligation of the district.

17 (b) The sale or transfer of the district's assets and
18 liabilities must satisfy the debt and bond obligations of the
19 district in a manner that protects the interests of district
20 residents, including the residents' collective property rights in
21 the district's assets.

22 (c) The district may not transfer or dispose of the
23 district's assets except for due compensation unless:

24 (1) the transfer is made to another governmental
25 entity that serves the district; and

26 (2) the transferred assets are to be used for the
27 benefit of the district's residents.

1 (d) A grant from federal funds is an obligation to be repaid
2 in satisfaction. (Acts 60th Leg., R.S., Ch. 466, Secs. 20C(m)
3 (part), (n).)

4 Sec. 1062.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
5 TAXES. (a) After the board finds that the district is dissolved,
6 the board shall:

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

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

11 (b) On the payment of all outstanding debts and obligations
12 of the district, the board shall order the person serving as
13 secretary and treasurer to return to each district taxpayer the
14 taxpayer's pro rata share of all unused tax money.

15 (c) A taxpayer may request that the taxpayer's share of
16 surplus tax money be credited to the taxpayer's county taxes. If a
17 taxpayer requests the credit, the board shall direct the person
18 serving as secretary and treasurer to transmit the money to the
19 county tax assessor-collector. (Acts 60th Leg., R.S., Ch. 466,
20 Secs. 20C(h), (i), (j).)

21 Sec. 1062.308. REPORT; DISSOLUTION ORDER. (a) After the
22 district has paid all district debts and has disposed of all
23 district money and other assets as prescribed by this subchapter,
24 the board shall file a written report with the Commissioners Court
25 of Mitchell County summarizing the board's actions in dissolving
26 the district.

27 (b) Not later than the 10th day after the date the

1 Commissioners Court of Mitchell County receives the report and
2 determines that the requirements of this subchapter have been
3 fulfilled, the commissioners court shall enter an order dissolving
4 the district and releasing the board from any further duty or
5 obligation. (Acts 60th Leg., R.S., Ch. 466, Secs. 20C(k), (l).)

6 CHAPTER 1065. MOTLEY COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1065.001. DEFINITIONS

9 Sec. 1065.002. AUTHORITY FOR OPERATION

10 Sec. 1065.003. POLITICAL SUBDIVISION

11 Sec. 1065.004. DISTRICT TERRITORY

12 Sec. 1065.005. CORRECTION OF INVALID PROCEDURES

13 [Sections 1065.006-1065.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1065.051. BOARD ELECTION; TERM

16 Sec. 1065.052. NOTICE OF ELECTION

17 Sec. 1065.053. BALLOT PETITION

18 Sec. 1065.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1065.055. BOND NOT REQUIRED

20 Sec. 1065.056. BOARD VACANCY

21 Sec. 1065.057. OFFICERS

22 Sec. 1065.058. COMPENSATION; EXPENSES

23 Sec. 1065.059. VOTING REQUIREMENT

24 Sec. 1065.060. EMPLOYEES

25 Sec. 1065.061. MAINTENANCE OF RECORDS; PUBLIC

26 INSPECTION

27 Sec. 1065.062. SEAL

1 [Sections 1065.063-1065.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1065.101. DISTRICT RESPONSIBILITY

4 Sec. 1065.102. RESTRICTION ON COUNTY OR MUNICIPALITY

5 TAXATION

6 Sec. 1065.103. MANAGEMENT AND CONTROL

7 Sec. 1065.104. HOSPITAL SYSTEM

8 Sec. 1065.105. RULES

9 Sec. 1065.106. PURCHASING AND ACCOUNTING PROCEDURES

10 Sec. 1065.107. DISTRICT PROPERTY AND FACILITIES

11 Sec. 1065.108. EMINENT DOMAIN

12 Sec. 1065.109. GIFTS AND ENDOWMENTS

13 Sec. 1065.110. OPERATING AND MANAGEMENT CONTRACTS

14 Sec. 1065.111. PAYMENT FOR TREATMENT; PROCEDURES

15 Sec. 1065.112. AUTHORITY TO SUE AND BE SUED

16 [Sections 1065.113-1065.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 1065.151. BUDGET

19 Sec. 1065.152. PROPOSED BUDGET: NOTICE AND HEARING

20 Sec. 1065.153. FISCAL YEAR

21 Sec. 1065.154. ANNUAL AUDIT

22 Sec. 1065.155. DEPOSITORY OR TREASURER

23 [Sections 1065.156-1065.200 reserved for expansion]

24 SUBCHAPTER E. BONDS

25 Sec. 1065.201. GENERAL OBLIGATION BONDS

26 Sec. 1065.202. TAX TO PAY GENERAL OBLIGATION BONDS

27 Sec. 1065.203. GENERAL OBLIGATION BOND ELECTION

1 Sec. 1065.204. MATURITY OF GENERAL OBLIGATION BONDS

2 Sec. 1065.205. EXECUTION OF GENERAL OBLIGATION BONDS

3 Sec. 1065.206. REVENUE OR SPECIAL OBLIGATION BONDS

4 Sec. 1065.207. CHARGES FOR SERVICES RENDERED

5 [Sections 1065.208-1065.250 reserved for expansion]

6 SUBCHAPTER F. TAXES

7 Sec. 1065.251. IMPOSITION OF AD VALOREM TAX

8 Sec. 1065.252. TAX RATE

9 Sec. 1065.253. TAX ASSESSOR-COLLECTOR

10 CHAPTER 1065. MOTLEY COUNTY HOSPITAL DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 1065.001. DEFINITIONS. In this chapter:

13 (1) "Board" means the board of directors of the
14 district.

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

16 (3) "District" means the Motley County Hospital
17 District. (New.)

18 Sec. 1065.002. AUTHORITY FOR OPERATION. The district
19 operates in accordance with Section 9, Article IX, Texas
20 Constitution. The district has the rights, powers, and duties
21 provided by this chapter. (Acts 59th Leg., R.S., Ch. 465, Sec. 1
22 (part).)

23 Sec. 1065.003. POLITICAL SUBDIVISION. The district is a
24 political subdivision of this state. (Acts 59th Leg., R.S., Ch.
25 465, Sec. 18 (part).)

26 Sec. 1065.004. DISTRICT TERRITORY. The boundaries of the
27 district are identical with the boundaries of Motley County, Texas.

1 (Acts 59th Leg., R.S., Ch. 465, Sec. 1 (part).)

2 Sec. 1065.005. CORRECTION OF INVALID PROCEDURES. If a
3 court holds that any procedure under this chapter violates the
4 constitution of this state or of the United States, the district by
5 resolution may provide an alternative procedure that conforms with
6 the constitution. (Acts 59th Leg., R.S., Ch. 465, Sec. 19 (part).)

7 [Sections 1065.006-1065.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Sec. 1065.051. BOARD ELECTION; TERM. (a) The board
10 consists of five directors elected from the district at large.

11 (b) Directors serve staggered two-year terms unless
12 four-year terms are established under Section 285.081, Health and
13 Safety Code. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

14 Sec. 1065.052. NOTICE OF ELECTION. At least 10 days before
15 the date of an election of directors, notice of the election shall
16 be published one time in a newspaper of general circulation in
17 Motley County. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

18 Sec. 1065.053. BALLOT PETITION. A person who wants to have
19 the person's name printed on the ballot as a candidate for director
20 must file with the board secretary a petition requesting that
21 action. The petition must be:

22 (1) signed by not less than five registered voters;
23 and

24 (2) filed at least 25 days before the date of the
25 election. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

26 Sec. 1065.054. QUALIFICATIONS FOR OFFICE. A director must:

27 (1) be a district resident;

1 (2) own land in the district subject to taxation; and
2 (3) be at least 18 years of age when appointed or
3 elected. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

4 Sec. 1065.055. BOND NOT REQUIRED. A director is not
5 required to post a public official's bond. (Acts 59th Leg., R.S.,
6 Ch. 465, Sec. 3 (part).)

7 Sec. 1065.056. BOARD VACANCY. (a) If a vacancy occurs in
8 the office of director, the remaining directors shall appoint a
9 director for the unexpired term.

10 (b) If the number of directors is reduced to fewer than
11 three for any reason, the remaining directors shall immediately
12 call a special election to fill the vacancies. If the remaining
13 directors do not call the election, a district court, on
14 application of a district voter or taxpayer, may order the
15 directors to hold the election. (Acts 59th Leg., R.S., Ch. 465,
16 Sec. 3 (part).)

17 Sec. 1065.057. OFFICERS. The board shall elect from among
18 its members a president and a secretary. (Acts 59th Leg., R.S., Ch.
19 465, Sec. 3 (part).)

20 Sec. 1065.058. COMPENSATION; EXPENSES. A director serves
21 without compensation but may be reimbursed for actual expenses
22 incurred in the performance of official duties on approval of the
23 expenses by the board. (Acts 59th Leg., R.S., Ch. 465, Sec. 4
24 (part).)

25 Sec. 1065.059. VOTING REQUIREMENT. A concurrence of three
26 directors is sufficient in any matter relating to district
27 business. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

1 Sec. 1065.060. EMPLOYEES. The board may employ a general
2 manager, attorney, bookkeeper, and architect and any other
3 employees considered necessary for the efficient operation of the
4 district. (Acts 59th Leg., R.S., Ch. 465, Sec. 8 (part).)

5 Sec. 1065.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
6 All district records, including books, accounts, notices, minutes,
7 and all other matters of the district and the operation of its
8 facilities, shall be:

9 (1) maintained at the district office; and

10 (2) open to public inspection at the district office
11 at all reasonable hours. (Acts 59th Leg., R.S., Ch. 465, Sec. 8
12 (part).)

13 Sec. 1065.062. SEAL. The board may adopt a seal for the
14 district. (Acts 59th Leg., R.S., Ch. 465, Sec. 8 (part).)

15 [Sections 1065.063-1065.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 1065.101. DISTRICT RESPONSIBILITY. The district has
18 full responsibility for providing medical and hospital care for the
19 district's needy inhabitants and for the district's needy and
20 indigent residents. (Acts 59th Leg., R.S., Ch. 465, Secs. 2 (part),
21 14 (part).)

22 Sec. 1065.102. RESTRICTION ON COUNTY OR MUNICIPALITY
23 TAXATION. Motley County or a municipality in the district may not
24 impose a tax on property in the district for hospital purposes.
25 (Acts 59th Leg., R.S., Ch. 465, Sec. 14 (part).)

26 Sec. 1065.103. MANAGEMENT AND CONTROL. The management and
27 control of the district are vested in the board. (Acts 59th Leg.,

1 R.S., Ch. 465, Sec. 4 (part).)

2 Sec. 1065.104. HOSPITAL SYSTEM. The district shall provide
3 for the establishment of a hospital system to provide medical and
4 hospital care to the district's residents by:

5 (1) purchasing, constructing, acquiring, repairing,
6 or renovating buildings and improvements;

7 (2) equipping the buildings and improvements; and

8 (3) administering the buildings and improvements for
9 hospital purposes. (Acts 59th Leg., R.S., Ch. 465, Sec. 2 (part).)

10 Sec. 1065.105. RULES. (a) The board may adopt rules
11 governing the operation of the district, including district
12 facilities.

13 (b) On approval by the board, the rules may be published in
14 booklet form at district expense and made available to any taxpayer
15 on request. (Acts 59th Leg., R.S., Ch. 465, Sec. 8 (part).)

16 Sec. 1065.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
17 The board may prescribe the method and manner of making purchases
18 and expenditures by and for the district.

19 (b) The board shall prescribe:

20 (1) all accounting and control procedures; and

21 (2) the method of purchasing necessary supplies,
22 materials, and equipment. (Acts 59th Leg., R.S., Ch. 465, Sec. 8
23 (part).)

24 Sec. 1065.107. DISTRICT PROPERTY AND FACILITIES. (a) The
25 board shall determine the type, number, and location of buildings
26 required to maintain an adequate hospital system. Nothing here
27 prohibits the establishing and equipping of a clinic as part of the

1 hospital system.

2 (b) The board may lease all or part of the district's
3 buildings and other facilities on terms considered to be in the best
4 interest of the district's inhabitants. The term of the lease may
5 not exceed 25 years. (Acts 59th Leg., R.S., Ch. 465, Sec. 7
6 (part).)

7 Sec. 1065.108. EMINENT DOMAIN. (a) The district may
8 exercise the power of eminent domain to acquire a fee simple or
9 other interest in any type of property located in district
10 territory if the property interest is necessary or convenient for
11 the district to exercise a right, power, privilege, or function
12 conferred on the district by this chapter.

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

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

19 (1) pay in advance or provide a bond or other security
20 for costs in the trial court;

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

23 (3) provide a bond for costs or a supersedeas bond on
24 an appeal or writ of error. (Acts 59th Leg., R.S., Ch. 465, Sec.
25 11.)

26 Sec. 1065.109. GIFTS AND ENDOWMENTS. The board may accept
27 for the district a gift or endowment for the purposes and under the

1 directions, limitations, or other provisions prescribed in writing
2 by the donor that are not inconsistent with the proper management
3 and objectives of the district. (Acts 59th Leg., R.S., Ch. 465,
4 Sec. 16.)

5 Sec. 1065.110. OPERATING AND MANAGEMENT CONTRACTS. The
6 board may enter into an operating or management contract relating
7 to a district facility. (Acts 59th Leg., R.S., Ch. 465, Sec. 7
8 (part).)

9 Sec. 1065.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)
10 When a patient who resides in the district is admitted to a district
11 facility, the board shall have an inquiry made into the
12 circumstances of:

13 (1) the patient; and

14 (2) the patient's relatives who are legally liable for
15 the patient's support.

16 (b) If an agent designated by the district to handle the
17 inquiry determines that the patient or those relatives cannot pay
18 all or part of the costs of the care and treatment in the hospital,
19 the amount of the costs that cannot be paid becomes a charge against
20 the district.

21 (c) If the board determines that the patient or those
22 relatives are liable to pay for all or part of the costs of the
23 patient's care and treatment, the patient or those relatives shall
24 be ordered to pay to the district's treasurer a specified amount
25 each week for the patient's support. The amount ordered must be
26 proportionate to the person's financial ability and may not exceed
27 the actual per capita cost of maintenance.

1 (d) The district may collect the amount from the patient's
2 estate, or from any relative who is legally liable for the patient's
3 support, in the manner provided by law for the collection of
4 expenses of the last illness of a deceased person.

5 (e) If there is a dispute as to the ability to pay, or doubt
6 in the mind of the district's designated agent, the board shall hold
7 a hearing and, after calling witnesses, shall:

8 (1) resolve the dispute or doubt; and

9 (2) issue an appropriate order.

10 (f) The order may be appealed to the district court. (Acts
11 59th Leg., R.S., Ch. 465, Sec. 15.)

12 Sec. 1065.112. AUTHORITY TO SUE AND BE SUED. As a
13 governmental agency, the district may sue and be sued in its own
14 name in any court of this state. (Acts 59th Leg., R.S., Ch. 465,
15 Sec. 18 (part).)

16 [Sections 1065.113-1065.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 1065.151. BUDGET. The board annually shall require a
19 budget to be prepared for the next fiscal year that includes:

20 (1) proposed expenditures and disbursements;

21 (2) estimated receipts and collections; and

22 (3) the amount of taxes required to be imposed for the
23 year. (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

24 Sec. 1065.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
25 The board shall hold a public hearing on the proposed budget.

26 (b) Notice of the hearing must be published at least once in
27 a newspaper of general circulation in Motley County not later than

1 the 10th day before the date of the hearing.

2 (c) Any district taxpayer is entitled to:

3 (1) appear at the time and place designated in the
4 notice; and

5 (2) be heard regarding any item included in the
6 proposed budget. (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

7 Sec. 1065.153. FISCAL YEAR. The district operates on a
8 fiscal year that begins on October 1 and ends on September 30.
9 (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

10 Sec. 1065.154. ANNUAL AUDIT. The board annually shall have
11 an independent audit made of the district's books and records.
12 (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

13 Sec. 1065.155. DEPOSITORY OR TREASURER. (a) The board by
14 resolution shall designate a bank or banks in Motley County as the
15 district's depository or treasurer. A designated bank serves for
16 two years and until a successor is designated.

17 (b) All district money shall be secured in the manner
18 provided for securing county funds. (Acts 59th Leg., R.S., Ch. 465,
19 Sec. 12.)

20 [Sections 1065.156-1065.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1065.201. GENERAL OBLIGATION BONDS. The board may
23 issue and sell general obligation bonds in the name and on the faith
24 of the district for any purpose relating to:

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

27 (2) equipping buildings or improvements for hospital

1 purposes. (Acts 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

2 Sec. 1065.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
3 The board shall impose an ad valorem tax at a rate sufficient to
4 create an interest and sinking fund to pay the principal of and
5 interest on general obligation bonds issued under Section 1065.201
6 as the bonds mature.

7 (b) The tax required by this section together with any other
8 ad valorem tax the district imposes may not in any year exceed 75
9 cents on each \$100 valuation of taxable property in the district.
10 (Acts 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

11 Sec. 1065.203. GENERAL OBLIGATION BOND ELECTION. (a) The
12 district may issue general obligation bonds only if the bonds are
13 authorized by a majority of the district voters voting at an
14 election.

15 (b) The board may call the election on its own motion.

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

- 17 (1) the date of the election;
18 (2) the location of the polling places;
19 (3) the presiding election officers;
20 (4) the purpose of the bond issuance;
21 (5) the amount of the bonds to be authorized;
22 (6) the maximum interest rate of the bonds; and
23 (7) the maximum maturity of the bonds.

24 (d) Notice of a bond election shall be given by publishing a
25 substantial copy of the order calling the election in a newspaper of
26 general circulation in Motley County once each week for two
27 consecutive weeks before the date of the election. The first

1 publication must occur at least 14 days before the date of the
2 election. (Acts 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

3 Sec. 1065.204. MATURITY OF GENERAL OBLIGATION BONDS.
4 District general obligation bonds must mature not later than 40
5 years after the date of issuance. (Acts 59th Leg., R.S., Ch. 465,
6 Sec. 6 (part).)

7 Sec. 1065.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
8 The board president shall execute the general obligation bonds in
9 the district's name.

10 (b) The board secretary shall countersign the bonds. (Acts
11 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

12 Sec. 1065.206. REVENUE OR SPECIAL OBLIGATION BONDS. (a)
13 The board may issue and sell revenue or special obligation bonds for
14 the purposes provided by Section 1065.201.

15 (b) Special obligation bonds must be payable from the
16 revenue of the district's entire hospital system, including that
17 portion originally acquired and all past or future extensions,
18 additions, or replacements, excluding taxes, after deducting the
19 cost of maintaining and operating the system. For purposes of this
20 subsection, the cost of maintaining and operating the system:

21 (1) may include only the items set forth and defined in
22 the resolution authorizing the bond issuance; and

23 (2) may not include the cost of providing medical or
24 hospital care for the district's needy inhabitants.

25 (c) A cost described by Subsection (b)(2) is a maintenance
26 and operating expense for budget and tax purposes.

27 (d) The district may issue revenue bonds without an

1 election.

2 (e) Revenue bonds may be additionally secured by:

3 (1) a mortgage or deed of trust on real property;

4 (2) a chattel mortgage on the district's personal
5 property; or

6 (3) both.

7 (f) The board may issue bonds that are a junior lien on the
8 district's net revenue or property and additional parity bonds
9 under conditions specified in the bond resolution or trust
10 indenture.

11 (g) Money for the payment of not more than two years'
12 interest on the bonds and an amount the board estimates will be
13 required for maintenance and operating expenses during the first
14 two years of operation may be set aside out of the proceeds from the
15 sale of the bonds.

16 (h) A revenue bond issued by the district must contain the
17 provision: "The holder of the bond may not demand payment of this
18 bond or appurtenant coupons out of money raised or to be raised by
19 taxation." (Acts 59th Leg., R.S., Ch. 465, Sec. 6(a) (part).)

20 Sec. 1065.207. CHARGES FOR SERVICES RENDERED. If the board
21 issues revenue bonds, the board shall charge and collect rates for
22 services rendered by the hospital system that are sufficient to:

23 (1) pay the maintenance and operating expenses
24 described by Section 1065.206;

25 (2) pay the principal of and interest on the bonds as
26 each becomes due; and

27 (3) create and maintain a bond reserve fund and other

1 funds as provided in the bond resolution or trust indenture. (Acts
2 59th Leg., R.S., Ch. 465, Sec. 6(a) (part).)

3 [Sections 1065.208-1065.250 reserved for expansion]

4 SUBCHAPTER F. TAXES

5 Sec. 1065.251. IMPOSITION OF AD VALOREM TAX. (a) On final
6 approval of the annual budget, the board shall impose a tax on all
7 property in the district subject to district taxation.

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

9 (1) pay the interest on and create a sinking fund for
10 bonds issued by the district for hospital purposes; and

11 (2) provide for the maintenance and operation of the
12 district and hospital system. (Acts 59th Leg., R.S., Ch. 465, Secs.
13 5 (part), 9 (part).)

14 Sec. 1065.252. TAX RATE. The board may impose the tax at a
15 rate not to exceed 75 cents on each \$100 valuation of all taxable
16 property in the district. (Acts 59th Leg., R.S., Ch. 465, Sec. 5
17 (part).)

18 Sec. 1065.253. TAX ASSESSOR-COLLECTOR. The tax
19 assessor-collector of Motley County shall assess and collect taxes
20 imposed by the district. (Acts 59th Leg., R.S., Ch. 465, Sec. 10
21 (part).)

22 CHAPTER 1066. MOULTON COMMUNITY MEDICAL CLINIC DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1066.001. DEFINITIONS

25 Sec. 1066.002. AUTHORITY FOR OPERATION

26 Sec. 1066.003. ESSENTIAL PUBLIC FUNCTION

27 Sec. 1066.004. DISTRICT TERRITORY

1 Sec. 1066.005. DISTRICT SUPPORT AND MAINTENANCE NOT
2 STATE OBLIGATION

3 Sec. 1066.006. RESTRICTION ON STATE FINANCIAL
4 ASSISTANCE

5 [Sections 1066.007-1066.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1066.051. BOARD ELECTION; TERM

8 Sec. 1066.052. NOTICE OF ELECTION

9 Sec. 1066.053. QUALIFICATIONS FOR OFFICE

10 Sec. 1066.054. BOARD VACANCY

11 Sec. 1066.055. OFFICERS

12 Sec. 1066.056. COMPENSATION; EXPENSES

13 Sec. 1066.057. VOTING REQUIREMENT

14 Sec. 1066.058. DISTRICT ADMINISTRATOR

15 Sec. 1066.059. GENERAL DUTIES OF DISTRICT
16 ADMINISTRATOR

17 Sec. 1066.060. ASSISTANT DISTRICT ADMINISTRATOR;
18 ATTORNEY

19 Sec. 1066.061. EMPLOYEES; APPOINTMENT OF STAFF

20 Sec. 1066.062. RETIREMENT BENEFITS

21 [Sections 1066.063-1066.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1066.101. DISTRICT RESPONSIBILITY

24 Sec. 1066.102. RESTRICTION ON COUNTY AND MUNICIPALITY
25 TAXATION AND DEBT

26 Sec. 1066.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

27 Sec. 1066.104. RULES

- 1 Sec. 1066.105. PURCHASING AND ACCOUNTING PROCEDURES
- 2 Sec. 1066.106. DISTRICT PROPERTY, FACILITIES, AND
- 3 EQUIPMENT
- 4 Sec. 1066.107. EMINENT DOMAIN
- 5 Sec. 1066.108. COST OF RELOCATING OR ALTERING PROPERTY
- 6 Sec. 1066.109. GIFTS AND ENDOWMENTS
- 7 Sec. 1066.110. CONSTRUCTION CONTRACTS
- 8 Sec. 1066.111. OPERATING AND MANAGEMENT CONTRACTS
- 9 Sec. 1066.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 10 FOR SERVICES
- 11 Sec. 1066.113. PAYMENT FOR TREATMENT; PROCEDURES
- 12 Sec. 1066.114. REIMBURSEMENT FOR SERVICES
- 13 Sec. 1066.115. AUTHORITY TO SUE AND BE SUED
- 14 [Sections 1066.116-1066.150 reserved for expansion]
- 15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 16 Sec. 1066.151. BUDGET
- 17 Sec. 1066.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 18 Sec. 1066.153. AMENDMENTS TO BUDGET
- 19 Sec. 1066.154. RESTRICTION ON EXPENDITURES
- 20 Sec. 1066.155. FISCAL YEAR
- 21 Sec. 1066.156. ANNUAL AUDIT
- 22 Sec. 1066.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
- 23 RECORDS
- 24 Sec. 1066.158. FINANCIAL REPORT
- 25 Sec. 1066.159. DEPOSITORY
- 26 Sec. 1066.160. SPENDING AND INVESTMENT RESTRICTIONS
- 27 [Sections 1066.161-1066.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

2 Sec. 1066.201. GENERAL OBLIGATION BONDS

3 Sec. 1066.202. TAX TO PAY GENERAL OBLIGATION BONDS

4 Sec. 1066.203. GENERAL OBLIGATION BOND ELECTION

5 Sec. 1066.204. REVENUE BONDS

6 Sec. 1066.205. REFUNDING BONDS

7 Sec. 1066.206. MATURITY OF BONDS

8 Sec. 1066.207. EXECUTION OF BONDS

9 Sec. 1066.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1066.209-1066.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1066.251. IMPOSITION OF AD VALOREM TAX

13 Sec. 1066.252. TAX RATE

14 Sec. 1066.253. TAX ASSESSOR-COLLECTOR

15 CHAPTER 1066. MOULTON COMMUNITY MEDICAL CLINIC DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1066.001. DEFINITIONS. In this chapter:

18 (1) "Board" means the board of directors of the
19 district.

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

21 (3) "District" means the Moulton Community Medical
22 Clinic District. (Acts 71st Leg., R.S., Ch. 546, Sec. 1.01.)

23 Sec. 1066.002. AUTHORITY FOR OPERATION. The district
24 operates and is financed as provided by Section 9, Article IX, Texas
25 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 546,
26 Sec. 1.02.)

27 Sec. 1066.003. ESSENTIAL PUBLIC FUNCTION. The district is

1 a public entity performing an essential public function. (Acts
2 71st Leg., R.S., Ch. 546, Sec. 7.11 (part).)

3 Sec. 1066.004. DISTRICT TERRITORY. The boundaries of the
4 district are coextensive with the boundaries of Moulton Independent
5 School District of Lavaca County, Texas, as those boundaries
6 existed on August 28, 1989. (Acts 71st Leg., R.S., Ch. 546, Sec.
7 1.03.)

8 Sec. 1066.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
9 OBLIGATION. The state may not become obligated for the support or
10 maintenance of the district. (Acts 71st Leg., R.S., Ch. 546, Sec.
11 9.01 (part).)

12 Sec. 1066.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
13 The legislature may not make a direct appropriation for the
14 construction, maintenance, or improvement of a district facility.
15 (Acts 71st Leg., R.S., Ch. 546, Sec. 9.01 (part).)

16 [Sections 1066.007-1066.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT ADMINISTRATION

18 Sec. 1066.051. BOARD ELECTION; TERM. (a) The district is
19 governed by a board of nine directors elected from the district at
20 large.

21 (b) Unless four-year terms are established under Section
22 285.081, Health and Safety Code:

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

24 (2) an election shall be held on the uniform election
25 date in May of each year to elect the appropriate number of
26 directors. (Acts 71st Leg., R.S., Ch. 546, Secs. 4.01(a), 4.03(a),

27 (c) (part).)

1 Sec. 1066.052. NOTICE OF ELECTION. At least 35 days before
2 the date of an election of directors, notice of the election shall
3 be published one time in a newspaper with general circulation in the
4 district. (Acts 71st Leg., R.S., Ch. 546, Sec. 4.04.)

5 Sec. 1066.053. QUALIFICATIONS FOR OFFICE. To be eligible
6 to be a candidate for or to serve as a director, a person must be:

- 7 (1) a district resident; and
8 (2) a qualified voter. (Acts 71st Leg., R.S., Ch. 546,
9 Sec. 4.06.)

10 Sec. 1066.054. BOARD VACANCY. If a vacancy occurs in the
11 office of director, the remaining directors shall appoint a
12 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 546,
13 Sec. 4.07.)

14 Sec. 1066.055. OFFICERS. (a) The board shall elect a
15 president, vice president, and treasurer from among its members.

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

18 (c) Each officer of the board serves for a term of one year.

19 (d) The board shall fill a vacancy in a board office for the
20 unexpired term. (Acts 71st Leg., R.S., Ch. 546, Secs. 4.08, 4.09.)

21 Sec. 1066.056. COMPENSATION; EXPENSES. A director or
22 officer serves without compensation but may be reimbursed for
23 actual expenses incurred in the performance of official duties.
24 The expenses must be:

- 25 (1) reported in the district's records; and
26 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
27 546, Sec. 4.10.)

1 Sec. 1066.057. VOTING REQUIREMENT. A concurrence of a
2 majority of the directors voting is necessary in any matter
3 relating to district business. (Acts 71st Leg., R.S., Ch. 546, Sec.
4 4.11.)

5 Sec. 1066.058. DISTRICT ADMINISTRATOR. (a) The board may
6 appoint a qualified person as district administrator.

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

9 (c) Before assuming the duties of district administrator,
10 the administrator must execute a bond in the amount determined by
11 the board of not less than \$5,000 that is:

12 (1) payable to the district; and

13 (2) conditioned on the faithful performance of the
14 administrator's duties under this chapter.

15 (d) The board may pay for the bond with district money.
16 (Acts 71st Leg., R.S., Ch. 546, Secs. 4.12(a) (part), (b) (part),
17 (c) (part), (d).)

18 Sec. 1066.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
19 Subject to the limitations prescribed by the board, the district
20 administrator shall:

21 (1) supervise the work and activities of the district;
22 and

23 (2) direct the general affairs of the district. (Acts
24 71st Leg., R.S., Ch. 546, Sec. 4.15.)

25 Sec. 1066.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

26 (a) The board may appoint qualified persons as:

27 (1) the assistant district administrator; and

1 (2) the attorney for the district.

2 (b) The attorney for the district and the assistant district
3 administrator serve at the will of the board and are entitled to the
4 compensation determined by the board. (Acts 71st Leg., R.S., Ch.
5 546, Secs. 4.12(a) (part), (b) (part), (c) (part).)

6 Sec. 1066.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
7 board may appoint to the staff any doctors the board considers
8 necessary for the efficient operation of the district and may make
9 temporary appointments as necessary.

10 (b) The district may employ technicians, nurses, fiscal
11 agents, accountants, architects, additional attorneys, and other
12 necessary employees.

13 (c) The board may delegate to the district administrator the
14 authority to employ district employees. (Acts 71st Leg., R.S., Ch.
15 546, Secs. 4.13, 4.14.)

16 Sec. 1066.062. RETIREMENT BENEFITS. The board may provide
17 retirement benefits for district employees by:

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

20 (2) participating in:

21 (A) the Texas County and District Retirement
22 System; or

23 (B) another statewide retirement system in which
24 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
25 546, Sec. 4.16.)

26 [Sections 1066.063-1066.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 1066.101. DISTRICT RESPONSIBILITY. The district has
3 full responsibility for:

4 (1) operating hospital facilities; and

5 (2) providing medical and hospital care for the
6 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 546, Sec.
7 5.02 (part).)

8 Sec. 1066.102. RESTRICTION ON COUNTY AND MUNICIPALITY
9 TAXATION AND DEBT. Lavaca County and the City of Moulton may not
10 impose a tax or issue bonds or other obligations for hospital
11 purposes or to provide medical care for district residents. (Acts
12 71st Leg., R.S., Ch. 546, Sec. 5.01(b).)

13 Sec. 1066.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
14 The board shall manage, control, and administer the clinic or a
15 hospital system and the district's money and resources. (Acts 71st
16 Leg., R.S., Ch. 546, Sec. 5.03.)

17 Sec. 1066.104. RULES. The board may adopt rules governing:

18 (1) the operation of the clinic or a hospital and
19 hospital system; and

20 (2) the duties, functions, and responsibilities of
21 district staff and employees. (Acts 71st Leg., R.S., Ch. 546, Sec.
22 5.04.)

23 Sec. 1066.105. PURCHASING AND ACCOUNTING PROCEDURES. The
24 board may prescribe:

25 (1) the method of making purchases and expenditures by
26 and for the district; and

27 (2) accounting and control procedures for the

1 district. (Acts 71st Leg., R.S., Ch. 546, Sec. 5.05.)

2 Sec. 1066.106. DISTRICT PROPERTY, FACILITIES, AND
3 EQUIPMENT. (a) The board shall determine:

4 (1) the type, number, and location of buildings
5 required to maintain the clinic or an adequate hospital system; and

6 (2) the type of equipment necessary for medical care.

7 (b) The board may:

8 (1) acquire property, including facilities and
9 equipment, for the district for the clinic or the hospital system;
10 and

11 (2) mortgage or pledge the property as security for
12 the payment of the purchase price.

13 (c) The board may lease district facilities for the
14 district.

15 (d) The board may sell or otherwise dispose of property,
16 including facilities or equipment, for the district. (Acts 71st
17 Leg., R.S., Ch. 546, Sec. 5.06.)

18 Sec. 1066.107. EMINENT DOMAIN. (a) The district may
19 exercise the power of eminent domain to acquire a fee simple or
20 other interest in property located in district territory if the
21 interest is necessary for the district to exercise a right or
22 authority conferred by this chapter.

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

27 (c) In a condemnation proceeding brought by the district,

1 the district is not required to:

2 (1) pay in advance or provide a bond or other security
3 for costs in the trial court;

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

6 (3) provide a bond for costs or a supersedeas bond on
7 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 546, Sec.
8 5.09.)

9 Sec. 1066.108. COST OF RELOCATING OR ALTERING PROPERTY. In
10 exercising the power of eminent domain, if the board requires
11 relocating, raising, lowering, rerouting, changing the grade of, or
12 altering the construction of any railroad, highway, pipeline, or
13 electric transmission and electric distribution, telegraph, or
14 telephone line, conduit, pole, or facility, the district must bear
15 the actual cost of relocating, raising, lowering, rerouting,
16 changing the grade, or altering the construction to provide
17 comparable replacement, without enhancement of facilities, after
18 deducting the net salvage value derived from the old facility.
19 (Acts 71st Leg., R.S., Ch. 546, Sec. 5.10.)

20 Sec. 1066.109. GIFTS AND ENDOWMENTS. The board may accept
21 for the district a gift or endowment to be held in trust for any
22 purpose and under any direction, limitation, or other provision
23 prescribed in writing by the donor that is consistent with the
24 proper management of the district. (Acts 71st Leg., R.S., Ch. 546,
25 Sec. 5.14.)

26 Sec. 1066.110. CONSTRUCTION CONTRACTS. (a) The board may
27 enter into construction contracts for the district.

1 (b) The board may enter into a construction contract that
2 involves the expenditure of more than the amount provided by
3 Section 271.024, Local Government Code, only after competitive
4 bidding as provided by Subchapter B, Chapter 271, Local Government
5 Code. (Acts 71st Leg., R.S., Ch. 546, Sec. 5.07(a).)

6 Sec. 1066.111. OPERATING AND MANAGEMENT CONTRACTS. The
7 board may enter into an operating or management contract relating
8 to a district facility for the district. (Acts 71st Leg., R.S., Ch.
9 546, Sec. 5.08.)

10 Sec. 1066.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
11 SERVICES. The board may contract with a political subdivision of
12 this state or with a state or federal agency for the district to:

- 13 (1) furnish a mobile emergency medical service; or
14 (2) provide for the investigatory or welfare needs of
15 district inhabitants. (Acts 71st Leg., R.S., Ch. 546, Sec. 5.13.)

16 Sec. 1066.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)
17 When a patient who resides in the district is admitted to a district
18 facility, the district administrator may have an inquiry made into
19 the financial circumstances of:

- 20 (1) the patient; or
21 (2) a relative of the patient who is legally
22 responsible for the patient's support.

23 (b) The district without charge shall provide to a patient
24 who resides in the district the care and treatment that the patient
25 or a relative of the patient who is legally responsible for the
26 patient's support cannot pay.

27 (c) On determining that the patient or a relative legally

1 responsible for the patient's support can pay for all or part of the
2 care and treatment provided by the district, the district
3 administrator shall report that determination to the board, and the
4 board shall issue an order directing the patient or the relative to
5 pay the district a specified amount each week. The amount must be
6 based on the individual's ability to pay.

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

12 (e) If there is a dispute relating to an individual's
13 ability to pay or if the district administrator has any doubt
14 concerning an individual's ability to pay, the board shall:

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

18 (f) A final order of the board may be appealed to a district
19 court in Lavaca County. The substantial evidence rule applies to
20 the appeal. (Acts 71st Leg., R.S., Ch. 546, Secs. 5.11(a), (c),
21 (d), (e), (f).)

22 Sec. 1066.114. REIMBURSEMENT FOR SERVICES. (a) The board
23 shall require a county, municipality, or public hospital located
24 outside the district to reimburse the district for the district's
25 care and treatment of a sick or injured person of that county,
26 municipality, or public hospital as provided by Chapter 61, Health
27 and Safety Code.

1 (b) The board shall require the sheriff of Lavaca County or
2 the police chief of the City of Moulton to reimburse the district
3 for the district's care and treatment of a person who is confined in
4 a jail facility of Lavaca County or the City of Moulton and is not a
5 district resident.

6 (c) The board may contract with the state or federal
7 government for that government to reimburse the district for
8 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
9 546, Sec. 5.12.)

10 Sec. 1066.115. AUTHORITY TO SUE AND BE SUED. The board may
11 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
12 Ch. 546, Sec. 5.15.)

13 [Sections 1066.116-1066.150 reserved for expansion]

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15 Sec. 1066.151. BUDGET. (a) The district administrator
16 shall prepare a proposed annual budget for the district.

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

- 19 (1) the outstanding obligations of the district;
- 20 (2) the amount of cash on hand in each district fund;
- 21 (3) the amount of money received by the district from
22 all sources during the previous year;
- 23 (4) the amount of money available to the district from
24 all sources during the ensuing year;
- 25 (5) the amount of the balances expected at the end of
26 the year in which the budget is being prepared;
- 27 (6) the estimated amount of revenue and balances

1 available to cover the proposed budget; and

2 (7) the estimated tax rate required. (Acts 71st Leg.,
3 R.S., Ch. 546, Sec. 6.04.)

4 Sec. 1066.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
5 The board shall hold a public hearing on the proposed annual budget.

6 (b) The board shall publish notice of the hearing in a
7 newspaper with general circulation in the district not later than
8 the 10th day before the date of the hearing.

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

11 (d) At the conclusion of the hearing, the board shall adopt
12 a budget by acting on the budget proposed by the district
13 administrator. The board may make any changes in the proposed
14 budget that the board judges to be in the interests of the
15 taxpayers.

16 (e) The budget is effective only after adoption by the
17 board. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.05.)

18 Sec. 1066.153. AMENDMENTS TO BUDGET. After the annual
19 budget is adopted, the budget may be amended on the board's
20 approval. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.06.)

21 Sec. 1066.154. RESTRICTION ON EXPENDITURES. Money may be
22 spent only for an expense included in the budget or an amendment to
23 the budget. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.07.)

24 Sec. 1066.155. FISCAL YEAR. (a) The district operates on a
25 fiscal year established by the board.

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

27 (1) when revenue bonds of the district are

1 outstanding; or

2 (2) more than once in a 24-month period. (Acts 71st
3 Leg., R.S., Ch. 546, Sec. 6.01.)

4 Sec. 1066.156. ANNUAL AUDIT. The board annually shall have
5 an audit made of the district's financial condition. (Acts 71st
6 Leg., R.S., Ch. 546, Sec. 6.02.)

7 Sec. 1066.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
8 RECORDS. The annual audit and other district records are open to
9 inspection during regular business hours at the district's
10 principal office. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.03.)

11 Sec. 1066.158. FINANCIAL REPORT. As soon as practicable
12 after the close of the fiscal year, the district administrator
13 shall prepare for the board:

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

16 (2) an account of the disbursements of that money.
17 (Acts 71st Leg., R.S., Ch. 546, Sec. 6.08.)

18 Sec. 1066.159. DEPOSITORY. (a) The board shall select at
19 least one bank to serve as a depository for district money.

20 (b) District money, other than money invested as provided by
21 Section 1066.160(b) and money transmitted to a bank for payment of
22 bonds or obligations issued or assumed by the district, shall be
23 deposited as received with the depository bank and must remain on
24 deposit. This subsection does not limit the power of the board to
25 place a portion of district money on time deposit or to purchase
26 certificates of deposit.

27 (c) The district may not deposit money with a bank in an

1 amount that exceeds the maximum amount secured by the Federal
2 Deposit Insurance Corporation unless the bank first executes a bond
3 or other security in an amount sufficient to secure from loss the
4 district money that exceeds the amount secured by the Federal
5 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 546,
6 Sec. 6.10.)

7 Sec. 1066.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
8 Except as provided by Sections 1066.110, 1066.201, 1066.204, and
9 1066.205, the district may not incur a debt payable from district
10 revenue other than the revenue on hand or to be on hand in the
11 current and immediately following district fiscal years.

12 (b) The board may invest operating, depreciation, or
13 building reserves only in funds or securities specified by Chapter
14 2256, Government Code. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.09.)

15 [Sections 1066.161-1066.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Sec. 1066.201. GENERAL OBLIGATION BONDS. The board may
18 issue and sell general obligation bonds authorized by an election
19 in the name and on the faith and credit of the district to:

20 (1) purchase, construct, acquire, repair, or renovate
21 buildings or improvements; or

22 (2) equip buildings or improvements for clinic or
23 hospital purposes. (Acts 71st Leg., R.S., Ch. 546, Sec. 7.01.)

24 Sec. 1066.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
25 the time general obligation bonds are issued by the district under
26 Section 1066.201, the board shall impose an ad valorem tax at a rate
27 sufficient to create an interest and sinking fund to pay the

1 principal of and interest on the bonds as the bonds mature.

2 (b) The tax required by this section together with any other
3 ad valorem tax the district imposes may not in any year exceed the
4 limit approved by the voters at the election authorizing the
5 imposition of the tax. (Acts 71st Leg., R.S., Ch. 546, Sec. 7.02.)

6 Sec. 1066.203. GENERAL OBLIGATION BOND ELECTION. (a) The
7 district may issue general obligation bonds only if the bonds are
8 authorized by a majority of the district voters voting at an
9 election held for that purpose.

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

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

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

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

19 (e) The board shall declare the results of the election.
20 (Acts 71st Leg., R.S., Ch. 546, Sec. 7.03.)

21 Sec. 1066.204. REVENUE BONDS. (a) The board may issue
22 revenue bonds to:

23 (1) purchase, construct, acquire, repair, renovate,
24 or equip buildings or improvements for clinic or hospital purposes;
25 or

26 (2) acquire sites to be used for clinic or hospital
27 purposes.

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

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

6 (d) The bonds must be issued in the manner provided by
7 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
8 Code, for issuance of revenue bonds by a county hospital authority.
9 (Acts 71st Leg., R.S., Ch. 546, Sec. 7.04.)

10 Sec. 1066.205. REFUNDING BONDS. (a) The board may issue
11 refunding bonds to refund outstanding indebtedness issued or
12 assumed by the district.

13 (b) A refunding bond may be:

14 (1) sold, with the proceeds of the refunding bond
15 applied to the payment of the outstanding indebtedness; or

16 (2) exchanged wholly or partly for not less than a
17 similar principal amount of outstanding indebtedness. (Acts 71st
18 Leg., R.S., Ch. 546, Secs. 7.05(a), (c) (part).)

19 Sec. 1066.206. MATURITY OF BONDS. District bonds must
20 mature not later than 50 years after the date of issuance. (Acts
21 71st Leg., R.S., Ch. 546, Sec. 7.06 (part).)

22 Sec. 1066.207. EXECUTION OF BONDS. (a) The board president
23 shall execute the district's bonds in the district's name.

24 (b) The board secretary shall countersign the bonds in the
25 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,
26 R.S., Ch. 546, Sec. 7.07.)

27 Sec. 1066.208. BONDS EXEMPT FROM TAXATION. The following

1 are exempt from taxation by this state or a political subdivision of
2 this state:

- 3 (1) bonds issued by the district;
4 (2) any transaction relating to the bonds; and
5 (3) profits made in the sale of the bonds. (Acts 71st
6 Leg., R.S., Ch. 546, Sec. 7.11 (part).)

7 [Sections 1066.209-1066.250 reserved for expansion]

8 SUBCHAPTER F. TAXES

9 Sec. 1066.251. IMPOSITION OF AD VALOREM TAX. (a) The board
10 may impose a tax on all property in the district subject to district
11 taxation.

12 (b) The tax may be used to pay:

- 13 (1) indebtedness issued or assumed by the district;
14 and
15 (2) the maintenance and operating expenses of the
16 district.

17 (c) The district may not impose a tax to pay the principal of
18 or interest on revenue bonds issued under this chapter. (Acts 71st
19 Leg., R.S., Ch. 546, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

20 Sec. 1066.252. TAX RATE. (a) The board may impose the tax
21 at a rate not to exceed the limit approved by the voters at the
22 election authorizing the imposition of the tax.

23 (b) The tax rate for all purposes may not exceed 75 cents on
24 each \$100 valuation of all taxable property in the district.

25 (c) In setting the tax rate, the board shall consider the
26 income of the district from sources other than taxation. (Acts 71st
27 Leg., R.S., Ch. 546, Secs. 8.01(a) (part), (b), 8.03 (part).)

1 Sec. 1066.253. TAX ASSESSOR-COLLECTOR. The board may
2 provide for the appointment of a tax assessor-collector for the
3 district or may contract for the assessment and collection of taxes
4 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 546, Sec.
5 8.04(b).)

6 CHAPTER 1068. MULESHOE AREA HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1068.001. DEFINITIONS

9 Sec. 1068.002. AUTHORITY FOR OPERATION

10 Sec. 1068.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1068.004. DISTRICT TERRITORY

12 Sec. 1068.005. DISTRICT SUPPORT AND MAINTENANCE NOT

13 STATE OBLIGATION

14 Sec. 1068.006. RESTRICTION ON STATE FINANCIAL

15 ASSISTANCE

16 [Sections 1068.007-1068.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT ADMINISTRATION

18 Sec. 1068.051. BOARD ELECTION; TERM

19 Sec. 1068.052. NOTICE OF ELECTION

20 Sec. 1068.053. BALLOT PETITION

21 Sec. 1068.054. QUALIFICATIONS FOR OFFICE

22 Sec. 1068.055. BOARD VACANCY

23 Sec. 1068.056. OFFICERS

24 Sec. 1068.057. COMPENSATION; EXPENSES

25 Sec. 1068.058. VOTING REQUIREMENT

26 Sec. 1068.059. DISTRICT ADMINISTRATOR

- 1 Sec. 1068.060. GENERAL DUTIES OF DISTRICT
- 2 ADMINISTRATOR
- 3 Sec. 1068.061. ASSISTANT DISTRICT ADMINISTRATOR;
- 4 ATTORNEY
- 5 Sec. 1068.062. EMPLOYEES; APPOINTMENT OF STAFF
- 6 Sec. 1068.063. RETIREMENT BENEFITS
- 7 [Sections 1068.064-1068.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
- 9 Sec. 1068.101. DISTRICT RESPONSIBILITY
- 10 Sec. 1068.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 11 Sec. 1068.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 12 Sec. 1068.104. RULES
- 13 Sec. 1068.105. PURCHASING AND ACCOUNTING PROCEDURES
- 14 Sec. 1068.106. MOBILE EMERGENCY MEDICAL SERVICE
- 15 Sec. 1068.107. DISTRICT PROPERTY, FACILITIES, AND
- 16 EQUIPMENT
- 17 Sec. 1068.108. EMINENT DOMAIN
- 18 Sec. 1068.109. COST OF RELOCATING OR ALTERING PROPERTY
- 19 Sec. 1068.110. GIFTS AND ENDOWMENTS
- 20 Sec. 1068.111. CONSTRUCTION CONTRACTS
- 21 Sec. 1068.112. OPERATING AND MANAGEMENT CONTRACTS
- 22 Sec. 1068.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 23 FOR SERVICES
- 24 Sec. 1068.114. PAYMENT FOR TREATMENT; PROCEDURES
- 25 Sec. 1068.115. REIMBURSEMENT FOR SERVICES
- 26 Sec. 1068.116. AUTHORITY TO SUE AND BE SUED
- 27 [Sections 1068.117-1068.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 1068.151. BUDGET

3 Sec. 1068.152. NOTICE; HEARING; ADOPTION OF BUDGET

4 Sec. 1068.153. AMENDMENTS TO BUDGET

5 Sec. 1068.154. RESTRICTION ON EXPENDITURES

6 Sec. 1068.155. FISCAL YEAR

7 Sec. 1068.156. ANNUAL AUDIT

8 Sec. 1068.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

9 RECORDS

10 Sec. 1068.158. FINANCIAL REPORT

11 Sec. 1068.159. DEPOSITORY

12 Sec. 1068.160. SPENDING AND INVESTMENT RESTRICTIONS

13 [Sections 1068.161-1068.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Sec. 1068.201. GENERAL OBLIGATION BONDS

16 Sec. 1068.202. TAX TO PAY GENERAL OBLIGATION BONDS

17 Sec. 1068.203. GENERAL OBLIGATION BOND ELECTION

18 Sec. 1068.204. REVENUE BONDS

19 Sec. 1068.205. REFUNDING BONDS

20 Sec. 1068.206. MATURITY OF BONDS

21 Sec. 1068.207. EXECUTION OF BONDS

22 Sec. 1068.208. BONDS EXEMPT FROM TAXATION

23 [Sections 1068.209-1068.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1068.251. IMPOSITION OF AD VALOREM TAX

26 Sec. 1068.252. TAX RATE

27 Sec. 1068.253. ELECTION TO INCREASE MAXIMUM TAX RATE

1 Sec. 1068.254. TAX ASSESSOR-COLLECTOR

2 CHAPTER 1068. MULESHOE AREA HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1068.001. DEFINITIONS. In this chapter:

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

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

8 (3) "District" means the Muleshoe Area Hospital
9 District. (Acts 71st Leg., R.S., Ch. 45, Sec. 1.01.)

10 Sec. 1068.002. AUTHORITY FOR OPERATION. The district
11 operates and is financed as provided by Section 9, Article IX, Texas
12 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 45,
13 Sec. 1.02.)

14 Sec. 1068.003. ESSENTIAL PUBLIC FUNCTION. The district is
15 a public entity performing an essential public function. (Acts
16 71st Leg., R.S., Ch. 45, Sec. 7.11 (part).)

17 Sec. 1068.004. DISTRICT TERRITORY. The district is
18 composed of the territory described by Section 1.03, Chapter 45,
19 Acts of the 71st Legislature, Regular Session, 1989. (New.)

20 Sec. 1068.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
21 OBLIGATION. The state may not become obligated for the support or
22 maintenance of the district. (Acts 71st Leg., R.S., Ch. 45, Sec.
23 9.01 (part).)

24 Sec. 1068.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
25 The legislature may not make a direct appropriation for the
26 construction, maintenance, or improvement of a district facility.
27 (Acts 71st Leg., R.S., Ch. 45, Sec. 9.01 (part).)

1 [Sections 1068.007-1068.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1068.051. BOARD ELECTION; TERM. (a) The district is
4 governed by a board of five directors elected by place.

5 (b) Unless four-year terms are established under Section
6 285.081, Health and Safety Code:

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

8 (2) an election shall be held on the uniform election
9 date in May of each year to elect the appropriate number of
10 directors. (Acts 71st Leg., R.S., Ch. 45, Secs. 4.01(a), 4.03(a),
11 (d) (part).)

12 Sec. 1068.052. NOTICE OF ELECTION. At least 35 days before
13 the date of an election of directors, notice of the election shall
14 be published one time in a newspaper with general circulation in the
15 district. (Acts 71st Leg., R.S., Ch. 45, Sec. 4.04.)

16 Sec. 1068.053. BALLOT PETITION. A person who wants to have
17 the person's name printed on the ballot as a candidate for director
18 must file with the board secretary a petition requesting that
19 action. The petition must:

20 (1) be signed by at least 25 registered voters of the
21 district as determined by the most recent official list of
22 registered voters;

23 (2) be filed not later than the 31st day before the
24 date of the election; and

25 (3) specify the place for which the person is to be a
26 candidate. (Acts 71st Leg., R.S., Ch. 45, Sec. 4.05.)

27 Sec. 1068.054. QUALIFICATIONS FOR OFFICE. (a) To be

1 eligible to be a candidate for or to serve as a director, a person
2 must be:

3 (1) a district resident; and

4 (2) a qualified voter.

5 (b) A district employee may not serve as a director. (Acts
6 71st Leg., R.S., Ch. 45, Sec. 4.06.)

7 Sec. 1068.055. BOARD VACANCY. If a vacancy occurs in the
8 office of director, the remaining directors shall appoint a
9 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 45,
10 Sec. 4.07.)

11 Sec. 1068.056. OFFICERS. (a) The board shall elect a
12 president and a vice president from among its members.

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

15 (c) Each officer of the board serves for a term of one year.

16 (d) The board shall fill a vacancy in a board office for the
17 unexpired term. (Acts 71st Leg., R.S., Ch. 45, Secs. 4.08, 4.09.)

18 Sec. 1068.057. COMPENSATION; EXPENSES. A director or
19 officer serves without compensation but may be reimbursed for
20 actual expenses incurred in the performance of official duties.
21 The expenses must be:

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

23 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
24 45, Sec. 4.10.)

25 Sec. 1068.058. VOTING REQUIREMENT. A concurrence of a
26 majority of the directors voting is necessary in any matter
27 relating to district business. (Acts 71st Leg., R.S., Ch. 45, Sec.

1 4.11.)

2 Sec. 1068.059. DISTRICT ADMINISTRATOR. (a) The board may
3 appoint a qualified person as district administrator.

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

6 (c) Before assuming the duties of district administrator,
7 the administrator must execute a bond in the amount determined by
8 the board of not less than \$5,000 that is:

9 (1) payable to the district; and

10 (2) conditioned on the faithful performance of the
11 administrator's duties under this chapter.

12 (d) The board may pay for the bond with district money.
13 (Acts 71st Leg., R.S., Ch. 45, Secs. 4.12(a) (part), (b) (part), (c)
14 (part), (d).)

15 Sec. 1068.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
16 Subject to the limitations prescribed by the board, the district
17 administrator shall:

18 (1) supervise the work and activities of the district;
19 and

20 (2) direct the general affairs of the district. (Acts
21 71st Leg., R.S., Ch. 45, Sec. 4.15.)

22 Sec. 1068.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

23 (a) The board may appoint qualified persons as:

24 (1) the assistant district administrator; and

25 (2) the attorney for the district.

26 (b) The assistant district administrator and the attorney
27 for the district serve at the will of the board and are entitled to

1 the compensation determined by the board. (Acts 71st Leg., R.S.,
2 Ch. 45, Secs. 4.12(a) (part), (b) (part), (c) (part).)

3 Sec. 1068.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
4 board may appoint to the staff any doctors the board considers
5 necessary for the efficient operation of the district and may make
6 temporary appointments as necessary.

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

10 (c) The board may delegate to the district administrator the
11 authority to employ persons for the district. (Acts 71st Leg.,
12 R.S., Ch. 45, Secs. 4.13, 4.14.)

13 Sec. 1068.063. RETIREMENT BENEFITS. The board may provide
14 retirement benefits for district employees by:

15 (1) establishing or administering a retirement
16 program; or

17 (2) participating in:

18 (A) the Texas County and District Retirement
19 System; or

20 (B) another statewide retirement system in which
21 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
22 45, Sec. 4.16.)

23 [Sections 1068.064-1068.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1068.101. DISTRICT RESPONSIBILITY. The district has
26 full responsibility for:

27 (1) operating hospital facilities; and

1 (2) providing medical and hospital care for the
2 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 45, Sec.
3 5.02 (part).)

4 Sec. 1068.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
5 Bailey and Parmer Counties may not impose a tax or issue bonds or
6 other obligations for hospital purposes or to provide medical care
7 for district residents. (Acts 71st Leg., R.S., Ch. 45, Sec.
8 5.01(b).)

9 Sec. 1068.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
10 The board shall manage, control, and administer the hospital system
11 and the district's money and resources. (Acts 71st Leg., R.S., Ch.
12 45, Sec. 5.03.)

13 Sec. 1068.104. RULES. The board may adopt rules governing:

14 (1) the operation of the hospital and hospital system;
15 and

16 (2) the duties, functions, and responsibilities of
17 district staff and employees. (Acts 71st Leg., R.S., Ch. 45, Sec.
18 5.04.)

19 Sec. 1068.105. PURCHASING AND ACCOUNTING PROCEDURES. The
20 board may prescribe:

21 (1) the method of making purchases and expenditures by
22 and for the district; and

23 (2) accounting and control procedures for the
24 district. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.05.)

25 Sec. 1068.106. MOBILE EMERGENCY MEDICAL SERVICE. The
26 district may operate or provide for the operation of a mobile
27 emergency medical service. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.02

1 (part).)

2 Sec. 1068.107. DISTRICT PROPERTY, FACILITIES, AND
3 EQUIPMENT. (a) The board shall determine:

4 (1) the type, number, and location of buildings
5 required to maintain an adequate hospital system; and

6 (2) the type of equipment necessary for hospital care.

7 (b) The board may:

8 (1) acquire property, including facilities and
9 equipment, for the district for use in the hospital system; and

10 (2) mortgage or pledge the property as security for
11 the payment of the purchase price.

12 (c) The board may lease hospital facilities for the
13 district.

14 (d) The board may sell or otherwise dispose of property,
15 including facilities or equipment, for the district. (Acts 71st
16 Leg., R.S., Ch. 45, Sec. 5.06.)

17 Sec. 1068.108. EMINENT DOMAIN. (a) The district may
18 exercise the power of eminent domain to acquire a fee simple or
19 other interest in property located in district territory if the
20 interest is necessary to exercise a right or authority conferred by
21 this chapter.

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

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

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

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

5 (3) provide a bond for costs or a supersedeas bond on
6 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 45, Sec.
7 5.09.)

8 Sec. 1068.109. COST OF RELOCATING OR ALTERING PROPERTY. In
9 exercising the power of eminent domain, if the board requires
10 relocating, raising, lowering, rerouting, changing the grade of, or
11 altering the construction of any railroad, highway, pipeline, or
12 electric transmission and electric distribution, telegraph, or
13 telephone line, conduit, pole, or facility, the district must bear
14 the actual cost of relocating, raising, lowering, rerouting,
15 changing the grade, or altering the construction to provide
16 comparable replacement without enhancement of facilities, after
17 deducting the net salvage value derived from the old facility.
18 (Acts 71st Leg., R.S., Ch. 45, Sec. 5.10.)

19 Sec. 1068.110. GIFTS AND ENDOWMENTS. The board may accept
20 for the district a gift or endowment to be held in trust for any
21 purpose and under any direction, limitation, or other provision
22 prescribed in writing by the donor that is consistent with the
23 proper management of the district. (Acts 71st Leg., R.S., Ch. 45,
24 Sec. 5.14.)

25 Sec. 1068.111. CONSTRUCTION CONTRACTS. (a) The board may
26 enter into construction contracts for the district.

27 (b) The board may enter into a construction contract that

1 involves the expenditure of more than the amount provided by
2 Section 271.024, Local Government Code, only after competitive
3 bidding as provided by Subchapter B, Chapter 271, Local Government
4 Code. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.07(a).)

5 Sec. 1068.112. OPERATING AND MANAGEMENT CONTRACTS. The
6 board may enter into an operating or management contract relating
7 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.
8 45, Sec. 5.08.)

9 Sec. 1068.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
10 SERVICES. The board may contract with a political subdivision of
11 this state or with a state or federal agency for the district to:

- 12 (1) furnish a mobile emergency medical service; or
13 (2) provide for the investigatory or welfare needs of
14 district inhabitants. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.13.)

15 Sec. 1068.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
16 When a patient who resides in the district is admitted to a district
17 facility, the district administrator may have an inquiry made into
18 the financial circumstances of:

- 19 (1) the patient; or
20 (2) a relative of the patient who is legally
21 responsible for the patient's support.

22 (b) The district without charge shall provide to a patient
23 who resides in the district the care and treatment that the patient
24 or a relative of the patient who is legally responsible for the
25 patient's support cannot pay.

26 (c) On determining that the patient or a relative legally
27 responsible for the patient's support can pay for all or part of the

1 care and treatment provided by the district, the district
2 administrator shall report that determination to the board, and the
3 board shall issue an order directing the patient or the relative to
4 pay the district a specified amount each week. The amount must be
5 based on the individual's ability to pay.

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

11 (e) If there is a dispute relating to an individual's
12 ability to pay or if the district administrator has any doubt
13 concerning an individual's ability to pay, the board shall:

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

17 (f) A final order of the board may be appealed to a district
18 court in the county in which the district is located. The
19 substantial evidence rule applies to the appeal. (Acts 71st Leg.,
20 R.S., Ch. 45, Secs. 5.11(a), (c), (d), (e), (f).)

21 Sec. 1068.115. REIMBURSEMENT FOR SERVICES. (a) The board
22 shall require a county, municipality, or public hospital located
23 outside the district to reimburse the district for the district's
24 care and treatment of a sick or injured person of that county,
25 municipality, or public hospital as provided by Chapter 61, Health
26 and Safety Code.

27 (b) The board shall require the sheriff of Bailey County to

1 reimburse the district for the district's care and treatment of a
2 person who is confined in a jail facility of Bailey County and is
3 not a district resident.

4 (c) The board may contract with the state or federal
5 government for that government to reimburse the district for
6 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
7 45, Sec. 5.12.)

8 Sec. 1068.116. AUTHORITY TO SUE AND BE SUED. The board may
9 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
10 Ch. 45, Sec. 5.15.)

11 [Sections 1068.117-1068.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 1068.151. BUDGET. (a) The district administrator
14 shall prepare a proposed annual budget for the district.

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

- 17 (1) the outstanding obligations of the district;
- 18 (2) the amount of cash on hand in each district fund;
- 19 (3) the amount of money received by the district from
20 all sources during the previous year;
- 21 (4) the amount of money available to the district from
22 all sources during the ensuing year;
- 23 (5) the amount of the balances expected at the end of
24 the year in which the budget is being prepared;
- 25 (6) the estimated amount of revenue and balances
26 available to cover the proposed budget; and
- 27 (7) the estimated tax rate required. (Acts 71st Leg.,

1 R.S., Ch. 45, Sec. 6.04.)

2 Sec. 1068.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

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

4 (b) The board shall publish notice of the hearing in a
5 newspaper with general circulation in the district not later than
6 the 10th day before the date of the hearing.

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

9 (d) At the conclusion of the hearing, the board shall adopt
10 a budget by acting on the budget proposed by the district
11 administrator. The board may make any changes in the proposed
12 budget that the board judges to be in the interests of the
13 taxpayers.

14 (e) The budget is effective only after adoption by the
15 board. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.05.)

16 Sec. 1068.153. AMENDMENTS TO BUDGET. After adoption, the
17 annual budget may be amended on the board's approval. (Acts 71st
18 Leg., R.S., Ch. 45, Sec. 6.06.)

19 Sec. 1068.154. RESTRICTION ON EXPENDITURES. Money may be
20 spent only for an expense included in the budget or an amendment to
21 the budget. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.07.)

22 Sec. 1068.155. FISCAL YEAR. (a) The district operates on a
23 fiscal year established by the board.

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

25 (1) when revenue bonds of the district are
26 outstanding; or

27 (2) more than once in a 24-month period. (Acts 71st

1 Leg., R.S., Ch. 45, Sec. 6.01.)

2 Sec. 1068.156. ANNUAL AUDIT. The board annually shall have
3 an audit made of the district's financial condition. (Acts 71st
4 Leg., R.S., Ch. 45, Sec. 6.02.)

5 Sec. 1068.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
6 RECORDS. The annual audit and other district records are open to
7 inspection during regular business hours at the district's
8 principal office. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.03.)

9 Sec. 1068.158. FINANCIAL REPORT. As soon as practicable
10 after the close of the fiscal year, the district administrator
11 shall prepare for the board:

12 (1) a sworn statement of the amount of district money;
13 and

14 (2) an account of the disbursements of that money.
15 (Acts 71st Leg., R.S., Ch. 45, Sec. 6.08.)

16 Sec. 1068.159. DEPOSITORY. (a) The board shall select at
17 least one bank to serve as a depository for district money.

18 (b) District money, other than money invested as provided by
19 Section 1068.160(b) and money transmitted to a bank for payment of
20 bonds or obligations issued or assumed by the district, shall be
21 deposited as received with the depository bank and must remain on
22 deposit. This subsection does not limit the power of the board to
23 place a part of district money on time deposit or to purchase
24 certificates of deposit.

25 (c) The district may not deposit money with a bank in an
26 amount that exceeds the maximum amount secured by the Federal
27 Deposit Insurance Corporation unless the bank first executes a bond

1 or other security in an amount sufficient to secure from loss the
2 district money that exceeds the amount secured by the Federal
3 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 45, Sec.
4 6.10.)

5 Sec. 1068.160. SPENDING AND INVESTMENT RESTRICTIONS.

6 (a) Except as provided by Sections 1068.111, 1068.201, 1068.204,
7 and 1068.205, the district may not incur a debt payable from
8 district revenue other than the revenue on hand or to be on hand in
9 the current and immediately following district fiscal years.

10 (b) The board may invest operating, depreciation, or
11 building reserves only in funds or securities specified by Chapter
12 2256, Government Code. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.09.)

13 [Sections 1068.161-1068.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Sec. 1068.201. GENERAL OBLIGATION BONDS. The board may
16 issue and sell general obligation bonds authorized by an election
17 in the name and on the faith and credit of the district to:

18 (1) purchase, construct, acquire, repair, or renovate
19 buildings or improvements;

20 (2) equip buildings or improvements for hospital
21 purposes; or

22 (3) acquire and operate a mobile emergency medical
23 service. (Acts 71st Leg., R.S., Ch. 45, Sec. 7.01.)

24 Sec. 1068.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
25 the time general obligation bonds are issued by the district under
26 Section 1068.201, the board shall impose an ad valorem tax at a rate
27 sufficient to create an interest and sinking fund to pay the

1 principal of and interest on the bonds as the bonds mature.

2 (b) The tax required by this section together with any other
3 ad valorem tax the district imposes may not in any year exceed the
4 limit approved by the voters at the election authorizing the
5 imposition of the tax. (Acts 71st Leg., R.S., Ch. 45, Sec. 7.02.)

6 Sec. 1068.203. GENERAL OBLIGATION BOND ELECTION. (a) The
7 district may issue general obligation bonds only if the bonds are
8 authorized by a majority of the district voters voting at an
9 election held for that purpose.

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

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

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

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

19 (e) The board shall declare the results of the election.
20 (Acts 71st Leg., R.S., Ch. 45, Sec. 7.03.)

21 Sec. 1068.204. REVENUE BONDS. (a) The board may issue
22 revenue bonds to:

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

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

26 (3) acquire and operate a mobile emergency medical
27 service to assist the district in carrying out its hospital

1 purposes.

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

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

7 (d) The bonds must be issued in the manner provided by
8 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
9 Code, for issuance of revenue bonds by a county hospital authority.
10 (Acts 71st Leg., R.S., Ch. 45, Sec. 7.04.)

11 Sec. 1068.205. REFUNDING BONDS. (a) The board may issue
12 refunding bonds to refund outstanding indebtedness issued or
13 assumed by the district.

14 (b) Refunding bonds may be:

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

17 (2) exchanged wholly or partly for not less than a
18 similar principal amount of outstanding indebtedness. (Acts 71st
19 Leg., R.S., Ch. 45, Secs. 7.05(a), (c) (part).)

20 Sec. 1068.206. MATURITY OF BONDS. District bonds must
21 mature not later than 50 years after the date of issuance. (Acts
22 71st Leg., R.S., Ch. 45, Sec. 7.06 (part).)

23 Sec. 1068.207. EXECUTION OF BONDS. (a) The board president
24 shall execute the district's bonds in the district's name.

25 (b) The board secretary shall countersign the bonds in the
26 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,
27 R.S., Ch. 45, Sec. 7.07.)

1 Sec. 1068.208. BONDS EXEMPT FROM TAXATION. The following
2 are exempt from taxation by this state or a political subdivision of
3 this state:

- 4 (1) bonds issued by the district;
- 5 (2) any transaction relating to the bonds; and
- 6 (3) profits made in the sale of the bonds. (Acts 71st
7 Leg., R.S., Ch. 45, Sec. 7.11 (part).)

8 [Sections 1068.209-1068.250 reserved for expansion]

9 SUBCHAPTER F. TAXES

10 Sec. 1068.251. IMPOSITION OF AD VALOREM TAX. (a) The board
11 may impose a tax on all property in the district subject to district
12 taxation.

13 (b) The tax may be used to pay:

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

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

18 (c) The district may not impose a tax to pay the principal of
19 or interest on revenue bonds issued under this chapter. (Acts 71st
20 Leg., R.S., Ch. 45, Secs. 8.02(a) (part), (c), (d), 8.03(b).)

21 Sec. 1068.252. TAX RATE. (a) The board may impose the tax
22 at a rate not to exceed the limit approved by the voters at the
23 election authorizing the imposition of the tax.

24 (b) The tax rate for all purposes may not exceed 75 cents on
25 each \$100 valuation of all taxable property in the district.

26 (c) In setting the tax rate, the board shall consider the
27 income of the district from sources other than taxation. (Acts 71st

1 Leg., R.S., Ch. 45, Secs. 8.02(a) (part), (b), 8.04 (part).)

2 Sec. 1068.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
3 The board may order an election to increase the district's maximum
4 ad valorem tax rate.

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

6 (1) the nature of the election, including the
7 proposition to appear on the ballot;

8 (2) the date of the election;

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

10 (4) the location of the polling places.

11 (c) The board shall give notice of the election by
12 publishing once a week for two consecutive weeks a substantial copy
13 of the election order in a newspaper with general circulation in the
14 district. The first publication must appear at least 35 days before
15 the date set for the election.

16 (d) The ballot for the election must be printed to permit
17 voting for or against the proposition: "The levy of annual taxes by
18 the board of directors of the Muleshoe Area Hospital District for
19 hospital purposes at a rate not to exceed ____ cents on each \$100
20 valuation of all taxable property in the district subject to
21 hospital district taxation."

22 (e) If the board finds that the election results favor the
23 proposition, the board may impose taxes as authorized by the
24 proposition. If the board finds that the election results do not
25 favor the proposition, another election on raising the district's
26 maximum tax rate may not be held before the first anniversary of the
27 date of the most recent election at which voters disapproved the

1 proposition.

2 (f) Section 41.001(a), Election Code, does not apply to an
3 election ordered under this section. (Acts 71st Leg., R.S., Ch. 45,
4 Secs. 3.03, 3.04, 8.01(a) (part), (b), (c) (part), (d).)

5 Sec. 1068.254. TAX ASSESSOR-COLLECTOR. The board may
6 provide for the appointment of a tax assessor-collector for the
7 district or may contract for the assessment and collection of taxes
8 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 45, Sec.
9 8.05(b).)

10 CHAPTER 1070. HANSFORD COUNTY HOSPITAL DISTRICT

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1 CHAPTER 1070. HANSFORD COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1070.001. DEFINITIONS. In this chapter:

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

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

7 (3) "District" means the Hansford County Hospital
8 District. (New.)

9 Sec. 1070.002. AUTHORITY FOR OPERATION. The district
10 operates in accordance with Section 9, Article IX, Texas
11 Constitution, and has the rights, powers, and duties provided by
12 this chapter. (Acts 62nd Leg., R.S., Ch. 872, Sec. 1 (part).)

13 Sec. 1070.003. ESSENTIAL PUBLIC FUNCTION. The district
14 performs an essential public function in carrying out the purposes
15 of this chapter. (Acts 62nd Leg., R.S., Ch. 872, Sec. 21 (part).)

16 Sec. 1070.004. DISTRICT TERRITORY. The boundaries of the
17 district are coextensive with the boundaries of Hansford County,
18 Texas, unless the boundaries are expanded under Subchapter D.
19 (Acts 62nd Leg., R.S., Ch. 872, Secs. 1 (part), 1A(a) (part).)

20 Sec. 1070.005. CORRECTION OF INVALID PROCEDURES. If a
21 court holds that any procedure under this chapter violates the
22 constitution of this state or of the United States, the district by
23 resolution may provide an alternative procedure that conforms with
24 the constitution. (Acts 62nd Leg., R.S., Ch. 872, Sec. 23 (part).)

25 Sec. 1070.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
26 OBLIGATION. The support and maintenance of the district may not
27 become a charge against or obligation of this state. (Acts 62nd

1 Leg., R.S., Ch. 872, Sec. 20 (part).)

2 Sec. 1070.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
3 The legislature may not make a direct appropriation for the
4 construction, maintenance, or improvement of a district facility.
5 (Acts 62nd Leg., R.S., Ch. 872, Sec. 20 (part).)

6 [Sections 1070.008-1070.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1070.051. BOARD; TERM. (a) The board consists of six
9 directors appointed by the Commissioners Court of Hansford County
10 unless the method for selecting directors is changed under Section
11 1070.052.

12 (b) Directors serve staggered two-year terms. (Acts 62nd
13 Leg., R.S., Ch. 872, Secs. 4(a) (part), (b) (part).)

14 Sec. 1070.052. PETITION TO CHANGE METHOD FOR SELECTING
15 DIRECTORS; ELECTION. (a) The Commissioners Court of Hansford
16 County shall order an election on the question of electing
17 directors if the court receives a petition requesting that action
18 signed by at least 250 registered district voters who own taxable
19 property in the district as of the date the petition is presented to
20 the court. The election shall be held within 90 days of the date the
21 petition is presented and notice of the election is given as
22 provided by Section 1251.003, Government Code.

23 (b) The order calling the election must:

24 (1) specify the date of the election, the location of
25 the polling places, and the presiding judge and alternate judge for
26 each voting place; and

27 (2) provide for clerks as in a county election.

1 (c) The ballot shall be prepared to allow voting for or
2 against the proposition: "Providing the office of director of the
3 Hansford County Hospital District shall hereafter be an elective
4 office."

5 (d) If a majority of the district voters voting in the
6 election favor the proposition:

7 (1) directors in office at the time of the election
8 shall serve the terms for which the directors were appointed; and

9 (2) successor directors shall be elected as provided
10 by Section 1070.053.

11 (e) Another election on the question of electing directors
12 may not be held before the third anniversary of the date of the most
13 recent election on electing directors. (Acts 62nd Leg., R.S., Ch.
14 872, Sec. 4(b) (part).)

15 Sec. 1070.053. DIRECTORS' ELECTION. (a) If a majority of
16 the votes in an election under Section 1070.052 favor electing the
17 directors, an election shall be held on the uniform election date in
18 May of each year.

19 (b) The order calling a directors' election must specify the
20 time, place, and purpose of the election.

21 (c) A person who wants to have the person's name printed on
22 the ballot as a candidate for director must file with the board
23 secretary a petition requesting that action. The petition must be:

24 (1) signed by at least 50 registered voters; and

25 (2) filed at least 25 days before the date of the
26 election.

27 (d) At least five days before the date of an election of

1 directors, notice of the election shall be published one time in a
2 newspaper of general circulation in the district.

3 (e) Unless four-year terms are established under Section
4 285.081, Health and Safety Code, elected directors serve staggered
5 two-year terms. (Acts 62nd Leg., R.S., Ch. 872, Sec. 4(b) (part).)

6 Sec. 1070.054. QUALIFICATIONS FOR OFFICE. (a) A person may
7 not serve as a director unless the person is:

8 (1) a district resident; and

9 (2) a qualified voter.

10 (b) A person is not eligible to serve as a director if the
11 person is:

12 (1) the district administrator; or

13 (2) a district employee. (Acts 62nd Leg., R.S., Ch.
14 872, Sec. 4(c) (part).)

15 Sec. 1070.055. BOARD VACANCY. (a) If a vacancy occurs in
16 the office of an appointed director, the commissioners court shall
17 appoint a director for the unexpired term.

18 (b) If a vacancy occurs in the office of an elected
19 director, the remaining directors by majority vote shall appoint a
20 director for the unexpired term. (Acts 62nd Leg., R.S., Ch. 872,
21 Secs. 4(a) (part), (b) (part).)

22 Sec. 1070.056. OFFICERS. (a) The board shall elect:

23 (1) a president and a vice president from among its
24 members; and

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

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

27 (c) The board shall fill a vacancy in a board office for the

1 unexpired term. (Acts 62nd Leg., R.S., Ch. 872, Sec. 4(d) (part).)

2 Sec. 1070.057. COMPENSATION; EXPENSES. A director or
3 officer serves without compensation but may be reimbursed for
4 actual expenses incurred in the performance of official duties.
5 The expenses must be:

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

7 (2) approved by the board. (Acts 62nd Leg., R.S., Ch.
8 872, Sec. 4(d) (part).)

9 Sec. 1070.058. VOTING REQUIREMENT. A concurrence of four
10 directors is sufficient in any matter relating to district
11 business. (Acts 62nd Leg., R.S., Ch. 872, Sec. 4(d) (part).)

12 Sec. 1070.059. ADMINISTRATORS; ASSISTANT ADMINISTRATORS.

13 (a) The board shall appoint qualified persons as administrators of
14 the district or the ancillary health care facilities.

15 (b) The board may appoint assistant administrators.

16 (c) The administrators and any assistant administrators
17 serve at the will of the board and are entitled to the compensation
18 determined by the board.

19 (d) On assuming the duties of district administrator, the
20 administrator shall execute a bond payable to the district in an
21 amount set by the board of not less than \$5,000 that:

22 (1) is conditioned on the administrator performing the
23 administrator's duties; and

24 (2) contains other conditions the board may require.
25 (Acts 62nd Leg., R.S., Ch. 872, Sec. 5(a) (part).)

26 Sec. 1070.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

27 Subject to the limitations prescribed by the board, the district

1 administrator shall:

- 2 (1) supervise the work and activities of the district;
 - 3 (2) direct the affairs of the district; and
 - 4 (3) have overall management responsibility for
- 5 ancillary health care facilities. (Acts 62nd Leg., R.S., Ch. 872,
6 Sec. 5(a) (part).)

7 Sec. 1070.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The
8 board may appoint to the staff any doctors and allied health
9 personnel the board considers necessary for the efficient operation
10 of the district and may make temporary appointments as necessary.

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

13 (c) The board may delegate to the district administrator the
14 authority to hire district employees, including technicians and
15 nurses. (Acts 62nd Leg., R.S., Ch. 872, Secs. 5(a) (part), 16.)

16 Sec. 1070.062. RECRUITMENT OF STAFF AND EMPLOYEES. The
17 board may spend district money, enter into agreements, and take
18 other necessary action to recruit physicians, ancillary and allied
19 health professionals, and other persons to serve on the district's
20 medical staff or to be employed by the district, including:

- 21 (1) advertising and marketing;
 - 22 (2) paying travel, recruitment, and relocation
- 23 expenses;

24 (3) providing a loan or scholarship to a physician or
25 other person who:

26 (A) is enrolled in health care education courses
27 at an institution of higher education; and

1 (B) contractually agrees to become a district
2 employee or medical staff member; and

3 (4) providing on a rent-free basis or subsidizing the
4 cost of office space or other facilities for a health care
5 professional, including a physician. (Acts 62nd Leg., R.S., Ch.
6 872, Sec. 10A(a).)

7 Sec. 1070.063. HEALTH CARE AND PROFESSIONAL EDUCATIONAL
8 PROGRAMS. The board may spend district money, enter into
9 agreements, and take other necessary action to conduct, participate
10 in, or otherwise assist in providing health care and professional
11 educational, development, or retraining programs for current or
12 prospective medical staff members or district employees. (Acts
13 62nd Leg., R.S., Ch. 872, Sec. 10A(b).)

14 Sec. 1070.064. DAY-CARE SERVICES. (a) The board may take
15 any action to provide day-care services for the district's medical
16 staff members, allied health professionals, officers, directors,
17 and employees, including:

- 18 (1) spending district money;
19 (2) entering into agreements; and
20 (3) acquiring by lease, purchase, or lease to purchase
21 facilities, supplies, and equipment.

22 (b) The district may provide day-care services to district
23 residents as space permits. (Acts 62nd Leg., R.S., Ch. 872, Sec.
24 10A(c).)

25 Sec. 1070.065. SENIORITY; RETIREMENT BENEFITS. The board
26 may:

- 27 (1) adopt rules related to the seniority of district

1 employees, including rules for a retirement plan based on
2 seniority; and

3 (2) give effect to previous years of service for a
4 district employee continuously employed in the operation or
5 management of hospital or ancillary health care facilities:

6 (A) constructed by the district; or

7 (B) acquired by the district, including
8 facilities acquired when the district was created. (Acts 62nd
9 Leg., R.S., Ch. 872, Sec. 5(a) (part).)

10 Sec. 1070.066. LIABILITY INSURANCE; INDEMNIFICATION. (a)
11 The board may defend or indemnify an officer, director, board
12 appointee, medical staff member, or district employee against or
13 from a claim, expense, or liability arising from duties performed
14 in that capacity, including a duty performed at a district
15 facility.

16 (b) The board may purchase and maintain liability insurance
17 coverage or establish a self-insurance program to fund an indemnity
18 obligation under this section. (Acts 62nd Leg., R.S., Ch. 872,
19 Sec. 5(b).)

20 [Sections 1070.067-1070.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 1070.101. DISTRICT RESPONSIBILITY. (a) The district
23 has full responsibility for providing hospital services for the
24 district's indigent residents.

25 (b) The district may assume full responsibility for
26 providing ancillary health care services for the district's
27 indigent residents. (Acts 62nd Leg., R.S., Ch. 872, Sec. 19

1 (part).)

2 Sec. 1070.102. RESTRICTION ON POLITICAL SUBDIVISION
3 TAXATION AND DEBT. A political subdivision located within the
4 district may not impose a tax or issue bonds or other obligations
5 for hospital purposes or to provide medical care. (Acts 62nd Leg.,
6 R.S., Ch. 872, Sec. 19 (part).)

7 Sec. 1070.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
8 The board shall manage, control, and administer the hospital system
9 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.
10 872, Sec. 5(a) (part).)

11 Sec. 1070.104. HOSPITAL SYSTEM; ANCILLARY HEALTH CARE
12 SERVICES SYSTEM. (a) The district shall provide for the
13 establishment of a hospital system by:

14 (1) purchasing, constructing, acquiring, repairing,
15 or renovating buildings and equipment;

16 (2) equipping the buildings; and

17 (3) administering the buildings and equipment for
18 hospital purposes.

19 (b) The hospital and ancillary health care services systems
20 may include:

21 (1) facilities and equipment to provide domiciliary
22 care and treatment of the sick or injured;

23 (2) outpatient clinics;

24 (3) dispensaries;

25 (4) geriatric domiciliary care;

26 (5) convalescent home facilities;

27 (6) physicians' offices;

- 1 (7) home health services;
- 2 (8) durable medical equipment;
- 3 (9) long-term care;
- 4 (10) skilled nursing care;
- 5 (11) intermediate nursing care;
- 6 (12) hospice care;
- 7 (13) ambulatory surgery centers;
- 8 (14) urgent care facilities;
- 9 (15) rural health clinics;
- 10 (16) operation of a mobile emergency medical service;
- 11 (17) necessary nurses' domiciliaries and training
- 12 centers;
- 13 (18) blood banks;
- 14 (19) research centers or laboratories; and
- 15 (20) any other facilities or equipment the board
- 16 considers necessary to provide hospital and ancillary health care
- 17 services. (Acts 62nd Leg., R.S., Ch. 872, Secs. 2 (part), 9
- 18 (part).)

19 Sec. 1070.105. RULES. The board may adopt rules governing:

20 (1) the operation of the hospital, ancillary health

21 care facilities, hospital system, and ancillary health care system;

22 and

23 (2) the duties, functions, and responsibilities of

24 district staff, employees, contractors, or agents. (Acts 62nd

25 Leg., R.S., Ch. 872, Sec. 5(a) (part).)

26 Sec. 1070.106. PURCHASING AND ACCOUNTING PROCEDURES. The

27 board may prescribe:

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

3 (2) all accounting and control procedures. (Acts 62nd
4 Leg., R.S., Ch. 872, Sec. 10 (part).)

5 Sec. 1070.107. MOBILE EMERGENCY MEDICAL SERVICE. The
6 district may operate or provide for the operation of a mobile
7 emergency medical service. (Acts 62nd Leg., R.S., Ch. 872, Sec. 19
8 (part).)

9 Sec. 1070.108. DISTRICT PROPERTY, FACILITIES, AND
10 EQUIPMENT. (a) The board shall determine the type, number, and
11 location, either inside or outside the district, of buildings
12 required to maintain an adequate hospital system and ancillary
13 health care services system.

14 (b) The board may lease all or part of the district's
15 buildings, facilities, or equipment on terms considered to be in
16 the best interest of the district's inhabitants. The term of the
17 lease may not exceed 25 years.

18 (c) The district may acquire, by purchase, lease, or lease
19 to purchase, equipment for use in the district's hospital system
20 and mortgage or pledge the property as security for the payment of
21 the purchase or lease price. A contract entered into under this
22 subsection must provide that the entire obligation be retired not
23 later than the fifth anniversary of the date of the contract.

24 (d) The district may sell, lease, or otherwise dispose of
25 any property, including equipment, on terms the board finds are in
26 the best interest of the district's inhabitants. The board may not
27 sell or otherwise dispose of any real property unless the board

1 affirmatively finds that the sale, lease, or disposition is in the
2 best interest of the district's inhabitants. (Acts 62nd Leg.,
3 R.S., Ch. 872, Secs. 9 (part), 10 (part).)

4 Sec. 1070.109. EMINENT DOMAIN. (a) The district may
5 exercise the power of eminent domain to acquire a fee simple or
6 other interest in any type of property located in district
7 territory if the interest is necessary for the district to exercise
8 a power, right, or privilege conferred by this chapter.

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

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

15 (1) pay in advance or provide a bond or other security
16 for costs in the trial court;

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

19 (3) provide a bond for costs or a supersedeas bond on
20 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 872, Sec.
21 14.)

22 Sec. 1070.110. GIFTS AND ENDOWMENTS. The board may accept
23 for the district a gift or endowment to be held in trust and
24 administered by the board for the purposes and under the
25 directions, limitations, or other provisions prescribed in writing
26 by the donor that are not inconsistent with the proper management
27 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 872,

1 Sec. 18.)

2 Sec. 1070.111. CONSTRUCTION CONTRACTS. A construction
3 contract that involves the expenditure of more than \$10,000 may be
4 made only after advertising in the manner provided by Chapter 252,
5 Local Government Code, Subchapter B, Chapter 271, Local Government
6 Code, or Section 286.078, Health and Safety Code. (Acts 62nd Leg.,
7 R.S., Ch. 872, Sec. 10 (part).)

8 Sec. 1070.112. OPERATING AND MANAGEMENT CONTRACTS. The
9 board may enter into an operating or management contract with a
10 public or private entity relating to the district's facilities,
11 equipment, or services. (Acts 62nd Leg., R.S., Ch. 872, Sec. 9
12 (part).)

13 Sec. 1070.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
14 TREATMENT. The board may contract with this state, another state, a
15 political subdivision of this or another state, or a federal agency
16 for the treatment of a sick or injured person. (Acts 62nd Leg.,
17 R.S., Ch. 872, Sec. 5(a) (part).)

18 Sec. 1070.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
19 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
20 political subdivision or governmental agency for the district to
21 provide investigatory or other services for the hospital, ancillary
22 health care, or welfare needs of district inhabitants. (Acts 62nd
23 Leg., R.S., Ch. 872, Sec. 5(a) (part).)

24 Sec. 1070.115. PROVISION OF SERVICES OUTSIDE DISTRICT. The
25 board may provide health care services outside the district for the
26 care and treatment of the sick or injured persons of any
27 jurisdiction. (Acts 62nd Leg., R.S., Ch. 872, Sec. 5(a) (part).)

1 Sec. 1070.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)

2 When a patient is admitted to a district facility, the district
3 administrator may have an inquiry made into the circumstances of:

4 (1) the patient; and

5 (2) the patient's relatives who are legally liable for
6 the patient's support.

7 (b) If the district administrator determines that the
8 patient or those relatives cannot pay all or part of the costs of
9 the care and treatment provided to the patient by the district and
10 that payment is not available from any other source, the amount of
11 the costs that cannot be paid becomes a charge against the district.

12 (c) If the district administrator determines that the
13 patient or those relatives can pay for all or part of the costs of
14 the patient's care and treatment, the patient or those relatives
15 shall be ordered to pay the district a specified amount each week
16 for the patient's care and support. The amount ordered must be
17 proportionate to the person's financial ability.

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

22 (e) If there is a dispute as to the ability to pay, or doubt
23 in the mind of the district administrator, the board shall hold a
24 hearing and, after calling witnesses, shall:

25 (1) determine the patient's ability to pay; and

26 (2) issue any appropriate orders.

27 (f) The final order may be appealed to the district court.

1 The substantial evidence rule applies to the appeal. (Acts 62nd
2 Leg., R.S., Ch. 872, Sec. 17.)

3 Sec. 1070.117. AUTHORITY TO SUE AND BE SUED. (a) The
4 district, through the board, may sue and be sued.

5 (b) The district is entitled to all causes of action and
6 defenses to which similar authorities performing only governmental
7 functions are entitled. (Acts 62nd Leg., R.S., Ch. 872, Sec. 5(a)
8 (part).)

9 [Sections 1070.118-1070.150 reserved for expansion]

10 SUBCHAPTER D. CHANGE IN BOUNDARIES

11 Sec. 1070.151. TERRITORY THAT MAY BE ANNEXED. (a) The
12 district may annex territory that is not located in:

- 13 (1) Hansford County;
- 14 (2) the boundaries of another hospital district; or
- 15 (3) the proposed boundaries of another hospital
16 district authorized by the legislature under Section 9, Article IX,
17 Texas Constitution.

18 (b) Territory may be annexed in one or more tracts. Each
19 tract must be contiguous to:

- 20 (1) the district; or
- 21 (2) territory proposed to be annexed to the district.

22 (Acts 62nd Leg., R.S., Ch. 872, Sec. 1A(a).)

23 Sec. 1070.152. PETITION TO ANNEX TERRITORY. (a) A petition
24 requesting that territory be annexed to the district may be
25 presented to the board. The petition must:

- 26 (1) describe the tract or tracts of land to be annexed;
27 and

1 (2) be signed by 100 or a majority of the registered
2 voters who:

3 (A) reside in the territory to be annexed; and

4 (B) own property that will be subject to district
5 taxation if the territory is annexed.

6 (b) This chapter does not prohibit simultaneous action on
7 several petitions for annexation. Each ballot proposition must be
8 submitted for each different territory proposed to be annexed, and
9 an election held in each territory represented by a petition.

10 (c) If the board receives two or more petitions for
11 annexation that include all or part of the same territory to be
12 annexed to the district, the petition filed first with the board
13 shall be considered and another petition that includes any of the
14 same territory has no effect.

15 (d) The board may consider all petitions for annexation
16 presented to it and may approve or reject each petition. The board
17 may not partly approve or partly reject any petition. (Acts 62nd
18 Leg., R.S., Ch. 872, Secs. 1A(b) (part), (f).)

19 Sec. 1070.153. ELECTION ORDER. (a) If, on receipt of a
20 petition, the board finds that annexing the territory is in the
21 district's best interest, the board shall within 90 days of the
22 board's finding:

23 (1) approve the annexation of the territory described
24 in the petition; and

25 (2) order an election on the question of annexing the
26 territory to the district.

27 (b) The election order shall provide for a separate

1 election:

2 (1) in the territory proposed to be annexed; and

3 (2) in the district.

4 (c) The election order shall provide for clerks as in county
5 elections and must specify:

6 (1) the date of the election;

7 (2) the location of the polling places;

8 (3) the form of ballot; and

9 (4) the presiding judge and alternate judge for each
10 polling place.

11 (d) The election order may provide that:

12 (1) the entire district is one election precinct; or

13 (2) the county election precincts be combined for the
14 election. (Acts 62nd Leg., R.S., Ch. 872, Secs. 1A(b) (part), (d)
15 (part), 3(a) (part).)

16 Sec. 1070.154. BALLOT. The ballot for the election shall be
17 printed to permit voting for or against the proposition: "The
18 establishment of the Hansford County Hospital District with
19 extended boundaries and establishment of a hospital district tax at
20 a rate not to exceed 50 cents on the \$100 valuation on all taxable
21 property in the extended boundaries of the hospital district that
22 is subject to hospital district taxation for hospital purposes."
23 (Acts 62nd Leg., R.S., Ch. 872, Sec. 1A(b) (part).)

24 Sec. 1070.155. NOTICE OF ELECTION. (a) Notice of the
25 election shall be given by publishing once a week for two
26 consecutive weeks a substantial copy of the election order in a
27 newspaper or newspapers that individually or collectively have

1 general circulation in the county or district.

2 (b) The first publication must appear at least 30 days
3 before the date of the election. (Acts 62nd Leg., R.S., Ch. 872,
4 Secs. 1A(d) (part), 3(a) (part).)

5 Sec. 1070.156. ELECTION RESULTS. (a) Territory may not be
6 annexed to the district unless:

7 (1) an election is held in accordance with this
8 subchapter; and

9 (2) the annexation is approved by a majority of the
10 voters voting in the election in:

11 (A) the district; and

12 (B) the territory proposed to be annexed.

13 (b) If the territory is annexed to the district, a certified
14 copy of the order canvassing the returns of the election shall be
15 filed and recorded in the deed records of each county in which the
16 district is located following the annexation election.

17 (c) An election may not be held under this subchapter
18 within six months of an election previously held under this
19 subchapter. (Acts 62nd Leg., R.S., Ch. 872, Secs. 1A(c), (d)
20 (part), (e), 3(a) (part).)

21 Sec. 1070.157. EFFECT OF ANNEXATION. (a) Territory
22 annexed to the district is part of the district for all purposes.

23 (b) The annexation of territory to the district does not
24 change the manner in which the board or district officers are
25 selected. (Acts 62nd Leg., R.S., Ch. 872, Sec. 1A(g).)

26 [Sections 1070.158-1070.200 reserved for expansion]

27 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

1 Sec. 1070.201. BUDGET. (a) The district administrator
2 shall prepare an annual budget for approval by the board.

3 (b) The proposed budget must contain a complete financial
4 statement of:

5 (1) the outstanding obligations of the district;

6 (2) the cash on hand in each district fund;

7 (3) the money received by the district from all
8 sources during the previous year;

9 (4) the money available to the district from all
10 sources during the ensuing year;

11 (5) the balances expected at the end of the year in
12 which the budget is being prepared;

13 (6) the estimated revenue and balances available to
14 cover the proposed budget;

15 (7) the estimated tax rate required; and

16 (8) the proposed expenditures and disbursements and
17 the estimated receipts and collections for the following fiscal
18 year. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

19 Sec. 1070.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
20 The board shall hold a public hearing on the proposed annual budget.

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

25 (c) Any property taxpayer of the district is entitled to be
26 present and participate at the hearing in accordance with the rules
27 of decorum and procedures prescribed by the board.

1 (d) At the conclusion of the hearing, the board shall adopt
2 a budget by acting on the budget proposed by the district
3 administrator. The board may make any changes in the proposed
4 budget that the board judges to be in the interests of the taxpayers
5 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6
6 (part).)

7 Sec. 1070.203. AMENDMENTS TO BUDGET. The annual budget may
8 be amended as required by circumstances. The board must approve all
9 amendments. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

10 Sec. 1070.204. RESTRICTION ON EXPENDITURES. Money may be
11 spent only for an expense included in the budget or an amendment to
12 the budget. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

13 Sec. 1070.205. FISCAL YEAR. (a) The district operates on a
14 fiscal year established by the board.

15 (b) The fiscal year may not be changed more than once in a
16 24-month period. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

17 Sec. 1070.206. AUDIT. (a) The board shall have an
18 independent audit made of the district's financial condition for
19 the fiscal year.

20 (b) As soon as the audit is completed, the audit shall be
21 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 872,
22 Sec. 6 (part).)

23 Sec. 1070.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.
24 The audit and other district records shall be open to inspection at
25 the district's principal office. (Acts 62nd Leg., R.S., Ch. 872,
26 Sec. 6 (part).)

27 Sec. 1070.208. FINANCIAL REPORT. As soon as practicable

1 after the close of each fiscal year, the district administrator
2 shall prepare for the board:

3 (1) a complete sworn statement of all district money;
4 and

5 (2) a complete account of the disbursements of that
6 money. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

7 Sec. 1070.209. DEPOSITORY. (a) The board shall select one
8 or more banks inside or outside the district to serve as a
9 depository for district money.

10 (b) District money, other than money invested as provided by
11 Section 1070.210(b), and money transmitted to a bank for payment of
12 bonds or obligations issued or assumed by the district, shall be
13 deposited as received with the depository bank and shall remain on
14 deposit.

15 (c) This chapter, including Subsection (b), does not limit
16 the power of the board to:

17 (1) place a part of district money on time deposit;

18 (2) purchase certificates of deposit; or

19 (3) make other investments authorized by Chapter 2256,
20 Government Code. (Acts 62nd Leg., R.S., Ch. 872, Sec. 11.)

21 Sec. 1070.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)
22 Except as otherwise provided by Sections 1070.062, 1070.063,
23 1070.064, 1070.108(c), and 1070.211 and by Subchapter F, the
24 district may not incur an obligation payable from district revenue
25 other than the revenue on hand or to be on hand in the current and
26 following district fiscal years.

27 (b) The board may invest operating, depreciation, or

1 building money only in funds or securities specified by Chapter
2 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 872, Secs. 5(a)
3 (part), 10 (part).)

4 Sec. 1070.211. AUTHORITY TO BORROW MONEY; SECURITY. (a)
5 The district may borrow money for district operating expenses in an
6 amount not to exceed the amount of tax or other revenue the district
7 expects to receive during the fiscal year in which the money is
8 borrowed.

9 (b) To repay the debt, the board may pledge all or part of
10 the tax or other revenue received during the fiscal year in which
11 the board borrows money under this section. (Acts 62nd Leg., R.S.,
12 Ch. 872, Sec. 15(d).)

13 [Sections 1070.212-1070.250 reserved for expansion]

14 SUBCHAPTER F. BONDS

15 Sec. 1070.251. OBLIGATIONS AND CREDIT AGREEMENTS. The
16 district may issue, sell, and deliver obligations and execute
17 corresponding credit agreements in the manner provided by Chapters
18 1201 and 1371, Government Code. (Acts 62nd Leg., R.S., Ch. 872,
19 Sec. 8A.)

20 Sec. 1070.252. GENERAL OBLIGATION BONDS. The board may
21 issue and sell general obligation bonds in the name and on the faith
22 and credit of the district for any purpose relating to:

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

25 (2) equipping buildings or improvements for hospital
26 and ancillary health care purposes. (Acts 62nd Leg., R.S., Ch. 872,
27 Sec. 7 (part).)

1 Sec. 1070.253. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
2 the time general obligation bonds are issued under Section
3 1070.252, the board shall impose an ad valorem tax at a rate
4 sufficient to create an interest and sinking fund to pay the
5 principal of and interest on the bonds as the bonds mature.

6 (b) The tax required by this section together with any other
7 ad valorem tax the district imposes may not in any year exceed the
8 tax rate approved by the voters at the election authorizing the
9 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 872, Sec. 7
10 (part).)

11 Sec. 1070.254. GENERAL OBLIGATION BOND ELECTION. (a) The
12 district may issue general obligation bonds only if the bonds are
13 authorized by a majority of the district voters voting at an
14 election held for that purpose.

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

- 17 (1) the date of the election;
18 (2) the location of the polling places;
19 (3) the presiding and alternate election judges for
20 each polling place;
21 (4) the amount of the bonds to be authorized;
22 (5) the maximum interest rate of the bonds; and
23 (6) the maximum maturity of the bonds.

24 (c) Notice of a bond election shall be given as provided by
25 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 872,
26 Sec. 7 (part).)

27 Sec. 1070.255. REVENUE BONDS. (a) The board may issue

1 revenue bonds to:

2 (1) purchase, construct, acquire, repair, renovate,
3 or equip buildings or improvements for hospital or ancillary health
4 care purposes; or

5 (2) acquire sites to be used for hospital or ancillary
6 health care purposes.

7 (b) The bonds must be payable from and secured by a pledge of
8 all or part of the revenue derived from the operation of the
9 district's hospitals or ancillary health care facilities.

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

12 (d) The bonds must be issued in the manner and in accordance
13 with the procedures and requirements prescribed by Sections
14 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
15 issuance of revenue bonds by a county hospital authority. (Acts
16 62nd Leg., R.S., Ch. 872, Sec. 8(b) (part).)

17 Sec. 1070.256. REFUNDING BONDS. (a) The board may issue
18 refunding bonds to refund outstanding indebtedness issued or
19 assumed by the district.

20 (b) A refunding bond may be:

21 (1) sold, with the proceeds of the refunding bond
22 applied to the payment of outstanding indebtedness; or

23 (2) exchanged wholly or partly for not less than a
24 similar principal amount of outstanding indebtedness. (Acts 62nd
25 Leg., R.S., Ch. 872, Secs. 8(a) (part), (b) (part).)

26 Sec. 1070.257. MATURITY OF BONDS. District bonds must
27 mature not later than 40 years after the date of issuance. (Acts

1 62nd Leg., R.S., Ch. 872, Sec. 8(c) (part).)

2 Sec. 1070.258. EXECUTION OF BONDS. (a) The board president
3 shall execute district bonds in the district's name.

4 (b) The board secretary shall countersign the bonds in the
5 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,
6 R.S., Ch. 872, Sec. 8(c) (part).)

7 Sec. 1070.259. BONDS EXEMPT FROM TAXATION. The following
8 are exempt from taxation by this state or a political subdivision of
9 this state:

10 (1) bonds issued by the district;

11 (2) the transfer and issuance of the bonds; and

12 (3) profits made in the sale of the bonds. (Acts 62nd
13 Leg., R.S., Ch. 872, Sec. 21 (part).)

14 [Sections 1070.260-1070.300 reserved for expansion]

15 SUBCHAPTER G. TAXES

16 Sec. 1070.301. IMPOSITION OF AD VALOREM TAX. (a) The board
17 shall impose a tax on all property in the district subject to
18 district taxation.

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

20 (1) pay the interest on and create a sinking fund for
21 bonds and other obligations issued or assumed by the district for
22 hospital purposes;

23 (2) provide for the operation and maintenance of the
24 district and hospital system;

25 (3) make improvements and additions to the hospital
26 system; and

27 (4) acquire necessary sites for the hospital system by

1 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 872,
2 Secs. 12 (part), 15(a) (part).)

3 Sec. 1070.302. TAX RATE. (a) The board may impose the tax
4 at a rate not to exceed 50 cents on each \$100 valuation of taxable
5 property in the district unless the maximum tax rate is increased as
6 provided by Section 1070.303.

7 (b) In setting the tax rate, the board shall consider the
8 income of the district from sources other than taxation. (Acts 62nd
9 Leg., R.S., Ch. 872, Secs. 3(b) (part), 12 (part).)

10 Sec. 1070.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
11 The board may order an election to increase the district's maximum
12 tax rate to a rate not to exceed 75 cents on each \$100 valuation of
13 taxable property in the district.

14 (b) The maximum tax rate may not be increased unless the
15 increase is approved by a majority of the district voters voting in
16 an election held for that purpose.

17 (c) An election held under this section must be ordered and
18 notice must be given in the manner provided for a bond election
19 under Subchapter F.

20 (d) The election order must specify:

- 21 (1) the ballot proposition;
22 (2) the proposed maximum tax rate;
23 (3) the time of the election;
24 (4) the location of the polling places; and
25 (5) the presiding judge for each polling place. (Acts
26 62nd Leg., R.S., Ch. 872, Sec. 3(d).)

27 Sec. 1070.304. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the
2 district or may contract for the assessment and collection of taxes
3 as provided by the Tax Code. (Acts 62nd Leg., R.S., Ch. 872, Sec.
4 15(c).)

5 CHAPTER 1071. OCHILTREE COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1071.001. DEFINITIONS

8 Sec. 1071.002. AUTHORITY FOR OPERATION

9 Sec. 1071.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL

10 SUBDIVISION

11 Sec. 1071.004. DISTRICT TERRITORY

12 Sec. 1071.005. CORRECTION OF INVALID PROCEDURES

13 [Sections 1071.006-1071.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1071.051. BOARD ELECTION; TERM

16 Sec. 1071.052. NOTICE OF ELECTION

17 Sec. 1071.053. BALLOT PETITION

18 Sec. 1071.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1071.055. BOND; RECORD OF BOND AND OATH OR

20 AFFIRMATION OF OFFICE

21 Sec. 1071.056. BOARD VACANCY

22 Sec. 1071.057. OFFICERS

23 Sec. 1071.058. COMPENSATION; EXPENSES

24 Sec. 1071.059. VOTING REQUIREMENT

25 Sec. 1071.060. DISTRICT ADMINISTRATOR

26 Sec. 1071.061. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1071.062. EMPLOYEES
- 2 Sec. 1071.063. RECRUITMENT OF MEDICAL STAFF AND
- 3 EMPLOYEES
- 4 Sec. 1071.064. APPOINTMENT AND REMOVAL OF MEDICAL
- 5 STAFF
- 6 Sec. 1071.065. HEALTH CARE EDUCATIONAL PROGRAMS
- 7 Sec. 1071.066. RETIREMENT BENEFITS
- 8 Sec. 1071.067. LIABILITY INSURANCE; INDEMNIFICATION
- 9 Sec. 1071.068. MAINTENANCE OF RECORDS; PUBLIC
- 10 INSPECTION
- 11 Sec. 1071.069. SEAL
- 12 [Sections 1071.070-1071.100 reserved for expansion]
- 13 SUBCHAPTER C. POWERS AND DUTIES
- 14 Sec. 1071.101. DISTRICT RESPONSIBILITY
- 15 Sec. 1071.102. RESTRICTION ON COUNTY OR MUNICIPALITY
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- 17 Sec. 1071.103. MANAGEMENT AND CONTROL
- 18 Sec. 1071.104. HOSPITAL SYSTEM
- 19 Sec. 1071.105. RULES
- 20 Sec. 1071.106. PURCHASING AND ACCOUNTING PROCEDURES
- 21 Sec. 1071.107. MOBILE EMERGENCY MEDICAL SERVICE
- 22 Sec. 1071.108. DISTRICT PROPERTY, FACILITIES, AND
- 23 EQUIPMENT
- 24 Sec. 1071.109. EMINENT DOMAIN
- 25 Sec. 1071.110. GIFTS AND ENDOWMENTS
- 26 Sec. 1071.111. CONTRACTS FOR CARE AND TREATMENT

- 1 Sec. 1071.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
2 FOR INVESTIGATORY OR OTHER SERVICES
3 Sec. 1071.113. PROVISION OF SERVICES OUTSIDE DISTRICT
4 Sec. 1071.114. JOINT ADMINISTRATION OR DELIVERY OF
5 HEALTH CARE SERVICES
6 Sec. 1071.115. PAYMENT FOR TREATMENT; PROCEDURES
7 Sec. 1071.116. REIMBURSEMENT FOR SERVICES
8 Sec. 1071.117. NONPROFIT CORPORATION
9 Sec. 1071.118. AUTHORITY TO SUE AND BE SUED
10 [Sections 1071.119-1071.150 reserved for expansion]
11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
12 Sec. 1071.151. BUDGET
13 Sec. 1071.152. PROPOSED BUDGET: NOTICE AND HEARING
14 Sec. 1071.153. FISCAL YEAR
15 Sec. 1071.154. ANNUAL AUDIT
16 Sec. 1071.155. DEPOSITORY OR TREASURER
17 Sec. 1071.156. AUTHORITY TO BORROW MONEY
18 [Sections 1071.157-1071.200 reserved for expansion]
19 SUBCHAPTER E. BONDS
20 Sec. 1071.201. GENERAL OBLIGATION BONDS
21 Sec. 1071.202. TAX TO PAY GENERAL OBLIGATION BONDS
22 Sec. 1071.203. GENERAL OBLIGATION BOND ELECTION
23 Sec. 1071.204. MATURITY OF GENERAL OBLIGATION BONDS
24 Sec. 1071.205. EXECUTION OF GENERAL OBLIGATION BONDS
25 Sec. 1071.206. REVENUE BONDS
26 Sec. 1071.207. REFUNDING BONDS
27 Sec. 1071.208. BONDS EXEMPT FROM TAXATION

1 [Sections 1071.209-1071.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1071.251. IMPOSITION OF AD VALOREM TAX

4 Sec. 1071.252. TAX RATE

5 Sec. 1071.253. TAX ASSESSOR-COLLECTOR

6 CHAPTER 1071. OCHILTREE COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1071.001. DEFINITIONS. In this chapter:

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

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

12 (3) "District" means the Ochiltree County Hospital
13 District. (New.)

14 Sec. 1071.002. AUTHORITY FOR OPERATION. The district
15 operates under the authority of and has the powers and
16 responsibilities provided by Section 11, Article IX, Texas
17 Constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

18 Sec. 1071.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL
19 SUBDIVISION. The district is:

20 (1) a public entity performing an essential public
21 function; and

22 (2) a political subdivision of this state. (Acts 57th
23 Leg., R.S., Ch. 103, Secs. 6A(c) (part), 18 (part).)

24 Sec. 1071.004. DISTRICT TERRITORY. The boundaries of the
25 district are coextensive with the boundaries of Ochiltree County.
26 (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

27 Sec. 1071.005. CORRECTION OF INVALID PROCEDURES. If a

1 court holds that any procedure under this chapter violates the
2 constitution of this state or of the United States, the district by
3 resolution may provide an alternative procedure that conforms with
4 the constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 19 (part).)

5 [Sections 1071.006-1071.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1071.051. BOARD ELECTION; TERM. (a) The board
8 consists of five directors elected from the district at large.

9 (b) Unless four-year terms are established under Section
10 285.081, Health and Safety Code:

11 (1) directors serve staggered two-year terms; and

12 (2) an election shall be held on the uniform election
13 date in May of each year to elect the appropriate number of
14 directors. (Acts 57th Leg., R.S., Ch. 103, Secs. 3(a) (part), (e)
15 (part).)

16 Sec. 1071.052. NOTICE OF ELECTION. Not earlier than the
17 30th day or later than the 10th day before the date of an election of
18 directors, notice of the election shall be published one time in a
19 newspaper of general circulation in Ochiltree County. (Acts 57th
20 Leg., R.S., Ch. 103, Sec. 3(e) (part).)

21 Sec. 1071.053. BALLOT PETITION. A person who wants to have
22 the person's name printed on the ballot as a candidate for director
23 must file with the board secretary a petition requesting that
24 action. The petition must be:

25 (1) signed by at least 25 registered voters; and

26 (2) filed not later than the 25th day before the date
27 of the election. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(e) (part).)

1 Sec. 1071.054. QUALIFICATIONS FOR OFFICE. (a) A person may
2 not be elected or appointed as a director unless the person is:

3 (1) a district resident; and

4 (2) more than 21 years of age.

5 (b) An employee or medical staff member of the district may
6 not serve as a director. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(b)
7 (part).)

8 Sec. 1071.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
9 OF OFFICE. (a) Each director shall execute a good and sufficient
10 bond for \$1,000 that is:

11 (1) payable to the district; and

12 (2) conditioned on the faithful performance of the
13 director's duties.

14 (b) The district may pay for the directors' bonds with
15 district money.

16 (c) Each director's bond and constitutional oath or
17 affirmation of office shall be deposited with the district's
18 depository bank for safekeeping. (Acts 57th Leg., R.S., Ch. 103,
19 Sec. 3(c) (part).)

20 Sec. 1071.056. BOARD VACANCY. (a) If a vacancy occurs in
21 the office of director, the remaining directors shall appoint a
22 director for the unexpired term.

23 (b) If the number of directors is reduced to fewer than
24 three for any reason, the remaining directors shall immediately
25 call a special election to fill the vacancies. If the remaining
26 directors do not call the election, a district court, on
27 application of a district voter or taxpayer, may order the

1 directors to hold the election. (Acts 57th Leg., R.S., Ch. 103,
2 Sec. 3(d) (part).)

3 Sec. 1071.057. OFFICERS. The board shall elect from among
4 its members a president and a secretary. (Acts 57th Leg., R.S., Ch.
5 103, Sec. 3(d) (part).)

6 Sec. 1071.058. COMPENSATION; EXPENSES. A director serves
7 without compensation but may be reimbursed for actual expenses
8 incurred in the performance of official duties on approval of the
9 expenses by the entire board. (Acts 57th Leg., R.S., Ch. 103, Sec.
10 4 (part).)

11 Sec. 1071.059. VOTING REQUIREMENT. A concurrence of three
12 directors is sufficient in any matter relating to district
13 business. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(d) (part).)

14 Sec. 1071.060. DISTRICT ADMINISTRATOR. (a) The board may
15 appoint a qualified person as district administrator.

16 (b) The district administrator serves at the will of the
17 board and receives the compensation determined by the board. (Acts
18 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

19 Sec. 1071.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
20 Subject to the limitations prescribed by the board, the district
21 administrator shall:

22 (1) supervise the work and activities of the district;
23 and

24 (2) direct the general affairs of the district. (Acts
25 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

26 Sec. 1071.062. EMPLOYEES. (a) The board may employ a
27 general manager, attorney, bookkeeper, and architect.

1 (b) The board may employ technicians, nurses, fiscal
2 agents, accountants, and other necessary employees.

3 (c) The board may delegate to the district administrator the
4 authority to hire employees under Subsection (b). (Acts 57th Leg.,
5 R.S., Ch. 103, Secs. 8(a) (part), (c) (part).)

6 Sec. 1071.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.
7 The board may spend district money, enter into agreements, and take
8 other necessary action to recruit physicians and other persons to
9 serve as medical staff members or district employees, including:

10 (1) advertising and marketing;

11 (2) paying travel, recruitment, and relocation
12 expenses;

13 (3) providing a loan or scholarship to a physician or a
14 person who:

15 (A) is currently enrolled in health care
16 education courses at an institution of higher education; and

17 (B) contractually agrees to become a district
18 employee or medical staff member; and

19 (4) providing on a rent-free basis or subsidizing the
20 cost of office space or other facilities for a health care
21 professional, including a physician. (Acts 57th Leg., R.S., Ch.
22 103, Secs. 8B(a), (k).)

23 Sec. 1071.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

24 (a) The board may appoint to or remove from the medical staff any
25 doctors as necessary for the efficient operation of the district
26 and may make temporary appointments as necessary.

27 (b) The board may adopt policies relating to the appointment

1 and removal of medical staff members. (Acts 57th Leg., R.S., Ch.
2 103, Sec. 8(d) (part).)

3 Sec. 1071.065. HEALTH CARE EDUCATIONAL PROGRAMS. The
4 board may spend district money, enter into agreements, or take
5 other necessary action to conduct, participate in, or assist in
6 providing health care educational programs for current or
7 prospective medical staff members or employees of the district.
8 (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(1).)

9 Sec. 1071.066. RETIREMENT BENEFITS. The board may provide
10 retirement benefits for district employees by:

11 (1) establishing or administering a retirement
12 program; or

13 (2) participating in:

14 (A) the Texas County and District Retirement
15 System; or

16 (B) another statewide retirement system in which
17 the district is eligible to participate. (Acts 57th Leg., R.S., Ch.
18 103, Sec. 8B(m).)

19 Sec. 1071.067. LIABILITY INSURANCE; INDEMNIFICATION. (a)
20 The board may defend or indemnify an officer, director, board
21 appointee, medical staff member, or district employee against or
22 from a claim, expense, or liability arising from duties performed
23 in that capacity.

24 (b) The board may purchase liability insurance coverage or
25 establish a self-insurance program to fund an indemnity obligation
26 under this section. (Acts 57th Leg., R.S., Ch. 103, Sec. 4 (part).)

27 Sec. 1071.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

1 Except as provided by Section 1071.055, all district records,
2 including books, accounts, notices, minutes, and all other matters
3 of the district and the operation of its facilities, shall be:

- 4 (1) maintained at the district office; and
5 (2) open to public inspection at the district office
6 at all reasonable hours. (Acts 57th Leg., R.S., Ch. 103, Sec.
7 8(e).)

8 Sec. 1071.069. SEAL. The board may adopt a seal for the
9 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a) (part).)

10 [Sections 1071.070-1071.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 1071.101. DISTRICT RESPONSIBILITY. The district has
13 full responsibility for providing medical and hospital care for the
14 district's needy and indigent residents. (Acts 57th Leg., R.S.,
15 Ch. 103, Sec. 13 (part).)

16 Sec. 1071.102. RESTRICTION ON COUNTY OR MUNICIPALITY
17 TAXATION. Ochiltree County or a municipality in Ochiltree County
18 may not impose a tax for hospital purposes. (Acts 57th Leg., R.S.,
19 Ch. 103, Sec. 13 (part).)

20 Sec. 1071.103. MANAGEMENT AND CONTROL. The management and
21 control of the district is vested in the board. (Acts 57th Leg.,
22 R.S., Ch. 103, Sec. 4 (part).)

23 Sec. 1071.104. HOSPITAL SYSTEM. (a) The district may
24 provide for the establishment of a hospital or hospital system to
25 provide medical and hospital care to the district's needy
26 residents.

27 (b) The hospital system may include:

- 1 (1) facilities and equipment for domiciliary care and
2 treatment of sick, injured, or geriatric patients;
- 3 (2) outpatient clinics;
- 4 (3) rural health clinics;
- 5 (4) convalescent home facilities;
- 6 (5) assisted living or personal care facilities;
- 7 (6) physicians' offices;
- 8 (7) home health care services;
- 9 (8) durable medical equipment;
- 10 (9) long-term care;
- 11 (10) skilled nursing care;
- 12 (11) intermediate nursing care;
- 13 (12) hospice care;
- 14 (13) community mental health centers;
- 15 (14) alcohol or chemical dependency centers; and
- 16 (15) any other facilities or equipment the board
17 considers necessary for hospital purposes. (Acts 57th Leg., R.S.,
18 Ch. 103, Secs. 2 (part), 8B(b) (part).)

19 Sec. 1071.105. RULES. (a) The board may adopt rules
20 governing the operation of the district, including district
21 facilities.

22 (b) On approval by the board, the rules may be published in
23 booklet form at district expense and made available to any taxpayer
24 on request. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(f).)

25 Sec. 1071.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)
26 The board may prescribe the method and manner of making purchases
27 and expenditures by and for the district.

1 (b) The board shall prescribe:

2 (1) all accounting and control procedures; and

3 (2) the method of purchasing necessary supplies,
4 materials, and equipment. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a)
5 (part).)

6 Sec. 1071.107. MOBILE EMERGENCY MEDICAL SERVICE. The
7 district may operate or assist in the operation of a mobile
8 emergency medical service as part of the hospital system. (Acts
9 57th Leg., R.S., Ch. 103, Sec. 8B(b) (part).)

10 Sec. 1071.108. DISTRICT PROPERTY, FACILITIES, AND
11 EQUIPMENT. (a) The board shall determine:

12 (1) the type, number, and location of facilities
13 required to maintain an adequate hospital system; and

14 (2) the type of equipment necessary for hospital care.

15 (b) The board may:

16 (1) acquire by lease, purchase, or lease to purchase
17 or may construct, repair, or renovate property, including
18 facilities or equipment, for use in the district's hospital system;
19 and

20 (2) mortgage or pledge the property as security for
21 the payment of the purchase price.

22 (c) The board may lease hospital facilities for the
23 district.

24 (d) The board may lease, sell, or otherwise dispose of all
25 or part of the district's property for the district, including
26 facilities or equipment, to a public or private entity.

27 (e) The district may operate any facility covered by this

1 section or contract with any person to manage or operate the
2 facility. (Acts 57th Leg., R.S., Ch. 103, Secs. 8B(a), (b) (part),
3 (c), (d), (e), (f).)

4 Sec. 1071.109. EMINENT DOMAIN. (a) The district may
5 exercise the power of eminent domain to acquire a fee simple or
6 other interest in any type of property, real, personal, or mixed,
7 located in district territory, if the interest is necessary or
8 convenient for the district to exercise a right, power, privilege,
9 or function conferred on the district by this chapter.

10 (b) The district must exercise the power of eminent domain
11 in the manner provided by Chapter 21, Property Code, except the
12 district is not required to deposit in the trial court money or a
13 bond as provided by Section 21.021(a), Property Code.

14 (c) In a condemnation proceeding brought by the district,
15 the district is not required to:

16 (1) pay in advance or provide a bond or other security
17 for costs in the trial court;

18 (2) provide a bond for the issuance of a temporary
19 restraining order or a temporary injunction; or

20 (3) provide a bond for costs or a supersedeas bond on
21 an appeal or writ of error. (Acts 57th Leg., R.S., Ch. 103, Sec.
22 10.)

23 Sec. 1071.110. GIFTS AND ENDOWMENTS. The board may accept
24 for the district a gift or endowment to be held in trust and
25 administered by the board for the purposes and under the
26 directions, limitations, or other provisions prescribed in writing
27 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 57th Leg., R.S., Ch. 103,
2 Sec. 16.)

3 Sec. 1071.111. CONTRACTS FOR CARE AND TREATMENT. (a) The
4 board may contract with a hospital, hospital authority, or
5 political subdivision of this state located outside the district's
6 boundaries to reimburse the district for the care and treatment of a
7 sick or injured person of that entity.

8 (b) The board may contract with this state or a federal
9 agency for the state or agency to reimburse the district for the
10 treatment of a sick or injured person. (Acts 57th Leg., R.S., Ch.
11 103, Sec. 8B(h) (part).)

12 Sec. 1071.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
13 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
14 political subdivision or governmental agency to provide
15 investigatory or other services related to facilities for the
16 medical care, hospital, or welfare needs of district inhabitants.
17 (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(h) (part).)

18 Sec. 1071.113. PROVISION OF SERVICES OUTSIDE DISTRICT.
19 Subject to board approval the district may provide primary care,
20 emergency services, preventative medical services, and other
21 health-related services outside the district, provided that the
22 services serve the purpose of the district as established by this
23 chapter. (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(g).)

24 Sec. 1071.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH
25 CARE SERVICES. (a) To provide joint administration or delivery of
26 health care services, the district may contract with, affiliate
27 with, or enter into another arrangement with:

- 1 (1) a managed care system;
- 2 (2) a preferred provider organization;
- 3 (3) a health maintenance organization;
- 4 (4) another provider of an alternative health care or
5 delivery system; or
- 6 (5) a private hospital.

7 (b) The district may spend district money to establish and
8 maintain a partnership, corporation, or other entity involved in
9 the delivery of health care services. (Acts 57th Leg., R.S., Ch.
10 103, Sec. 8B(i).)

11 Sec. 1071.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
12 When a patient who resides in Ochiltree County is admitted to a
13 district facility, the board shall have an inquiry made into the
14 circumstances of:

- 15 (1) the patient; and
- 16 (2) the patient's relatives who are legally liable for
17 the patient's support.

18 (b) If an agent designated by the district to handle the
19 inquiry determines that the patient or those relatives cannot pay
20 all or part of the costs of the patient's care and treatment in the
21 hospital, the amount of the costs that cannot be paid becomes a
22 charge against the district.

23 (c) If it is determined that the patient or those relatives
24 are liable to pay for all or part of the costs of the patient's care
25 and treatment, the patient or those relatives shall be ordered to
26 pay to the district's treasurer a specified amount each week for the
27 patient's support. The amount ordered must be proportionate to the

1 person's financial ability and may not exceed the actual per capita
2 cost of maintenance.

3 (d) The district may collect the amount from the patient's
4 estate, or from any relative who is legally liable for the patient's
5 support, in the manner provided by law for the collection of
6 expenses of the last illness of a deceased person.

7 (e) If there is a dispute as to the ability to pay, or doubt
8 in the mind of the district's designated agent, the board shall hold
9 a hearing and, after calling witnesses, shall:

10 (1) resolve the dispute or doubt; and

11 (2) issue an appropriate order.

12 (f) Either party to the dispute may appeal the order to the
13 district court. (Acts 57th Leg., R.S., Ch. 103, Sec. 14.)

14 Sec. 1071.116. REIMBURSEMENT FOR SERVICES. (a) The board
15 shall require a county, municipality, or public hospital located
16 outside the district to reimburse the district for the district's
17 care and treatment of a sick or injured person for whom that county,
18 municipality, or public hospital has an obligation to provide care,
19 as provided by Chapter 61, Health and Safety Code.

20 (b) The board shall seek reimbursement under Article
21 104.002, Code of Criminal Procedure, for the district's care and
22 treatment of a person who is confined in an Ochiltree County jail
23 facility and is not a district resident. (Acts 57th Leg., R.S., Ch.
24 103, Secs. 14A(a) (part), (b).)

25 Sec. 1071.117. NONPROFIT CORPORATION. (a) The district
26 may create and sponsor a nonprofit corporation under the Business
27 Organizations Code and may contribute money to or solicit money for

1 the corporation.

2 (a-1) On or before December 31, 2009, the district may
3 create and sponsor a nonprofit corporation under the Texas
4 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
5 Texas Civil Statutes) or the Business Organizations Code, as
6 applicable, and may contribute money to or solicit money for the
7 corporation.

8 (b) The corporation may use money, other than money the
9 corporation pays to the district, only to provide health care or
10 other services the district is authorized to provide under this
11 chapter.

12 (c) The corporation may invest the corporation's money in
13 any manner in which the district may invest the district's money,
14 including investing money as authorized by Chapter 2256, Government
15 Code.

16 (d) The board shall establish controls to ensure that the
17 corporation uses its money as required by this section.

18 (e) This subsection and Subsection (a-1) expire December
19 31, 2009. (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(j).)

20 Sec. 1071.118. AUTHORITY TO SUE AND BE SUED. As a
21 governmental agency, the district may sue and be sued in its own
22 name in any court of this state. (Acts 57th Leg., R.S., Ch. 103,
23 Sec. 18 (part).)

24 [Sections 1071.119-1071.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 1071.151. BUDGET. The board annually shall require a
27 budget to be prepared for the next fiscal year that includes:

- 1 (1) proposed expenditures and disbursements;
2 (2) estimated receipts and collections; and
3 (3) the amount of taxes required to be imposed for the
4 year. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

5 Sec. 1071.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
6 The board shall hold a public hearing on the proposed budget.

7 (b) Notice of the hearing must be published at least once in
8 a newspaper of general circulation in Ochiltree County not later
9 than the 10th day before the date of the hearing.

10 (c) Any district taxpayer is entitled to:

11 (1) appear at the time and place designated in the
12 notice; and

13 (2) be heard regarding any item included in the
14 proposed budget. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

15 Sec. 1071.153. FISCAL YEAR. The district operates on a
16 fiscal year that begins on October 1 and ends on September 30. (Acts
17 57th Leg., R.S., Ch. 103, Sec. 9(a) (part).)

18 Sec. 1071.154. ANNUAL AUDIT. (a) The board annually shall
19 have an independent audit made of the district's books and records
20 for the fiscal year.

21 (b) Not later than December 31 each year, the audit shall be
22 filed:

23 (1) with the comptroller; and

24 (2) at the district office. (Acts 57th Leg., R.S., Ch.
25 103, Sec. 9(a) (part).)

26 Sec. 1071.155. DEPOSITORY OR TREASURER. (a) The board by
27 resolution shall designate a bank or banks in Ochiltree County as

1 the district's depository or treasurer. A designated bank serves
2 for three years and until a successor is designated.

3 (b) All income received by the district shall be deposited
4 in the district depository.

5 (c) All district money shall be secured in the manner
6 provided for securing county funds. (Acts 57th Leg., R.S., Ch. 103,
7 Secs. 5(b) (part), 11.)

8 Sec. 1071.156. AUTHORITY TO BORROW MONEY. The board may
9 borrow money for district purposes on district credit or secured by
10 district revenue. (Acts 57th Leg., R.S., Ch. 103, Sec. 6B (part).)

11 [Sections 1071.157-1071.200 reserved for expansion]

12 SUBCHAPTER E. BONDS

13 Sec. 1071.201. GENERAL OBLIGATION BONDS. The board may
14 issue and sell general obligation bonds in the name and on the faith
15 and credit of the district for health care purposes and for any
16 purpose relating to:

17 (1) the purchase, construction, acquisition, repair,
18 or renovation of buildings or improvements; and

19 (2) equipping buildings or improvements for hospital
20 purposes. (Acts 57th Leg., R.S., Ch. 103, Secs. 6(a), (b) (part).)

21 Sec. 1071.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
22 the time general obligation bonds are issued by the district under
23 Section 1071.201, the board shall impose an ad valorem tax at a rate
24 sufficient to create an interest and sinking fund to pay the
25 principal of and interest on the bonds as the bonds mature.

26 (b) The tax required by this section together with any other
27 ad valorem tax the district imposes may not in any year exceed 75

1 cents on each \$100 valuation of all taxable property in the
2 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(b) (part).)

3 Sec. 1071.203. GENERAL OBLIGATION BOND ELECTION. (a) The
4 district may issue general obligation bonds only if the bonds are
5 authorized by a majority of the district voters voting at an
6 election held for that purpose.

7 (b) The board may order the election on its own motion.

8 (c) The order calling the election must specify:

- 9 (1) the location of the polling places;
10 (2) the presiding election officers;
11 (3) the purpose of the bond issuance;
12 (4) the amount of the bonds to be authorized;
13 (5) the maximum interest rate of the bonds; and
14 (6) the maximum maturity of the bonds.

15 (d) Notice of a bond election shall be given by publishing a
16 substantial copy of the order calling the election in a newspaper of
17 general circulation in Ochiltree County once a week for two
18 consecutive weeks before the date of the election. The first
19 publication must occur at least 14 days before the date of the
20 election. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(d) (part).)

21 Sec. 1071.204. MATURITY OF GENERAL OBLIGATION BONDS.
22 District general obligation bonds must mature not later than 40
23 years after the date of issuance. (Acts 57th Leg., R.S., Ch. 103,
24 Sec. 6(d) (part).)

25 Sec. 1071.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
26 The board president shall execute the general obligation bonds in
27 the district's name.

1 (b) The board secretary shall countersign the bonds. (Acts
2 57th Leg., R.S., Ch. 103, Sec. 6(c) (part).)

3 Sec. 1071.206. REVENUE BONDS. (a) The board may issue
4 revenue bonds to:

5 (1) purchase, construct, acquire, repair, renovate,
6 or equip buildings or improvements for hospital or health care
7 purposes; or

8 (2) acquire sites for hospital or health care
9 purposes.

10 (b) The bonds must be payable from and secured by a pledge of
11 all or part of the revenue derived from the operation of the
12 district's facilities.

13 (c) The bonds may be additionally secured by a mortgage or
14 deed of trust lien on all or part of district property.

15 (d) The bonds must be issued in accordance with the
16 procedures and requirements prescribed by Sections 264.042,
17 264.043, and 264.046-264.049, Health and Safety Code, for issuance
18 of revenue bonds by a county hospital authority. (Acts 57th Leg.,
19 R.S., Ch. 103, Sec. 6A(b) (part).)

20 Sec. 1071.207. REFUNDING BONDS. (a) The board may, without
21 an election, issue refunding bonds to refund outstanding bonds
22 issued or assumed by the district.

23 (b) A refunding bond may be:

24 (1) sold, with the proceeds of the refunding bond
25 applied to the payment of the bonds to be refunded; or

26 (2) exchanged wholly or partly for not less than a
27 similar amount of outstanding bonds and the unpaid matured interest

1 on the bonds. (Acts 57th Leg., R.S., Ch. 103, Secs. 6(d) (part),
2 (e) (part), 6A(b) (part).)

3 Sec. 1071.208. BONDS EXEMPT FROM TAXATION. The following
4 are exempt from taxation by this state or a political subdivision of
5 this state:

- 6 (1) bonds issued by the district;
- 7 (2) any transaction relating to the bonds; and
- 8 (3) profits made in the sale of the bonds. (Acts 57th
9 Leg., R.S., Ch. 103, Sec. 6A(c) (part).)

10 [Sections 1071.209-1071.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1071.251. IMPOSITION OF AD VALOREM TAX. (a) On final
13 approval of the annual budget, the board shall impose a tax on all
14 property in the district subject to district taxation.

15 (b) The board shall impose the tax to:

- 16 (1) pay the interest on and create a sinking fund for
17 bonds issued or assumed by the district for hospital purposes;
- 18 (2) provide for operation and maintenance of the
19 hospital and hospital system;
- 20 (3) make improvements and additions to the hospital
21 system; and
- 22 (4) acquire necessary sites for the hospital system by
23 purchase, lease, or condemnation. (Acts 57th Leg., R.S., Ch. 103,
24 Secs. 5(a) (part), (b) (part), 9(b) (part).)

25 Sec. 1071.252. TAX RATE. The board may impose the tax at a
26 rate not to exceed 75 cents on each \$100 valuation of all taxable
27 property in the district. (Acts 57th Leg., R.S., Ch. 103, Sec. 5(a))

1 (part).)

2 Sec. 1071.253. TAX ASSESSOR-COLLECTOR. The tax
3 assessor-collector of Ochiltree County shall assess and collect
4 taxes imposed by the district. (Acts 57th Leg., R.S., Ch. 103,
5 Secs. 5(b) (part), 9(b) (part).)

6 SECTION 1.03. Subtitle C, Title 4, Special District Local
7 Laws Code, is amended by adding Chapter 3846 to read as follows:

8 CHAPTER 3846. EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3846.001. DEFINITIONS

11 Sec. 3846.002. EAST MONTGOMERY COUNTY IMPROVEMENT

12 DISTRICT

13 Sec. 3846.003. PURPOSE; DECLARATION OF INTENT

14 Sec. 3846.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

15 Sec. 3846.005. DISTRICT TERRITORY

16 Sec. 3846.006. TORT LIABILITY

17 [Sections 3846.007-3846.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 3846.051. COMPOSITION OF BOARD; TERMS

20 Sec. 3846.052. ELECTION OF DIRECTORS

21 Sec. 3846.053. QUALIFICATIONS OF DIRECTOR

22 Sec. 3846.054. PARTICIPATION IN VOTING

23 Sec. 3846.055. LAW GOVERNING ADMINISTRATION OF BOARD

24 Sec. 3846.056. OFFICERS

25 [Sections 3846.057-3846.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 3846.101. GENERAL POWERS OF DISTRICT

- 1 Sec. 3846.102. RULES
- 2 Sec. 3846.103. SPECIFIC POWERS RELATING TO IMPROVEMENT
- 3 PROJECTS OR SERVICES
- 4 Sec. 3846.104. CONTRACTS; GRANTS; DONATIONS
- 5 Sec. 3846.105. PEACE OFFICERS
- 6 Sec. 3846.106. ECONOMIC DEVELOPMENT PROGRAMS
- 7 Sec. 3846.107. ANNEXATION OR EXCLUSION OF TERRITORY
- 8 Sec. 3846.108. NO EMINENT DOMAIN POWER
- 9 [Sections 3846.109-3846.150 reserved for expansion]
- 10 SUBCHAPTER D. FINANCIAL PROVISIONS
- 11 Sec. 3846.151. SALES AND USE TAX; EXCISE TAX
- 12 Sec. 3846.152. TAX ELECTION PROCEDURES
- 13 Sec. 3846.153. BALLOT WORDING
- 14 Sec. 3846.154. IMPOSITION, COMPUTATION,
- 15 ADMINISTRATION, AND GOVERNANCE OF
- 16 TAXES
- 17 Sec. 3846.155. TAX RATES
- 18 Sec. 3846.156. ABOLITION OF TAX
- 19 Sec. 3846.157. USE OF TAX
- 20 Sec. 3846.158. EFFECTIVE DATE OF TAX OR TAX CHANGE
- 21 Sec. 3846.159. AD VALOREM TAX PROHIBITED
- 22 Sec. 3846.160. FEES; CHARGES
- 23 Sec. 3846.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT
- 24 Sec. 3846.162. BORROWING MONEY
- 25 Sec. 3846.163. PAYMENT OF EXPENSES
- 26 Sec. 3846.164. BONDS
- 27 [Sections 3846.165-3846.200 reserved for expansion]

1 SUBCHAPTER E. DISSOLUTION

2 Sec. 3846.201. DISSOLUTION BY BOARD ORDER

3 Sec. 3846.202. ADMINISTRATION OF DISTRICT PROPERTY

4 FOLLOWING DISSOLUTION

5 CHAPTER 3846. EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 3846.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the district's board of directors.

9 (2) "District" means the East Montgomery County
10 Improvement District. (Acts 75th Leg., R.S., Ch. 1316, Secs. 3(1),
11 (2).)

12 Sec. 3846.002. EAST MONTGOMERY COUNTY IMPROVEMENT
13 DISTRICT. A special district known as the "East Montgomery County
14 Improvement District" is a governmental agency and political
15 subdivision of this state. (Acts 75th Leg., R.S., Ch. 1316, Sec.
16 1(a).)

17 Sec. 3846.003. PURPOSE; DECLARATION OF INTENT. (a) The
18 creation of the district is essential to accomplish the purposes of
19 Section 52, Article III, and Section 59, Article XVI, Texas
20 Constitution, and other public purposes stated in this chapter.

21 (b) The creation of the district is necessary to promote,
22 develop, encourage, and maintain employment, commerce, economic
23 development, and the public welfare in the eastern area of
24 Montgomery County.

25 (c) This chapter does not relieve Montgomery County or a
26 governmental agency, political subdivision, or municipality from
27 providing the level of services provided by the entity as of August

1 31, 1997, to the area of the district or to release the entity from
2 the obligations each entity has to provide services to that area.
3 The district is created to supplement and not to supplant the
4 county, governmental agency, political subdivision, or municipal
5 services provided in the district. (Acts 75th Leg., R.S., Ch. 1316,
6 Sec. 2.)

7 Sec. 3846.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
8 The district is created to serve a public use and benefit.

9 (b) All land and other property included in the district
10 will benefit from the works, projects, improvements, and services
11 to be provided by the district under powers granted by Section 52,
12 Article III, and Section 59, Article XVI, Texas Constitution, and
13 other powers granted under this chapter.

14 (c) Each improvement project authorized by this chapter is
15 essential to carry out a public purpose.

16 (d) The creation of the district is in the public interest
17 and is essential to:

18 (1) further the public purposes of developing and
19 diversifying the economy of the state;

20 (2) eliminate unemployment and underemployment; and

21 (3) develop or expand transportation and commerce.

22 (e) The district will:

23 (1) promote the health, safety, and general welfare of
24 residents, employers, employees, and consumers in the district and
25 of the public;

26 (2) promote and develop public transportation and
27 pedestrian facilities and systems by new and alternative means,

1 including securing expanded and improved transportation and
2 pedestrian facilities and systems;

3 (3) provide needed funding for the area in the
4 district to preserve, maintain, and enhance the economic health and
5 vitality of the area as a community and business center; and

6 (4) promote the health, safety, welfare, education,
7 convenience, and enjoyment of the public by:

8 (A) improving, landscaping, and developing
9 certain areas in and adjacent to the district; and

10 (B) providing public services and facilities in
11 and adjacent to the district that are necessary for the
12 restoration, preservation, enhancement, and enjoyment of scenic
13 and aesthetic beauty.

14 (f) The district will not act as the agent or
15 instrumentality of any private interest even though the district
16 will benefit many private interests as well as the public. (Acts
17 75th Leg., R.S., Ch. 1316, Sec. 6.)

18 Sec. 3846.005. DISTRICT TERRITORY. Except as the board may
19 modify the territory of the district under Subchapter J, Chapter
20 49, Water Code, or other law, the territory of the district is
21 coextensive with the territory as of January 1, 1997, of the New
22 Caney Independent School District and the Splendora Independent
23 School District except that the district does not include:

24 (1) any part of the City of Houston as it existed on
25 January 1, 1997; and

26 (2) any portion of the New Caney Independent School
27 District as it exists on or after September 1, 2001, that is located

1 in Harris County. (Acts 75th Leg., R.S., Ch. 1316, Sec. 4; New.)

2 Sec. 3846.006. TORT LIABILITY. The district is a
3 governmental unit for purposes of Chapter 101, Civil Practice and
4 Remedies Code, and operations of the district are considered for
5 all purposes, including the application of that chapter, to be
6 essential governmental functions and not proprietary functions.
7 (Acts 75th Leg., R.S., Ch. 1316, Sec. 1(b).)

8 [Sections 3846.007-3846.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 3846.051. COMPOSITION OF BOARD; TERMS. (a) The
11 district is governed by a board of eight directors.

12 (b) Directors serve staggered terms of four years, with four
13 directors' terms expiring July 1 of each even-numbered year. (Acts
14 75th Leg., R.S., Ch. 1316, Sec. 10.)

15 Sec. 3846.052. ELECTION OF DIRECTORS. An election to elect
16 the appropriate number of directors shall be held on the uniform
17 election date in May of each even-numbered year as provided by
18 Section 41.001(a), Election Code. (Acts 75th Leg., R.S., Ch. 1316,
19 Sec. 9(d).)

20 Sec. 3846.053. QUALIFICATIONS OF DIRECTOR. (a) To be
21 qualified to serve as a director, a person must be at least 18 years
22 old and:

- 23 (1) a district resident;
- 24 (2) an owner of real property in the district;
- 25 (3) an owner of stock, whether beneficial or
26 otherwise, of a corporate owner of real property in the district;
- 27 (4) an owner of a beneficial interest in a trust that

1 owns real property in the district; or

2 (5) an agent, employee, or tenant of a person
3 described by Subdivision (2), (3), or (4).

4 (b) For purposes of this section, a person or entity that
5 owns an interest in a general or limited partnership owning real
6 property in the district or that has a lease of real property in the
7 district with a remaining term of 10 years or more, excluding
8 options, is considered to be an owner of real property. (Acts 75th
9 Leg., R.S., Ch. 1316, Sec. 12.)

10 Sec. 3846.054. PARTICIPATION IN VOTING. Regardless of a
11 statute to the contrary, a person who qualifies to serve on the
12 board is qualified to serve as a director and participate in all
13 votes pertaining to the business of the district. (Acts 75th Leg.,
14 R.S., Ch. 1316, Sec. 14.)

15 Sec. 3846.055. LAW GOVERNING ADMINISTRATION OF BOARD.
16 Sections 375.066, 375.067, 375.069, and 375.070, Local Government
17 Code, apply to the board as if the board were established under
18 Chapter 375, Local Government Code. (Acts 75th Leg., R.S., Ch.
19 1316, Sec. 11(a).)

20 Sec. 3846.056. OFFICERS. After the directors have been
21 elected and have qualified as provided by Section 375.067, Local
22 Government Code, they shall organize or reorganize by electing a
23 chair, a vice chair, a secretary, and other officers of the board as
24 the board considers necessary. (Acts 75th Leg., R.S., Ch. 1316,
25 Sec. 11(b).)

26 [Sections 3846.057-3846.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 3846.101. GENERAL POWERS OF DISTRICT. The district
3 has:

4 (1) all powers necessary or required to accomplish the
5 purposes for which the district was created;

6 (2) the rights, powers, privileges, and other
7 functions of a municipal management district under Subchapter E,
8 Chapter 375, Local Government Code; and

9 (3) the powers given to an industrial development
10 corporation organized under the Development Corporation Act of 1979
11 (Article 5190.6, Vernon's Texas Civil Statutes). (Acts 75th Leg.,
12 R.S., Ch. 1316, Sec. 15.)

13 Sec. 3846.102. RULES. The district may adopt rules for:

14 (1) the administration and operation of the district;

15 (2) the use, enjoyment, availability, protection,
16 security, and maintenance of the district's property, including
17 facilities; and

18 (3) the provision of public safety and security in the
19 district. (Acts 75th Leg., R.S., Ch. 1316, Sec. 16(a) (part).)

20 Sec. 3846.103. SPECIFIC POWERS RELATING TO IMPROVEMENT
21 PROJECTS OR SERVICES. (a) The district may undertake an
22 improvement project separately or jointly with another person and
23 pay all or part of the costs of improvement projects, including an
24 improvement project that:

25 (1) improves, enhances, or supports public safety and
26 security, fire protection, emergency medical services, or law
27 enforcement in the district;

1 (2) confers a general benefit on the entire district
2 and the areas adjacent to the district; or

3 (3) confers a special benefit on all or part of the
4 district.

5 (b) A district improvement project or service may include:

6 (1) the construction, acquisition, lease, rental,
7 installment purchase, improvement, rehabilitation, repair,
8 relocation, and operation of:

9 (A) landscaping; lighting, banners, or signs;
10 streets or sidewalks, pedestrian or bicycle paths and trails;
11 pedestrian walkways, skywalks, crosswalks, or tunnels; highway
12 right-of-way or transit corridor beautification and improvements;

13 (B) drainage or storm water detention
14 improvements and solid waste, water, sewer, or power facilities and
15 services, including electrical, gas, steam, and chilled water
16 facilities and services;

17 (C) parks, lakes, gardens, recreational
18 facilities, open space, scenic areas, and related exhibits and
19 preserves; fountains, plazas, or pedestrian malls; public art or
20 sculpture and related exhibits and facilities; educational or
21 cultural exhibits and facilities; exhibits, displays, attractions,
22 or facilities for special events, holidays, or seasonal or cultural
23 celebrations;

24 (D) off-street parking facilities, bus
25 terminals, heliports, mass-transit, or roadway-borne or
26 water-borne transportation systems; and

27 (E) other public improvements, facilities, or

1 services similar to the improvements, facilities, or services
2 described by Paragraphs (A)-(D);

3 (2) the cost of removal, razing, demolition, or
4 clearing of land or improvements in connection with providing an
5 improvement project;

6 (3) the acquisition of property or an interest in the
7 property that is made in connection with an authorized improvement
8 project; and

9 (4) the provision of special or supplemental services
10 to improve or promote the area in the district or to protect the
11 public health and safety in the district, including advertising,
12 promotion, tourism, health and sanitation, public safety,
13 security, fire protection or emergency medical services, business
14 recruitment, development, elimination of traffic congestion, and
15 recreational, educational, or cultural improvements, enhancements,
16 or services. (Acts 75th Leg., R.S., Ch. 1316, Secs. 16(a) (part),
17 17.)

18 Sec. 3846.104. CONTRACTS; GRANTS; DONATIONS. (a) The
19 district may contract with any person, including a municipality,
20 county, other political subdivision, or corporation, to accomplish
21 the purposes of this chapter on terms and for the period the board
22 determines, including contracting for the payment, repayment, or
23 reimbursement of costs incurred by the person on behalf of the
24 district, including all or part of the costs of an improvement
25 project, from tax proceeds or any other specified source of money.

26 (b) The district may make application for and contract with
27 a person to receive, administer, and perform the district's duties

1 under a federal, state, local, or private gift, grant, loan,
2 conveyance, transfer, bequest, donation, or other financial
3 arrangement relating to the investigation, planning, analysis,
4 acquisition, construction, completion, implementation, or
5 operation of a proposed or existing improvement project.

6 (c) A state agency, municipality, county, other political
7 subdivision, corporation, individual, or other person may contract
8 with the district to carry out the purposes of this chapter. (Acts
9 75th Leg., R.S., Ch. 1316, Secs. 16(a) (part), 31.)

10 Sec. 3846.105. PEACE OFFICERS. The district may not employ
11 peace officers, but may contract with off-duty peace officers to
12 provide public safety and security services:

13 (1) in connection with a special event, holiday,
14 period with high traffic congestion, or similar circumstance; and

15 (2) at district property, including facilities. (Acts
16 75th Leg., R.S., Ch. 1316, Sec. 16(b).)

17 Sec. 3846.106. ECONOMIC DEVELOPMENT PROGRAMS. The district
18 has the economic development powers granted a home-rule
19 municipality with a population of more than 100,000 under Chapter
20 380, Local Government Code, and Subchapter A, Chapter 1509,
21 Government Code. (Acts 75th Leg., R.S., Ch. 1316, Sec. 16(d).)

22 Sec. 3846.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a)
23 The district may add or exclude territory in the manner provided by
24 Subchapter J, Chapter 49, Water Code.

25 (b) Not later than the 10th day after the date on which the
26 district annexes or excludes territory, the board shall send to the
27 comptroller a certified copy of any resolution, order, or ordinance

1 relating to the annexation or exclusion. (Acts 75th Leg., R.S., Ch.
2 1316, Secs. 16(a) (part), 28.)

3 Sec. 3846.108. NO EMINENT DOMAIN POWER. The district may
4 not exercise the power of eminent domain. (Acts 75th Leg., R.S.,
5 Ch. 1316, Sec. 19.)

6 [Sections 3846.109-3846.150 reserved for expansion]

7 SUBCHAPTER D. FINANCIAL PROVISIONS

8 Sec. 3846.151. SALES AND USE TAX; EXCISE TAX. (a) For
9 purposes of this section:

10 (1) "Taxable items" includes all items that could be
11 subject to a sales and use tax imposed by Montgomery County.

12 (2) "Use," with respect to a taxable service, means
13 the derivation in the district of direct or indirect benefit from
14 the service.

15 (b) The district may impose a sales and use tax if
16 authorized by a majority of the district voters voting at an
17 election held for that purpose.

18 (c) If the district adopts a sales and use tax:

19 (1) a tax is imposed on the receipts from the sale at
20 retail of taxable items in the district; and

21 (2) an excise tax is imposed on the use, storage, or
22 other consumption in the district of taxable items purchased,
23 leased, or rented from a retailer during the period that the tax is
24 effective in the district.

25 (d) The rate of the excise tax is the same as the rate of the
26 sales tax portion of the tax applied to the sales price of the
27 taxable items and is included in the sales tax. (Acts 75th Leg.,

1 R.S., Ch. 1316, Secs. 16(a) (part), 21(a) (part), (b), (c), (d).)

2 Sec. 3846.152. TAX ELECTION PROCEDURES. (a) Except as
3 provided by Subsection (b), the board may order an election to
4 adopt, change the rate of, or abolish a sales and use tax. The
5 election may be held at the same time and in conjunction with a
6 directors' election.

7 (b) The board may not call an election to abolish a sales and
8 use tax or to reduce the rate of the sales and use tax below the
9 amount pledged to secure payment of any outstanding district debt
10 while any district debt remains outstanding.

11 (c) Notice of the election shall be given and the election
12 shall be held in the manner prescribed for bond elections under
13 Subchapter D, Chapter 49, Water Code. (Acts 75th Leg., R.S., Ch.
14 1316, Secs. 22(a), (c).)

15 Sec. 3846.153. BALLOT WORDING. (a) In an election to adopt
16 the tax, the ballot shall be prepared to permit voting for or
17 against the proposition: "The adoption of a local sales and use tax
18 in the East Montgomery County Improvement District at the rate of
19 (proposed tax rate)."

20 (b) In an election to change the rate of the sales and use
21 tax, the ballot shall be prepared to permit voting for or against
22 the proposition: "The (increase or decrease, as applicable) in the
23 rate of the local sales and use tax imposed in the East Montgomery
24 County Improvement District from (tax rate on election date)
25 percent to (proposed tax rate) percent."

26 (c) In an election to abolish the sales and use tax, the
27 ballot shall be prepared to permit voting for or against the

1 proposition: "The abolition of the local sales and use tax in the
2 East Montgomery County Improvement District." (Acts 75th Leg.,
3 R.S., Ch. 1316, Secs. 22(d), (e), (f).)

4 Sec. 3846.154. IMPOSITION, COMPUTATION, ADMINISTRATION,
5 AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent
6 not inconsistent with this chapter, governs the application,
7 collection, and administration of the sales and use tax and the
8 excise tax, except that Sections 323.401-323.406, and 323.505, Tax
9 Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax
10 Code, govern the administration and enforcement of the sales and
11 use tax and the excise tax.

12 (b) Chapter 323, Tax Code, does not apply to the use and
13 allocation of revenue under this chapter.

14 (c) In applying Chapter 323, Tax Code:

15 (1) a reference in that chapter to "the county" means
16 the district; and

17 (2) a reference in that chapter to the "commissioners
18 court" means the board.

19 (d) The district is entitled to examine and receive
20 information related to the imposition and collection of sales and
21 use taxes to the same extent as if the district were a municipality
22 under Subchapter D, Chapter 321, Tax Code. (Acts 75th Leg., R.S.,
23 Ch. 1316, Sec. 23.)

24 Sec. 3846.155. TAX RATES. (a) The district may impose the
25 sales and use tax in increments of one-eighth of one percent, with a
26 minimum tax of one-half percent and a maximum tax of two percent.

27 (b) The district may not impose a sales and use tax of

1 greater than one percent unless the voters of the district have
2 approved the imposition of a rate of one percent or less in addition
3 to the existing one percent rate at an election called for that
4 purpose and conducted generally in the manner provided by Section
5 3846.152.

6 (c) In the election, the ballot must permit voting for or
7 against the proposition: "The adoption of a local sales and use tax
8 imposed in the East Montgomery County Improvement District of
9 _____ (state percentage rate) percent in addition to the sales
10 and use tax that the East Montgomery County Improvement District is
11 currently authorized to impose at the rate of ____ (state percentage
12 rate) percent."

13 (d) If as a result of the imposition or increase in a sales
14 and use tax by the district as provided under this section or
15 Section 3846.152, the overlapping local sales and use taxes in a
16 municipality located in the boundaries of the district will exceed
17 two percent, the municipality's sales and use tax is automatically
18 reduced in that municipality to a rate that, when added to the
19 district's rate, does not exceed two percent.

20 (e) If the tax rate of a municipality is reduced in
21 accordance with Subsection (d), the comptroller shall withhold from
22 the district's monthly sales and use tax allocation an amount equal
23 to the amount that would have been collected by the municipality had
24 the district not imposed or increased its sales and use tax less
25 amounts that the municipality collects following the district's
26 imposition of or increase in its sales and use tax. The comptroller
27 shall withhold and pay the amount withheld to the municipality

1 under policies or procedures that the comptroller considers
2 reasonable. (Acts 75th Leg., R.S., Ch. 1316, Sec. 25, as amended by
3 Acts 79th Leg., R.S., Chs. 1355 and 1376.)

4 Sec. 3846.156. ABOLITION OF TAX. The board by order may
5 abolish the local sales and use tax rate without an election. (Acts
6 75th Leg., R.S., Ch. 1316, Sec. 26.)

7 Sec. 3846.157. USE OF TAX. The district may use the
8 proceeds from a tax collected under this chapter only for the
9 purposes for which the district was created. (Acts 75th Leg., R.S.,
10 Ch. 1316, Secs. 16(a) (part), 21(a) (part), 27.)

11 Sec. 3846.158. EFFECTIVE DATE OF TAX OR TAX CHANGE. The
12 adoption of a tax rate or change in the tax rate takes effect after
13 the expiration of the first complete calendar quarter occurring
14 after the date on which the comptroller receives a notice of the
15 results of the election. (Acts 75th Leg., R.S., Ch. 1316, Sec. 24.)

16 Sec. 3846.159. AD VALOREM TAX PROHIBITED. The district may
17 not impose an ad valorem tax on property in the district. (Acts
18 75th Leg., R.S., Ch. 1316, Sec. 16(c).)

19 Sec. 3846.160. FEES; CHARGES. The district may:

20 (1) establish and collect only at the district's
21 facilities user fees, concession fees, admission fees, rental fees,
22 or other similar fees or charges; and

23 (2) apply the proceeds from those fees or charges for
24 the enjoyment, sale, rental, or other use of the district's
25 facilities or other property, services, or improvement projects.
26 (Acts 75th Leg., R.S., Ch. 1316, Sec. 16(a) (part).)

27 Sec. 3846.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT. The

1 district may not impose an impact fee or assessment on a
2 single-family residential property or a residential duplex,
3 triplex, fourplex, or condominium. (Acts 75th Leg., R.S., Ch.
4 1316, Sec. 20.)

5 Sec. 3846.162. BORROWING MONEY. The district may borrow
6 money for the corporate purposes of the district. (Acts 75th Leg.,
7 R.S., Ch. 1316, Sec. 16(a) (part).)

8 Sec. 3846.163. PAYMENT OF EXPENSES. The district may
9 provide or secure the payment or repayment of:

10 (1) an expense of the establishment, administration,
11 or operation of the district;

12 (2) a district cost relating to an improvement
13 project;

14 (3) a district contractual obligation or
15 indebtedness, because of a lease, installment purchase contract, or
16 other agreement; or

17 (4) a tax, user fee, concession fee, rental fee, or
18 other revenue or resources of the district. (Acts 75th Leg., R.S.,
19 Ch. 1316, Sec. 16(a) (part).)

20 Sec. 3846.164. BONDS. (a) The board may issue bonds as
21 provided by Subchapter J, Chapter 375, Local Government Code.

22 (b) In addition to the sources described in Subchapter J,
23 Chapter 375, Local Government Code, bonds issued by the district
24 may be secured and made payable, wholly or partly, by a pledge of
25 any part of the net proceeds the district receives from a specified
26 portion of not more than one-half of the maximum sales and use tax
27 amount authorized under Section 3846.152.

1 (c) Sections 375.207 and 375.208, Local Government Code, do
2 not apply to bonds issued under this section.

3 (d) To the extent consistent with the documents authorizing
4 the issuance of the district's bonds, the proceeds of bonds
5 remaining after the payment of the cost of issuing the bonds and all
6 costs associated with the projects for which the bonds were sold may
7 be spent by the district for any lawful purpose or for any project
8 the district is authorized to undertake. (Acts 75th Leg., R.S., Ch.
9 1316, Sec. 30A.)

10 [Sections 3846.165-3846.200 reserved for expansion]

11 SUBCHAPTER E. DISSOLUTION

12 Sec. 3846.201. DISSOLUTION BY BOARD ORDER. The board by
13 order may dissolve the district at any time unless the district has
14 outstanding indebtedness or contractual obligations. (Acts 75th
15 Leg., R.S., Ch. 1316, Sec. 32.)

16 Sec. 3846.202. ADMINISTRATION OF DISTRICT PROPERTY
17 FOLLOWING DISSOLUTION. (a) After the date the board orders the
18 dissolution of the district, the board shall transfer ownership of
19 all property and assets of the district to Montgomery County,
20 except as provided by Subsection (b).

21 (b) If, on the date on which the board orders the
22 dissolution of the district, more than 50 percent of the territory
23 in the district is in the corporate limits of a municipality, the
24 board shall transfer ownership of the district's property and
25 assets to the municipality. (Acts 75th Leg., R.S., Ch. 1316, Sec.
26 34.)

27 SECTION 1.04. Subtitle A, Title 5, Special District Local

1 Laws Code, is amended by adding Chapters 5002, 5003, and 5004 to
2 read as follows:

3 CHAPTER 5002. BRAZOS RIVER HARBOR NAVIGATION DISTRICT OF

4 BRAZORIA COUNTY

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 5002.001. DEFINITIONS

7 Sec. 5002.002. NATURE AND PURPOSE OF DISTRICT

8 Sec. 5002.003. LEGISLATIVE FINDINGS

9 Sec. 5002.004. DISTRICT TERRITORY

10 [Sections 5002.005-5002.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 5002.051. BOARD OF COMMISSIONERS; TERM; ELECTION

13 Sec. 5002.052. NAVIGATION PRECINCTS

14 Sec. 5002.053. ELECTION BY POSITION; QUALIFICATIONS

15 Sec. 5002.054. PLACING CANDIDATE ON BALLOT

16 Sec. 5002.055. ELECTION ADMINISTRATION; NOTICE OF

17 ELECTION

18 Sec. 5002.056. DATE COMMISSIONER TAKES OFFICE

19 Sec. 5002.057. BOND

20 Sec. 5002.058. VACANCIES

21 Sec. 5002.059. DISTRICT TREASURER

22 [Sections 5002.060-5002.100 reserved for expansion]

23 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

24 Sec. 5002.101. DEPOSITORY

25 Sec. 5002.102. MAINTENANCE OF BOOKS, RECORDS, AND

26 ACCOUNTS

1 CHAPTER 5002. BRAZOS RIVER HARBOR NAVIGATION DISTRICT OF
2 BRAZORIA COUNTY
3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 5002.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the board of navigation and canal
6 commissioners of the district.

7 (2) "Commissioner" means a board member.

8 (3) "District" means the Brazos River Harbor
9 Navigation District of Brazoria County. (New.)

10 Sec. 5002.002. NATURE AND PURPOSE OF DISTRICT. The
11 district is created under Section 59, Article XVI, Texas
12 Constitution, to make improvements for the navigation of inland and
13 coastal waters, and for the preservation and conservation of inland
14 and coastal waters for navigation and for control and distribution
15 of storm and flood waters of rivers and streams in aid of
16 navigation. (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 1 (part).)

17 Sec. 5002.003. LEGISLATIVE FINDINGS. All property situated
18 in the district and subject to taxation will benefit from the
19 improvements to be constructed by the district. (Acts 40th Leg.,
20 1st C.S., Ch. 55, Sec. 1 (part).)

21 Sec. 5002.004. DISTRICT TERRITORY. The district is
22 composed of the territory in Brazoria County described by Section
23 1, Chapter 55, Acts of the 40th Legislature, 1st Called Session,
24 1927, as that territory may have been modified under:

25 (1) Section 3, Chapter 103, Acts of the 41st
26 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's
27 Texas Civil Statutes), on or after May 23, 1929, and before August

1 30, 1971;

2 (2) Section 3a, Chapter 103, Acts of the 41st
3 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's
4 Texas Civil Statutes), on or after May 16, 1951, and before August
5 30, 1971;

6 (3) Subchapter H, Chapter 62, Water Code; or

7 (4) other law. (Acts 40th Leg., 1st C.S., Ch. 55,
8 Sec. 1 (part); New.)

9 [Sections 5002.005-5002.050 reserved for expansion]

10 SUBCHAPTER B. DISTRICT ADMINISTRATION

11 Sec. 5002.051. BOARD OF COMMISSIONERS; TERM; ELECTION. (a)
12 The district is governed by an elected board consisting of six
13 commissioners.

14 (b) Commissioners serve staggered six-year terms.

15 (c) An election shall be held in the district every two
16 years to elect two commissioners. (Acts 40th Leg., 1st C.S., Ch.
17 55, Sec. 4a (part).)

18 Sec. 5002.052. NAVIGATION PRECINCTS. For the purpose of
19 electing commissioners, the district is divided into four
20 navigation precincts. The boundaries of the navigation precincts
21 are described by Section 4a, Chapter 55, Acts of the 40th
22 Legislature, 1st Called Session, 1927. (Acts 40th Leg., 1st C.S.,
23 Ch. 55, Sec. 4a (part).)

24 Sec. 5002.053. ELECTION BY POSITION; QUALIFICATIONS. (a)
25 Commissioners are elected by position as follows:

26 (1) the commissioner elected for Position 1 is at
27 large and must reside in the district;

1 (2) the commissioners elected for Positions 2 and 3
2 must reside in Navigation Precinct No. 1;

3 (3) the commissioner elected for Position 4 must
4 reside in Navigation Precinct No. 2;

5 (4) the commissioner elected for Position 5 must
6 reside in Navigation Precinct No. 3; and

7 (5) the commissioner elected for Position 6 must
8 reside in Navigation Precinct No. 4.

9 (b) Each commissioner must be a qualified voter of the
10 district. (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a (part).)

11 Sec. 5002.054. PLACING CANDIDATE ON BALLOT. A request for
12 placing the name of a candidate on the ballot must be filed with the
13 board's presiding officer and be:

14 (1) in writing and signed by the candidate; or

15 (2) in the form of a petition signed by at least 25
16 qualified voters of the district. (Acts 40th Leg., 1st C.S., Ch.
17 55, Sec. 4a (part).)

18 Sec. 5002.055. ELECTION ADMINISTRATION; NOTICE OF
19 ELECTION. (a) The board shall make arrangements for each election.

20 (b) Notice of the election, signed by the board's presiding
21 officer or secretary, must be published once a week for two
22 consecutive weeks in a newspaper of general circulation within the
23 district. The first publication must occur not later than the 14th
24 day before the date of the election.

25 (c) All district voters may vote for candidates for
26 commissioner in all navigation precincts.

27 (d) The board shall declare the results of each election.

1 (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a (part).)

2 Sec. 5002.056. DATE COMMISSIONER TAKES OFFICE. A
3 commissioner shall take office on the appropriate date following
4 the person's election. (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a
5 (part).)

6 Sec. 5002.057. BOND. As a qualification for office, a
7 commissioner must post a bond in the amount of \$10,000 that is:

8 (1) executed by the commissioner and by two solvent
9 sureties or by a surety company authorized to do business in this
10 state; and

11 (2) approved by the county judge of Brazoria County.
12 (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a (part).)

13 Sec. 5002.058. VACANCIES. (a) Except as otherwise
14 provided by this section, if a vacancy occurs in the office of
15 commissioner, the board shall appoint a commissioner for the
16 remainder of the unexpired term.

17 (b) If more than two vacancies occur at the same time, the
18 remaining commissioners shall call a special election to fill the
19 vacancies.

20 (c) If the remaining commissioners fail to call the election
21 within 15 days after the date the vacancies occur, the judge or
22 judges of the district court or courts of the judicial district in
23 which the district is located, on the petition of a voter or
24 creditor of the district, may:

25 (1) order that an election be held, specifying the
26 date of the election;

27 (2) order the Brazoria County clerk to publish notice

1 of the election; and

2 (3) name the officers to hold the election.

3 (d) The returns of an election held by order of the district
4 judge or judges shall be made and filed in the office of the clerk of
5 the district court, and the clerk of the district court shall
6 declare the result of the election. (Acts 40th Leg., 1st C.S., Ch.
7 55, Sec. 4a (part).)

8 Sec. 5002.059. DISTRICT TREASURER. (a) The board shall
9 appoint from time to time a person to serve in the office of
10 district treasurer.

11 (b) The district treasurer shall perform the duties for the
12 district that were performed before September 1, 1999, by the
13 county treasurer of Brazoria County.

14 (c) Before receiving district money from any source, the
15 district treasurer shall execute a good and sufficient bond payable
16 to the board for the benefit of the district in an amount set by the
17 board. (Acts 40th Leg., 1st C.S., Ch. 55, Secs. 1a (part), 1b.)

18 [Sections 5002.060-5002.100 reserved for expansion]

19 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

20 Sec. 5002.101. DEPOSITORY. (a) The board by resolution
21 shall designate a bank in Brazoria County as the district's
22 depository.

23 (b) The designated bank serves as the depository for a term
24 of two years and until a successor depository has been selected.

25 (c) All money of the district shall be secured in the manner
26 provided for the security of county funds.

27 (d) The tax assessor and collector for Brazoria County or

1 another official performing the duties of tax assessor and
2 collector for the district shall:

3 (1) deposit all taxes collected for the district in
4 the depository bank designated as depository for Brazoria County;
5 and

6 (2) promptly transfer and deposit the money to the
7 district's account in the district's depository. (Acts 40th Leg.,
8 1st C.S., Ch. 55, Secs. 1a (part), 4c.)

9 Sec. 5002.102. MAINTENANCE OF BOOKS, RECORDS, AND ACCOUNTS.
10 The district shall maintain the books, records, and accounts of the
11 district. The Brazoria County treasurer is not required to
12 maintain any books, records, or accounts for the district other
13 than as required by the board. (Acts 40th Leg., 1st C.S., Ch. 55,
14 Sec. 4b.)

15 CHAPTER 5003. CALHOUN COUNTY NAVIGATION DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 5003.001. DEFINITIONS

18 Sec. 5003.002. NATURE AND PURPOSE OF DISTRICT

19 Sec. 5003.003. LEGISLATIVE FINDINGS

20 Sec. 5003.004. DISTRICT TERRITORY

21 [Sections 5003.005-5003.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 5003.051. BOARD OF NAVIGATION COMMISSIONERS

24 Sec. 5003.052. NAVIGATION PRECINCTS

25 Sec. 5003.053. ELECTION; TERMS

26 Sec. 5003.054. PLACING CANDIDATE ON BALLOT;

27 QUALIFICATIONS

1 Sec. 5003.055. VACANCY

2 [Sections 5003.056-5003.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 5003.101. GENERAL NAVIGATION DISTRICT POWERS

5 Sec. 5003.102. AD VALOREM TAXES; BOND ELECTION

6 Sec. 5003.103. CHANGE OF DISTRICT NOT AUTHORIZED

7 Sec. 5003.104. LIMIT ON EMINENT DOMAIN POWER

8 Sec. 5003.105. AUTHORITY TO DESIGNATE INDUSTRIAL AREAS

9 OR PLANT SITES; FINDINGS

10 CHAPTER 5003. CALHOUN COUNTY NAVIGATION DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 5003.001. DEFINITIONS. In this chapter:

13 (1) "Board" means the board of navigation
14 commissioners of the district.

15 (2) "Commissioner" means a board member.

16 (3) "District" means the Calhoun County Navigation
17 District. (New.)

18 Sec. 5003.002. NATURE AND PURPOSE OF DISTRICT. The
19 district is a navigation district. To the extent authorized by this
20 chapter, the district is created to:

21 (1) improve navigation in the district; and

22 (2) maintain, develop, extend, and improve port
23 facilities and wharf and dock facilities in the district. (Acts
24 53rd Leg., R.S., Ch. 195, Sec. 1 (part).)

25 Sec. 5003.003. LEGISLATIVE FINDINGS. (a) The creation of
26 the district is essential:

27 (1) to accomplish the purposes of Section 59, Article

1 XVI, Texas Constitution;

2 (2) to the general welfare of this state; and

3 (3) for the development of marine shipping.

4 (b) All property in the district benefits from the creation
5 of the district by the improvements to be constructed or acquired by
6 the district in carrying out the district's purposes. (Acts 53rd
7 Leg., R.S., Ch. 195, Sec. 1 (part).)

8 Sec. 5003.004. DISTRICT TERRITORY. The district is
9 composed of all the territory of Calhoun County, including all land
10 and water areas of the county:

11 (1) except for territory included in the West Side
12 Calhoun County Navigation District as described in Volume H, pages
13 568-570, of the minutes of the Commissioners Court of Calhoun
14 County; and

15 (2) as that territory may have been modified under:

16 (A) Section 3 or Section 3a, Chapter 103, Acts of
17 the 41st Legislature, 1st Called Session, 1929 (Article 8263a,
18 Vernon's Texas Civil Statutes), before August 30, 1971;

19 (B) Subchapter H, Chapter 62, Water Code; or

20 (C) other law. (Acts 53rd Leg., R.S., Ch. 195,
21 Sec. 1 (part); New.)

22 [Sections 5003.005-5003.050 reserved for expansion]

23 SUBCHAPTER B. DISTRICT ADMINISTRATION

24 Sec. 5003.051. BOARD OF NAVIGATION COMMISSIONERS. The
25 district is governed by a board of six commissioners. (Acts 53rd
26 Leg., R.S., Ch. 195, Sec. 2(a) (part).)

27 Sec. 5003.052. NAVIGATION PRECINCTS. (a) The board shall

1 from time to time divide the district into six navigation
2 commissioner precincts that are:

- 3 (1) compact and contiguous; and
4 (2) as nearly as practicable, of equal population.

5 (b) The board shall complete any division of the district
6 into new precincts not later than the 90th day before the date of
7 the first election of commissioners from those precincts.

8 (c) The voters of each precinct, in accordance with this
9 subchapter, shall elect one commissioner. (Acts 53rd Leg., R.S.,
10 Ch. 195, Secs. 2(a) (part), (b), (c), (d) (part).)

11 Sec. 5003.053. ELECTION; TERMS. (a) The six commissioners
12 elected at the first election after a division of the district into
13 new precincts under Section 5003.052 shall draw lots after the
14 election to select three commissioners to serve two-year terms and
15 three commissioners to serve four-year terms. Successor
16 commissioners serve terms as provided by Subsection (b).

17 (b) Except as provided by Subsection (a), commissioners are
18 elected for staggered four-year terms at elections held each
19 odd-numbered year on the uniform election date in May. (Acts 53rd
20 Leg., R.S., Ch. 195, Secs. 2(e), (g) (part).)

21 Sec. 5003.054. PLACING CANDIDATE ON BALLOT;
22 QUALIFICATIONS. (a) A person qualified under this section to be a
23 candidate for the office of commissioner may file an application
24 with the board to have the person's name placed on the ballot. The
25 application must be filed not later than 5 p.m. of the 45th day
26 before the election date for that office.

27 (b) The application must include an affidavit made by the

1 applicant under oath disclosing that the applicant is:

2 (1) a bona fide resident of the precinct that the
3 person seeks to represent; and

4 (2) a qualified voter who owns real property in the
5 area.

6 (c) If the application is timely filed in proper form, the
7 board shall place the applicant's name on the official ballot.
8 (Acts 53rd Leg., R.S., Ch. 195, Secs. 2(d) (part), (h).)

9 Sec. 5003.055. VACANCY. (a) If a vacancy occurs on the
10 board, a majority of the remaining commissioners shall appoint a
11 successor to fill the vacancy for the remainder of the unexpired
12 term.

13 (b) For purposes of this chapter, the successor
14 commissioner is treated as an elected commissioner.

15 (c) The legislature finds that it is in the best interest of
16 public welfare, general benefit, and the assurance of proper
17 development of marine shipping that:

18 (1) the commissioners be representatives of all areas
19 of the district; and

20 (2) if a commissioner no longer resides in the
21 precinct from which elected, the commissioner's office is vacant.
22 (Acts 53rd Leg., R.S., Ch. 195, Secs. 2(f), (j).)

23 [Sections 5003.056-5003.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 5003.101. GENERAL NAVIGATION DISTRICT POWERS. The
26 district and the board, except as specifically restricted by this
27 chapter, have the powers of government and may exercise the rights,

1 powers, duties, privileges, and functions conferred by Chapter 60,
2 61, 62, or 63, Water Code, on a navigation district created under
3 Section 59, Article XVI, Texas Constitution, that are appropriate
4 to the accomplishment of the purposes stated in Subchapter A. (Acts
5 53rd Leg., R.S., Ch. 195, Secs. 1 (part), 3 (part).)

6 Sec. 5003.102. AD VALOREM TAXES; BOND ELECTION. (a) If
7 authorized by a majority vote of the district voters voting at an
8 election held in the manner provided for a bond election under
9 Subchapter F, Chapter 62, Water Code, the Commissioners Court of
10 Calhoun County may:

11 (1) impose maintenance taxes; or

12 (2) issue tax bonds and impose taxes to pay for the
13 bonds.

14 (b) The commissioners court shall impose the tax for:

15 (1) the maintenance of the district and its property,
16 including facilities; and

17 (2) the payment of the principal of and interest on all
18 bonds or other indebtedness issued by the district.

19 (c) The maximum tax rate for both maintenance and
20 indebtedness purposes may not exceed a total of 15 cents on each
21 \$100 of taxable property in the district.

22 (d) The Calhoun County tax assessor-collector shall assess
23 and collect taxes imposed under this section. (Acts 53rd Leg.,
24 R.S., Ch. 195, Sec. 3(a) (part).)

25 Sec. 5003.103. CHANGE OF DISTRICT NOT AUTHORIZED. The
26 board may not by a vote change the district from a navigation
27 district to any other type of district authorized by general law.

1 (Acts 53rd Leg., R.S., Ch. 195, Sec. 3(b).)

2 Sec. 5003.104. LIMIT ON EMINENT DOMAIN POWER. The district
3 may not exercise the power of eminent domain outside Calhoun County
4 in an area in another navigation district without the consent of the
5 other district. (Acts 53rd Leg., R.S., Ch. 195, Sec. 3(c).)

6 Sec. 5003.105. AUTHORITY TO DESIGNATE INDUSTRIAL AREAS OR
7 PLANT SITES; FINDINGS. (a) The board may adopt an order or
8 resolution designating an area of land in the district that fronts
9 on navigable water in the district as an industrial area or plant
10 site for the aid of navigation. A defined area may not:

11 (1) be located in the corporate limits of a
12 municipality; or

13 (2) exceed 1,000 yards in depth as measured from the
14 shoreline.

15 (b) A certified copy of an order or resolution adopted under
16 Subsection (a) shall be filed and recorded in the deed records of
17 Calhoun County. After the copy is filed, a municipality may not
18 include any part of the defined area in its boundaries.

19 (c) The board may adopt an order or resolution that removes
20 all or part of a defined area from that designation if the board
21 determines that:

22 (1) the area is not suitable for or being used as an
23 industrial area or plant site;

24 (2) the area will not be suitable for or used as an
25 industrial area or plant site within a reasonable time; and

26 (3) the continued designation does not aid navigation.

27 (d) A certified copy of an order or resolution adopted under

1 Subsection (c) shall be filed and recorded in the deed records of
2 Calhoun County. After the copy is filed, any restriction imposed
3 under this section by the previous designation on the area is
4 removed.

5 (e) The legislature finds that the powers granted and
6 restrictions imposed by this section are necessary:

7 (1) for the proper exercise by the district of the
8 powers granted by Section 59, Article XVI, Texas Constitution, and
9 by this chapter; and

10 (2) to promote and effect the navigation of the inland
11 and coastal waters of the state. (Acts 53rd Leg., R.S., Ch. 195,
12 Sec. 3(d).)

13 CHAPTER 5004. CYPRESS VALLEY NAVIGATION DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 5004.001. DEFINITIONS

16 Sec. 5004.002. NATURE OF DISTRICT

17 Sec. 5004.003. LEGISLATIVE FINDINGS

18 Sec. 5004.004. LIBERAL CONSTRUCTION OF CHAPTER

19 Sec. 5004.005. DISTRICT TERRITORY

20 Sec. 5004.006. EFFECT OF CHAPTER ON NORTHEAST TEXAS

21 MUNICIPAL WATER DISTRICT

22 [Sections 5004.007-5004.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Sec. 5004.051. COMPOSITION OF BOARD; TERMS

25 Sec. 5004.052. QUALIFICATIONS FOR OFFICE

26 Sec. 5004.053. APPOINTMENT OF DIRECTORS

27 Sec. 5004.054. BOND

- 1 Sec. 5004.055. FILING OF OATH
2 Sec. 5004.056. VACANCIES
3 Sec. 5004.057. COMPENSATION; EXPENSES
4 Sec. 5004.058. REMOVAL FROM OFFICE
5 Sec. 5004.059. OFFICERS
6 Sec. 5004.060. MEETINGS
7 [Sections 5004.061-5004.100 reserved for expansion]
8 SUBCHAPTER C. POWERS AND DUTIES
9 Sec. 5004.101. GENERAL POWERS AND DUTIES
10 Sec. 5004.102. POWERS REGARDING CANALS, PORTS,
11 WATERWAYS, AND FACILITIES
12 Sec. 5004.103. BYLAWS AND RULES
13 Sec. 5004.104. GIFT OR PURCHASE OF PROPERTY; EMINENT
14 DOMAIN
15 Sec. 5004.105. SURPLUS PROPERTY
16 Sec. 5004.106. GENERAL AUTHORITY TO MAKE CONTRACTS AND
17 EXECUTE INSTRUMENTS
18 Sec. 5004.107. CONTRACTS WITH UNITED STATES
19 Sec. 5004.108. AUTHORITY TO SPEND MONEY FOR SEEKING
20 COOPERATION
21 Sec. 5004.109. COOPERATION WITH OTHER GOVERNMENTAL
22 ENTITIES CONCERNED WITH NAVIGATION ON
23 BIG CYPRESS RIVER
24 Sec. 5004.110. EMPLOYMENT OF OFFICERS AND EMPLOYEES
25 Sec. 5004.111. PERMITS
26 Sec. 5004.112. AUTHORITY TO SUE AND BE SUED
27 Sec. 5004.113. SEAL

1 Sec. 5004.114. RED RIVER COMPACT

2 [Sections 5004.115-5004.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 5004.151. FORM OF ACCOUNTS; MAINTENANCE OF
5 RECORDS; PUBLIC INSPECTION

6 Sec. 5004.152. FILING COPIES OF AUDIT REPORT

7 Sec. 5004.153. PROCEDURE FOR DISTRIBUTION OF MONEY

8 Sec. 5004.154. BOND OF CERTAIN OFFICERS, AGENTS, AND
9 EMPLOYEES

10 Sec. 5004.155. AUTHORITY TO BORROW MONEY, ACCEPT
11 GRANTS, AND ISSUE ASSOCIATED REVENUE
12 BONDS

13 Sec. 5004.156. AUTHORITY TO BORROW MONEY FOR CURRENT
14 EXPENSES; EVIDENCE OF OBLIGATION

15 Sec. 5004.157. NO AUTHORITY FOR AD VALOREM TAX

16 [Sections 5004.158-5004.200 reserved for expansion]

17 SUBCHAPTER E. BONDS

18 Sec. 5004.201. DEFINITION

19 Sec. 5004.202. AUTHORITY TO ISSUE BONDS

20 Sec. 5004.203. PROVISIONS OF BOND RESOLUTION OR ORDER;
21 AUTHORITY TO ADOPT OR EXECUTE OTHER
22 PROCEEDINGS OR INSTRUMENTS

23 Sec. 5004.204. FORM OF BONDS

24 Sec. 5004.205. MATURITY

25 Sec. 5004.206. USE OF BOND PROCEEDS

26 Sec. 5004.207. REFUNDING BONDS

27 CHAPTER 5004. CYPRESS VALLEY NAVIGATION DISTRICT

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 5004.001. DEFINITIONS. In this chapter:

3 (1) "Board" means the board of directors of the
4 district.

5 (2) "Director" means a member of the board.

6 (3) "District" means the Cypress Valley Navigation
7 District. (V.A.C.S. Art. 8280-340, Secs. 1 (part), 4(a) (part);
8 New.)

9 Sec. 5004.002. NATURE OF DISTRICT. The district is a
10 navigation, conservation, and reclamation district. (V.A.C.S.
11 Art. 8280-340, Sec. 1 (part).)

12 Sec. 5004.003. LEGISLATIVE FINDINGS. (a) All land
13 included in the district will benefit from the exercise of the power
14 conferred by this chapter.

15 (b) The creation of the district is essential to accomplish
16 the purposes of Section 59, Article XVI, Texas Constitution.
17 (V.A.C.S. Art. 8280-340, Secs. 1 (part), 2 (part).)

18 Sec. 5004.004. LIBERAL CONSTRUCTION OF CHAPTER. This
19 chapter shall be liberally construed to effect its purposes.
20 (V.A.C.S. Art. 8280-340, Sec. 15.)

21 Sec. 5004.005. DISTRICT TERRITORY. The district is
22 composed of all the territory in the watershed of the Cypress River
23 and its tributaries in Harrison and Marion Counties as shown by the
24 state contour maps on file in the office of the Texas Commission on
25 Environmental Quality, unless the district's territory is modified
26 under:

27 (1) Section 3 or 3a, Chapter 103, Acts of the 41st

1 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's
2 Texas Civil Statutes), after August 30, 1965, and before August 30,
3 1971;

4 (2) Subchapter H, Chapter 62, Water Code; or

5 (3) other law. (V.A.C.S. Art. 8280-340, Sec. 2
6 (part).)

7 Sec. 5004.006. EFFECT OF CHAPTER ON NORTHEAST TEXAS
8 MUNICIPAL WATER DISTRICT. It is recognized that the district
9 boundaries described by Section 5004.005 partly overlap an area in
10 the Northeast Texas Municipal Water District as created by Chapter
11 78, Acts of the 53rd Legislature, Regular Session, 1953 (Article
12 8280-147, Vernon's Texas Civil Statutes). This chapter does not
13 alter in any manner the rights, duties, privileges, powers, or
14 immunities of that district. (V.A.C.S. Art. 8280-340, Sec. 2
15 (part).)

16 [Sections 5004.007-5004.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 5004.051. COMPOSITION OF BOARD; TERMS. (a) All powers
19 of the district shall be exercised by a board consisting of 10
20 directors.

21 (b) Directors serve staggered terms of two years, with the
22 terms of:

23 (1) four directors expiring January 1 of even-numbered
24 years; and

25 (2) six directors expiring January 1 of odd-numbered
26 years. (V.A.C.S. Art. 8280-340, Secs. 4(a) (part), (c) (part).)

27 Sec. 5004.052. QUALIFICATIONS FOR OFFICE. To be eligible

1 for appointment and to serve as a director, a person must:

2 (1) be at least 18 years of age;

3 (2) reside in the district and in Harrison or Marion
4 County; and

5 (3) possess the qualifications of a juror. (V.A.C.S.
6 Art. 8280-340, Secs. 4(a) (part), (c) (part).)

7 Sec. 5004.053. APPOINTMENT OF DIRECTORS. At least 10 but
8 not more than 30 days before the date on which a director's term of
9 office expires, the commissioners court of the county of residence
10 of the retiring director shall designate a successor. (V.A.C.S.
11 Art. 8280-340, Sec. 4(c) (part).)

12 Sec. 5004.054. BOND. (a) Before assuming the director's
13 duties, each director shall execute a good and sufficient bond in
14 the amount of \$1,000, payable to the county judges of Harrison and
15 Marion Counties, for the use and benefit of the district
16 conditioned on the faithful performance of the director's duties.

17 (b) The district shall pay the cost of the bond. (V.A.C.S.
18 Art. 8280-340, Sec. 4(b).)

19 Sec. 5004.055. FILING OF OATH. Before assuming the duties
20 of office, each director shall file with the board
21 secretary-treasurer a copy of the constitutional oath of office
22 taken by the director. (V.A.C.S. Art. 8280-340, Sec. 4(c) (part).)

23 Sec. 5004.056. VACANCIES. If a vacancy occurs on the board,
24 the commissioners court of the county of residence of the retiring
25 director shall fill the vacancy by appointment. (V.A.C.S. Art.
26 8280-340, Sec. 4(c) (part).)

27 Sec. 5004.057. COMPENSATION; EXPENSES. (a) A director may

1 not be paid for services as a director or as a member of a committee
2 authorized by the board.

3 (b) A director may be reimbursed for actual expenses
4 incurred by the director in performing a service for the district
5 but only from money raised in the director's county of residence.
6 (V.A.C.S. Art. 8280-340, Sec. 5.)

7 Sec. 5004.058. REMOVAL FROM OFFICE. (a) A director or
8 officer is subject to removal or suspension from office by the
9 affirmative vote of 10 directors for incompetence, official
10 misconduct, official gross negligence, habitual drunkenness, or
11 nonattendance at six consecutive regular meetings of the board.

12 (b) A director or officer may not be removed or suspended
13 from office until written charges are filed against the director or
14 officer and the director or officer is given an opportunity for a
15 fair hearing before the board. (V.A.C.S. Art. 8280-340, Sec. 6.)

16 Sec. 5004.059. OFFICERS. (a) At the first board meeting in
17 January of each odd-numbered year, the board shall appoint by board
18 majority:

19 (1) from the directors, a presiding officer, an
20 assistant presiding officer, and a secretary-treasurer; and

21 (2) if considered proper, an assistant secretary and
22 an assistant treasurer.

23 (b) The assistant secretary and assistant treasurer:

24 (1) are not required to be directors; and

25 (2) may be granted limited powers by the bylaws.

26 (c) Officers serve two-year terms, except that the
27 assistant secretary and assistant treasurer, if appointed, hold

1 office at the pleasure of the board. (V.A.C.S. Art. 8280-340, Sec.
2 7 (part).)

3 Sec. 5004.060. MEETINGS. (a) All regular and special board
4 meetings shall be held as provided for by the bylaws.

5 (b) Notice of all regular and special board meetings shall
6 be given as required by the bylaws. (V.A.C.S. Art. 8280-340, Sec. 7
7 (part).)

8 [Sections 5004.061-5004.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 5004.101. GENERAL POWERS AND DUTIES. The district
11 has:

12 (1) the powers of government and the authority to
13 exercise the rights, privileges, and functions provided by this
14 chapter; and

15 (2) all powers, rights, privileges, and functions
16 conferred on navigation districts created under Section 59, Article
17 XVI, Texas Constitution, and conferred on navigation districts by
18 general law, except as expressly limited by this chapter.
19 (V.A.C.S. Art. 8280-340, Secs. 1 (part), 3 (part).)

20 Sec. 5004.102. POWERS REGARDING CANALS, PORTS, WATERWAYS,
21 AND FACILITIES. The district may:

22 (1) promote, construct, maintain, operate, make
23 practicable, aid, and encourage the construction, maintenance, and
24 operation of navigable canals or waterways and all navigational
25 systems or facilities auxiliary to navigable canals or waterways,
26 using the natural bed and banks of the Cypress River and its
27 tributaries and of Caddo Lake where practicable;

1 (2) acquire, improve, extend, take over, construct,
2 maintain, repair, operate, develop, and regulate ports, levees,
3 wharves, docks, locks, warehouses, grain elevators, dumping
4 facilities, aids to navigation, or aids consistent with or
5 necessary to the operation or development of ports or waterways
6 within the district; and

7 (3) construct, extend, improve, repair, maintain,
8 reconstruct, own, use, and operate any facility of any kind
9 necessary or convenient to the exercise of the powers, rights,
10 privileges, and functions granted by this chapter. (V.A.C.S. Art.
11 8280-340, Sec. 3 (part).)

12 Sec. 5004.103. BYLAWS AND RULES. The district may adopt
13 bylaws and rules for the management, control, and regulation of its
14 affairs. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

15 Sec. 5004.104. GIFT OR PURCHASE OF PROPERTY; EMINENT
16 DOMAIN. (a) In this section, "property" means property of any
17 kind, including a lighter, tug, barge, or other floating equipment
18 of any nature.

19 (b) If necessary or convenient to exercising a power, right,
20 privilege, or function conferred on the district by this chapter,
21 the district:

22 (1) by gift or purchase may acquire property or an
23 interest in property that is inside or outside the district
24 boundaries; or

25 (2) by exercising the power of eminent domain may
26 acquire property or an interest in property that is inside the
27 district boundaries.

1 (c) The district must exercise the power of eminent domain
2 in the manner provided by Chapter 21, Property Code, except that the
3 district is not required to give bond for appeal or bond for costs
4 in any judicial proceeding. (V.A.C.S. Art. 8280-340, Sec. 3
5 (part).)

6 Sec. 5004.105. SURPLUS PROPERTY. The district may sell or
7 otherwise dispose of property or an interest in property of any kind
8 that is not considered necessary to carrying on the business of the
9 district. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

10 Sec. 5004.106. GENERAL AUTHORITY TO MAKE CONTRACTS AND
11 EXECUTE INSTRUMENTS. The district may make a contract or execute an
12 instrument necessary or convenient to exercising a power, right,
13 privilege, or function conferred on the district by this chapter.
14 (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

15 Sec. 5004.107. CONTRACTS WITH UNITED STATES. The district
16 may:

17 (1) enter into a contract with the United States,
18 including a contract to consummate or aid a navigation project
19 approved or undertaken by the United States; and

20 (2) assume and become responsible for an obligation of
21 the United States and enter into an agreement with the United States
22 to hold and save the United States free from damages due to the
23 construction and maintenance of navigation works in the district.
24 (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

25 Sec. 5004.108. AUTHORITY TO SPEND MONEY FOR SEEKING
26 COOPERATION. The district may spend any amount reasonably
27 necessary or expedient for seeking cooperation from the federal

1 government or any other person in accomplishing the objects of this
2 chapter. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

3 Sec. 5004.109. COOPERATION WITH OTHER GOVERNMENTAL
4 ENTITIES CONCERNED WITH NAVIGATION ON BIG CYPRESS RIVER. The
5 district shall cooperate with each commission, agency, district, or
6 other governmental entity concerned with navigation on the Big
7 Cypress River to all practical extent. (V.A.C.S. Art. 8280-340,
8 Sec. 14(c).)

9 Sec. 5004.110. EMPLOYMENT OF OFFICERS AND EMPLOYEES. The
10 district may employ, prescribe the duties of, and set the
11 compensation of officers, attorneys, agents, and employees.
12 (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

13 Sec. 5004.111. PERMITS. The district shall obtain from the
14 Texas Commission on Environmental Quality any permit required by
15 general law. (V.A.C.S. Art. 8280-340, Sec. 14(a).)

16 Sec. 5004.112. AUTHORITY TO SUE AND BE SUED. The district
17 may sue and be sued in its corporate name. (V.A.C.S. Art. 8280-340,
18 Sec. 3 (part).)

19 Sec. 5004.113. SEAL. The district may adopt and use a
20 corporate seal. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

21 Sec. 5004.114. RED RIVER COMPACT. The district shall
22 comply with the Red River Compact. The creation of the district
23 does not affect the compact. (V.A.C.S. Art. 8280-340, Sec. 14(b).)

24 [Sections 5004.115-5004.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 5004.151. FORM OF ACCOUNTS; MAINTENANCE OF RECORDS;
27 PUBLIC INSPECTION. (a) The board shall keep complete and accurate

1 accounts conforming to approved methods of bookkeeping.

2 (b) The accounts and all contracts, documents, and records
3 shall be:

4 (1) kept at the district's office; and

5 (2) open to public inspection at all reasonable times.

6 (V.A.C.S. Art. 8280-340, Sec. 9 (part).)

7 Sec. 5004.152. FILING COPIES OF AUDIT REPORT. Copies of the
8 audit report prepared under Subchapter G, Chapter 49, Water Code,
9 as required by Section 60.002 of that code, shall be filed:

10 (1) as required by Section 49.194, Water Code; and

11 (2) with the county clerks of Harrison and Marion
12 Counties. (V.A.C.S. Art. 8280-340, Sec. 9 (part); New.)

13 Sec. 5004.153. PROCEDURE FOR DISTRIBUTION OF MONEY.
14 District money shall be distributed only by check, voucher, draft,
15 order, or other written instrument signed by a person authorized by
16 board resolution to sign the instrument. (V.A.C.S. Art. 8280-340,
17 Sec. 9 (part).)

18 Sec. 5004.154. BOND OF CERTAIN OFFICERS, AGENTS, AND
19 EMPLOYEES. (a) Each officer, agent, or employee of the district
20 who is charged with the collection, custody, or payment of district
21 money shall give bond conditioned on the faithful performance of
22 the person's duties and accounting for all money and property of the
23 district coming into the person's hands.

24 (b) The bond must be in a form and manner and with a surety
25 authorized to do business in this state approved by the board.

26 (c) The district shall pay the premium on the bond and
27 charge the premium as an operating expense. (V.A.C.S. Art.

1 8280-340, Sec. 10.)

2 Sec. 5004.155. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS,
3 AND ISSUE ASSOCIATED REVENUE BONDS. The district may:

4 (1) borrow money for its corporate purpose consistent
5 with the constitution and general laws of this state;

6 (2) borrow money or accept a grant from the United
7 States or from a corporation or agency created or designated by the
8 United States and, in connection with the loan or grant, enter into
9 any agreement the United States or the corporation or agency
10 requires; and

11 (3) issue bonds payable from revenue only for the
12 money borrowed under this section. (V.A.C.S. Art. 8280-340, Sec. 3
13 (part).)

14 Sec. 5004.156. AUTHORITY TO BORROW MONEY FOR CURRENT
15 EXPENSES; EVIDENCE OF OBLIGATION. (a) The board may:

16 (1) borrow money for current expenses; and

17 (2) evidence the borrowed money by notes or warrants
18 payable not later than the close of the calendar year for which the
19 loan is made.

20 (b) The total amount of the notes or warrants may not exceed
21 the anticipated revenue. (V.A.C.S. Art. 8280-340, Sec. 11 (part).)

22 Sec. 5004.157. NO AUTHORITY FOR AD VALOREM TAX. This
23 chapter does not authorize the imposition of ad valorem taxes on any
24 property in the district. (V.A.C.S. Art. 8280-340, Sec. 8.)

25 [Sections 5004.158-5004.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 5004.201. DEFINITION. In this subchapter, "net

1 revenue" means the gross revenue derived from the operation of the
2 improvements and facilities of the district the income of which is
3 pledged to the payment of district bonds less the reasonable
4 expense of maintaining and operating those improvements and
5 facilities, including necessary repair, upkeep, and insurance
6 expenses for those improvements and facilities. (V.A.C.S. Art.
7 8280-340, Sec. 11 (part).)

8 Sec. 5004.202. AUTHORITY TO ISSUE BONDS. (a) To provide
9 money for any of the purposes provided by this chapter or other laws
10 relating to navigation districts, the board may:

11 (1) issue district bonds that are secured solely by a
12 pledge of and payable from the net revenue derived from the
13 operation of all or a designated part of the improvements and
14 facilities of the district then in existence or to be constructed or
15 acquired; or

16 (2) issue district bonds secured by a pledge of all or
17 part of the proceeds of one or more contracts previously or
18 subsequently made or other revenue or income specified by board
19 resolution.

20 (b) As long as bonds issued under Subsection (a)(1) are
21 outstanding, the board shall charge and collect fees, tolls, and
22 other charges sufficient to:

23 (1) pay all maintenance and operation expenses of the
24 improvements and facilities the income of which is pledged;

25 (2) pay the interest on the bonds as it accrues;

26 (3) pay the principal of the bonds as they mature; and

27 (4) make any other payments prescribed in the bond

1 order or resolution.

2 (c) All district bonds must be authorized by board
3 resolution or order.

4 (d) Bonds payable solely from net revenue may be issued
5 without an election. (V.A.C.S. Art. 8280-340, Sec. 11 (part).)

6 Sec. 5004.203. PROVISIONS OF BOND RESOLUTION OR ORDER;
7 AUTHORITY TO ADOPT OR EXECUTE OTHER PROCEEDINGS OR INSTRUMENTS.

8 (a) In the resolution or order adopted by the board authorizing the
9 issuance of bonds payable from net revenue or from the proceeds of a
10 contract or contracts, the board may:

11 (1) provide for the flow of funds and the
12 establishment and maintenance of an interest and sinking fund,
13 reserve funds, and other funds;

14 (2) make any additional covenants for the bonds, the
15 pledged revenue, and the operation, maintenance, and upkeep of the
16 improvements and facilities the income of which is pledged,
17 including a provision for leasing all or part of the improvements
18 and facilities and the use or pledge of money derived from those
19 leases, as the board considers appropriate;

20 (3) prohibit the further issuance of bonds or other
21 obligations payable from the pledged net revenue;

22 (4) reserve the right to issue additional bonds to be
23 secured by a pledge of and payable from the net revenue on a parity
24 with, or subordinate to, the lien and pledge in support of the bonds
25 being issued, subject to any conditions provided by the resolution
26 or order; or

27 (5) include any other provision or covenant, as

1 determined by the board, that is not prohibited by the Texas
2 Constitution or this chapter.

3 (b) The board may adopt and execute any other proceeding or
4 instrument necessary or convenient to issue the bonds. (V.A.C.S.
5 Art. 8280-340, Sec. 11 (part).)

6 Sec. 5004.204. FORM OF BONDS. District bonds must:

- 7 (1) be issued in the district's name;
8 (2) be signed by the presiding officer; and
9 (3) be attested by the secretary-treasurer. (V.A.C.S.
10 Art. 8280-340, Sec. 11 (part).)

11 Sec. 5004.205. MATURITY. District bonds must mature not
12 later than 40 years after the date of their issuance. (V.A.C.S.
13 Art. 8280-340, Sec. 11 (part).)

14 Sec. 5004.206. USE OF BOND PROCEEDS. The board may
15 appropriate or set aside an amount of proceeds from the sale of any
16 district bonds for:

- 17 (1) the payment of interest expected to accrue during
18 construction of the improvements or facilities;
19 (2) reserve funds; and
20 (3) expenses incurred and to be incurred in the
21 issuance, sale, and delivery of the bonds. (V.A.C.S. Art.
22 8280-340, Sec. 11 (part).)

23 Sec. 5004.207. REFUNDING BONDS. (a) The board may issue
24 refunding bonds of the district to refund any outstanding district
25 bonds and accrued interest on those bonds.

26 (b) Refunding bonds may:

- 27 (1) be issued to refund more than one series or issue

1 of the outstanding bonds;

2 (2) combine the pledges for the outstanding bonds for
3 the security of the refunding bonds; and

4 (3) be secured by other or additional revenue.

5 (c) Refunding under this section may not impair the contract
6 rights of the holders of any of the outstanding bonds that are not
7 to be refunded.

8 (d) Refunding bonds must be authorized by board resolution
9 or order and be executed and mature as provided by this chapter for
10 original bonds.

11 (e) The comptroller shall register the refunding bonds on
12 surrender and cancellation of the bonds to be refunded.

13 (f) Instead of issuing bonds to be registered on the
14 surrender and cancellation of the bonds to be refunded, the
15 district, in the resolution or order authorizing the issuance of
16 the refunding bonds, may provide for the sale of the refunding bonds
17 and the deposit of the proceeds in the place or places at which the
18 bonds to be refunded are payable. In that case, the refunding bonds
19 may be issued in an amount sufficient to pay the interest on the
20 bonds to be refunded to their option date or maturity date, and the
21 comptroller shall register the refunding bonds without the
22 surrender and cancellation of the bonds to be refunded. (V.A.C.S.
23 Art. 8280-340, Sec. 11 (part).)

24 SECTION 1.05. Subtitle A, Title 6, Special District Local
25 Laws Code, is amended by adding Chapters 6602, 6603, and 6605 to
26 read as follows:

1 CHAPTER 6602. BRAZORIA COUNTY DRAINAGE DISTRICT NUMBER FIVE

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 6602.001. DEFINITIONS

4 Sec. 6602.002. NATURE OF DISTRICT

5 Sec. 6602.003. LEGISLATIVE FINDINGS

6 Sec. 6602.004. DISTRICT TERRITORY

7 [Sections 6602.005-6602.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

9 Sec. 6602.051. BOARD OF DIRECTORS

10 [Sections 6602.052-6602.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 6602.101. GENERAL POWERS AND DUTIES

13 [Sections 6602.102-6602.150 reserved for expansion]

14 SUBCHAPTER D. FINANCIAL PROVISIONS

15 Sec. 6602.151. DEPOSITING REVENUE

16 Sec. 6602.152. RESPONSIBILITY FOR DISTRICT MONEY

17 [Sections 6602.153-6602.200 reserved for expansion]

18 SUBCHAPTER E. TAXES

19 Sec. 6602.201. IMPOSITION OF TAXES

20 Sec. 6602.202. TAX ASSESSOR-COLLECTOR

21 CHAPTER 6602. BRAZORIA COUNTY DRAINAGE DISTRICT NUMBER FIVE

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 6602.001. DEFINITIONS. In this chapter:

24 (1) "Board" means the district's board of directors.

25 (2) "Director" means a member of the board.

26 (3) "District" means the Brazoria County Drainage

27 District Number Five. (New.)

1 Sec. 6602.002. NATURE OF DISTRICT. The district is a
2 conservation and reclamation district under Section 59, Article
3 XVI, Texas Constitution. (Acts 41st Leg., 1st C.S., Ch. 36, Secs. 2
4 (part), 5 (part).)

5 Sec. 6602.003. LEGISLATIVE FINDINGS. The legislature finds
6 that:

7 (1) providing the district with the powers authorized
8 by Section 59, Article XVI, Texas Constitution, benefits the
9 citizens and property in the district;

10 (2) all property in the district benefits;

11 (3) all property the district benefits is included in
12 the district; and

13 (4) the district is essential to accomplish the
14 purposes of Section 59, Article XVI, Texas Constitution. (Acts
15 41st Leg., 1st C.S., Ch. 36, Secs. 2 (part), 11 (part).)

16 Sec. 6602.004. DISTRICT TERRITORY. The district is
17 composed of the territory described by Section 1, Chapter 36, Acts
18 of the 41st Legislature, 1st Called Session, 1929, as that
19 territory may have been modified under:

20 (1) Subchapter I, Chapter 56, Water Code, before
21 September 1, 1995;

22 (2) Subchapter J, Chapter 56, Water Code;

23 (3) Subchapter J, Chapter 49, Water Code; or

24 (4) other law. (New.)

25 [Sections 6602.005-6602.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

27 Sec. 6602.051. BOARD OF DIRECTORS. (a) The board consists

1 of three directors.

2 (b) The board has all the powers conferred on a board of
3 directors under Chapter 56, Water Code. (Acts 41st Leg., 1st C.S.,
4 Ch. 36, Sec. 4 (part); Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(a)
5 (part).)

6 [Sections 6602.052-6602.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 6602.101. GENERAL POWERS AND DUTIES. The district has
9 the rights, powers, privileges, and duties of a drainage district
10 created under Section 59, Article XVI, Texas Constitution,
11 including the right to:

12 (1) impose taxes; and

13 (2) issue bonds. (Acts 41st Leg., 1st C.S., Ch. 36,
14 Secs. 5 (part), 7 (part), 11 (part).)

15 [Sections 6602.102-6602.150 reserved for expansion]

16 SUBCHAPTER D. FINANCIAL PROVISIONS

17 Sec. 6602.151. DEPOSITING REVENUE. (a) Tax collections,
18 after deductions of discounts and fees for collecting taxes, shall
19 be deposited in the depository of the district. The collections may
20 be withdrawn as directed by the board.

21 (b) All other district income shall be deposited in the
22 district depository. (Acts 41st Leg., 1st C.S., Ch. 36, Sec. 7A(f);
23 Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

24 Sec. 6602.152. RESPONSIBILITY FOR DISTRICT MONEY. (a) The
25 board is responsible for all money the district receives.

26 (b) The county judge does not have a duty to countersign any
27 warrants or checks. The county treasurer and the county auditor do

1 not have a duty to perform any services for the district. (Acts
2 41st Leg., 1st C.S., Ch. 36, Sec. 7A(g); Acts 67th Leg., 1st C.S.,
3 Ch. 8, Sec. 57(d) (part).)

4 [Sections 6602.153-6602.200 reserved for expansion]

5 SUBCHAPTER E. TAXES

6 Sec. 6602.201. IMPOSITION OF TAXES. Not later than October
7 1 of each year, for the benefit of the district, the board shall:

8 (1) impose a tax on all property subject to taxation in
9 the district to:

10 (A) meet the requirements of district bonds; and

11 (B) provide for district maintenance and
12 operating expenses; and

13 (2) immediately certify the tax rate to the
14 assessor-collector of Brazoria County. (Acts 41st Leg., 1st C.S.,
15 Ch. 36, Secs. 7A(a), (b) (part); Acts 67th Leg., 1st C.S., Ch. 8,
16 Secs. 57(b), (c) (part).)

17 Sec. 6602.202. TAX ASSESSOR-COLLECTOR. (a) The tax
18 assessor-collector of Brazoria County is the tax
19 assessor-collector for the district.

20 (b) The tax assessor-collector shall charge and deduct from
21 payments to the district amounts for the tax assessor-collector's
22 services as may be agreed on by the tax assessor-collector and the
23 board. (Acts 41st Leg., 1st C.S., Ch. 36, Secs. 7A(b) (part), (e);
24 Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

25 CHAPTER 6603. BROOKSHIRE-KATY DRAINAGE DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 6603.001. DEFINITIONS

1 Sec. 6603.002. NATURE OF DISTRICT

2 Sec. 6603.003. FINDINGS OF BENEFIT AND PURPOSE

3 Sec. 6603.004. DISTRICT TERRITORY

4 [Sections 6603.005-6603.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT BOARD OF SUPERVISORS

6 Sec. 6603.051. COMPOSITION OF BOARD

7 Sec. 6603.052. QUALIFICATIONS

8 Sec. 6603.053. SUPERVISORS ELECTION

9 [Sections 6603.054-6603.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 6603.101. GENERAL POWERS AND DUTIES

12 Sec. 6603.102. CONSTRUCTION OF DRAINAGE FACILITIES OR

13 IMPROVEMENTS

14 Sec. 6603.103. CONSISTENCY OF RULES

15 Sec. 6603.104. LIMIT ON EMINENT DOMAIN POWER

16 [Sections 6603.105-6603.150 reserved for expansion]

17 SUBCHAPTER D. TAXES

18 Sec. 6603.151. IMPOSITION OF TAXES

19 Sec. 6603.152. DISTRICT TAX ASSESSOR AND COLLECTOR

20 [Sections 6603.153-6603.200 reserved for expansion]

21 SUBCHAPTER E. ENFORCEMENT

22 Sec. 6603.201. CIVIL PENALTY

23 Sec. 6603.202. INJUNCTIVE RELIEF

24 Sec. 6603.203. DAMAGES, COURT COSTS, AND ATTORNEY'S

25 FEES

26 Sec. 6603.204. PENALTIES CUMULATIVE

27 CHAPTER 6603. BROOKSHIRE-KATY DRAINAGE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6603.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of supervisors of the district.

(2) "District" means the Brookshire-Katy Drainage District.

(3) "Supervisor" means a member of the board. (V.A.C.S. Art. 8280-249, Sec. 1 (part); New.)

Sec. 6603.002. NATURE OF DISTRICT. The district is:

(1) a conservation and reclamation district created and incorporated in Waller County under Section 59, Article XVI, Texas Constitution, for the sole purpose of the reclamation and drainage of the district's overflowed lands and other lands needing drainage;

(2) a fresh water supply district; and

(3) a municipal corporation. (V.A.C.S. Art. 8280-249, Secs. 1 (part), 2 (part), 6 (part), 7 (part).)

Sec. 6603.003. FINDINGS OF BENEFIT AND PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-249, Secs. 6 (part), 7 (part).)

Sec. 6603.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 203, Acts

1 of the 57th Legislature, Regular Session, 1961 (Article 8280-249,
2 Vernon's Texas Civil Statutes), as that territory may have been
3 modified under:

- 4 (1) Subchapter J, Chapter 49, Water Code; or
5 (2) other law.

6 (b) The legislature finds that the boundaries of the
7 district as described by Section 1, Chapter 203, Acts of the 57th
8 Legislature, Regular Session, 1961 (Article 8280-249, Vernon's
9 Texas Civil Statutes), and the field notes relating to those
10 boundaries form a closure. A mistake in the field notes or in
11 copying the field notes in the legislative process does not affect:

- 12 (1) the district's organization, existence, or
13 validity;
14 (2) the district's authority to take any action
15 authorized by this chapter and the general laws; or
16 (3) the legality or operation of the district or the
17 board.

18 (c) It is the intention of the legislature that all land
19 included in the district as created in 1961 be included in the
20 boundaries of the district as described by Section 1, Chapter 203,
21 Acts of the 57th Legislature, Regular Session, 1961 (Article
22 8280-249, Vernon's Texas Civil Statutes). (V.A.C.S. Art. 8280-249,
23 Sec. 1A; New.)

24 [Sections 6603.005-6603.050 reserved for expansion]

25 SUBCHAPTER B. DISTRICT BOARD OF SUPERVISORS

26 Sec. 6603.051. COMPOSITION OF BOARD. The board consists of
27 five supervisors. (V.A.C.S. Art. 8280-249, Sec. 3 (part).)

1 Sec. 6603.052. QUALIFICATIONS. A candidate for supervisor
2 must:

- 3 (1) be at least 18 years of age;
4 (2) own land subject to taxation in the district; and
5 (3) reside in the area from which the candidate seeks
6 election. (V.A.C.S. Art. 8280-249, Sec. 3 (part).)

7 Sec. 6603.053. SUPERVISORS ELECTION. (a) For the election
8 of supervisors, the district is divided into five areas, numbered
9 one to five.

10 (b) Each candidate for supervisor must be designated on the
11 official ballot according to the number of the area in which the
12 candidate resides.

13 (c) Each district voter is entitled to vote for candidates
14 from all five areas.

15 (d) The candidate from each area who receives the highest
16 number of votes for supervisor is elected. (V.A.C.S. Art.
17 8280-249, Sec. 3 (part).)

18 [Sections 6603.054-6603.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 6603.101. GENERAL POWERS AND DUTIES. To accomplish
21 the purposes of Section 6603.002(1), the district has all the
22 rights, powers, privileges, and duties conferred and imposed by
23 general law, including Chapters 49 and 53, Water Code, on fresh
24 water supply districts created under Section 59, Article XVI, Texas
25 Constitution, including the power to conserve, transport, and
26 distribute fresh water. (V.A.C.S. Art. 8280-249, Sec. 2 (part).)

27 Sec. 6603.102. CONSTRUCTION OF DRAINAGE FACILITIES OR

1 IMPROVEMENTS. (a) Except as provided by Subsection (b), a person
2 may not construct drainage facilities or improvements on or to
3 serve a tract of land in the district unless the district has
4 approved the plans and specifications for the facilities or
5 improvements.

6 (b) Plans and specifications for drainage facilities or
7 improvements located in the corporate limits or the
8 extraterritorial jurisdiction of a municipality require only the
9 approval of the municipality if:

10 (1) the municipality's corporate limits are located in
11 more than one county;

12 (2) part of the municipality's corporate limits and
13 extraterritorial jurisdiction in Waller County is located in the
14 district;

15 (3) the municipality has a population of less than
16 100,000; and

17 (4) the drainage facilities or improvements are
18 located outside district-owned property or facilities.

19 (c) The district may adopt reasonable rules and set
20 reasonable standards to provide for adequate drainage construction
21 in accordance with standard engineering practices. The rules and
22 standards may require the drainage plan to be generally compatible
23 with the district's master plan.

24 (d) The district by rule may establish procedures for:

25 (1) the presentation of plans and specifications to
26 the district; and

27 (2) the review and disposition of the plans and

1 specifications by the district.

2 (e) The district, after review by its engineer, shall
3 determine the cost of any drainage facilities or improvements and
4 recommend to the appropriate governing body with jurisdiction over
5 the subdivision that a surety bond or other approved security in
6 that amount for the construction of drainage facilities or
7 improvements be secured in the name of the governing body. If the
8 governing body does not secure a bond, the district may secure a
9 bond for the cost of construction of drainage facilities or
10 improvements.

11 (f) The district may refuse to approve plans and
12 specifications if:

13 (1) the plans and specifications do not comply with
14 district rules; or

15 (2) all applicable fees have not been paid.

16 (g) This section does not apply to:

17 (1) agricultural activity; or

18 (2) any other activity that does not create an
19 aggregate impervious area of more than one acre.

20 (h) This section does not limit the authority or
21 jurisdiction of a municipality or county to regulate plans and
22 specifications for the construction of drainage facilities or
23 improvements other than facilities owned or maintained by the
24 district.

25 (i) The district's rules and standards for the construction
26 of drainage facilities or improvements do not apply to a facility or
27 improvement not owned or maintained by the district in the

1 corporate limits of a municipality unless the governing body of the
2 municipality or county requires the person to submit the plans and
3 specifications for drainage construction to the district.
4 (V.A.C.S. Art. 8280-249, Sec. 6A.)

5 Sec. 6603.103. CONSISTENCY OF RULES. Rules adopted by the
6 district must be consistent with Chapters 49 and 53, Water Code.
7 (V.A.C.S. Art. 8280-249, Sec. 6B(a).)

8 Sec. 6603.104. LIMIT ON EMINENT DOMAIN POWER. The district
9 may not exercise its power of eminent domain outside the district
10 without the express consent of the governing body of the
11 municipality or the commissioners court of the county in which the
12 territory being condemned is located. (V.A.C.S. Art. 8280-249,
13 Sec. 6B(b).)

14 [Sections 6603.105-6603.150 reserved for expansion]

15 SUBCHAPTER D. TAXES

16 Sec. 6603.151. IMPOSITION OF TAXES. (a) Taxes shall be
17 imposed under the provisions of the general laws applicable to
18 fresh water supply districts, including Chapters 49 and 53, Water
19 Code. The district must hold an election required for the
20 imposition or increase of taxes in the manner provided by Section
21 49.107, Water Code.

22 (b) The district may not impose taxes at a rate that exceeds
23 75 cents on the \$100 valuation of taxable property in the district.
24 (V.A.C.S. Art. 8280-249, Sec. 5.)

25 Sec. 6603.152. DISTRICT TAX ASSESSOR AND COLLECTOR. (a)
26 The assessor and collector of taxes for Waller County is the
27 assessor and collector of taxes for the district.

1 (b) For services to the district in assessing and collecting
2 taxes for the district, the assessor and collector may deduct from
3 all taxes collected on the current year's tax rolls an amount of
4 money to which the board agrees, not to exceed the amount provided
5 by the general laws relating to the imposition of ad valorem taxes.

6 (c) For the collection of delinquent taxes, the assessor and
7 collector may receive compensation in the same manner as the
8 assessor and collector receives for collecting delinquent state and
9 county taxes. The assessor and collector may not duplicate a charge
10 made for costs of suit related to enforcement of state and county
11 taxes. (V.A.C.S. Art. 8280-249, Sec. 4.)

12 [Sections 6603.153-6603.200 reserved for expansion]

13 SUBCHAPTER E. ENFORCEMENT

14 Sec. 6603.201. CIVIL PENALTY. (a) A person who violates
15 this chapter or a rule adopted under this chapter is liable to the
16 district for a civil penalty of not less than \$10 or more than \$200
17 for each violation.

18 (b) Each day a violation continues is a separate violation.
19 (V.A.C.S. Art. 8280-249, Sec. 6C(a) (part).)

20 Sec. 6603.202. INJUNCTIVE RELIEF. (a) The district may sue
21 in a district court to enjoin a violation or threatened violation of
22 this chapter or a rule adopted under this chapter.

23 (b) The district may sue for injunctive relief and a civil
24 penalty in the same proceeding. (V.A.C.S. Art. 8280-249, Sec.
25 6C(b).)

26 Sec. 6603.203. DAMAGES, COURT COSTS, AND ATTORNEY'S FEES.
27 If the district sues to recover a civil penalty or for injunctive

1 relief under this chapter, or to recover any fee or charge under
2 this chapter, the court may include in any final judgment in favor
3 of the district an award for damages, the recovery of court costs,
4 and reasonable attorney's fees. (V.A.C.S. Art. 8280-249, Sec.
5 6C(c).)

6 Sec. 6603.204. PENALTIES CUMULATIVE. A penalty under this
7 subchapter is in addition to any other penalty authorized by law.
8 (V.A.C.S. Art. 8280-249, Sec. 6C(a) (part).)

9 CHAPTER 6605. BRAZORIA COUNTY DRAINAGE DISTRICT NO. 8

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 6605.001. DEFINITIONS

12 Sec. 6605.002. NATURE OF DISTRICT

13 Sec. 6605.003. LEGISLATIVE FINDINGS

14 Sec. 6605.004. DISTRICT TERRITORY

15 [Sections 6605.005-6605.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

17 Sec. 6605.051. BOARD OF DIRECTORS

18 [Sections 6605.052-6605.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 6605.101. GENERAL POWERS AND DUTIES

21 [Sections 6605.102-6605.150 reserved for expansion]

22 SUBCHAPTER D. FINANCIAL PROVISIONS

23 Sec. 6605.151. DEPOSITING REVENUE

24 Sec. 6605.152. RESPONSIBILITY FOR DISTRICT MONEY

25 [Sections 6605.153-6605.200 reserved for expansion]

26 SUBCHAPTER E. TAXES

27 Sec. 6605.201. IMPOSITION OF TAXES

1 Sec. 6605.202. TAX ASSESSOR-COLLECTOR

2 CHAPTER 6605. BRAZORIA COUNTY DRAINAGE DISTRICT NO. 8

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 6605.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the district's board of directors.

6 (2) "Director" means a member of the board.

7 (3) "District" means the Brazoria County Drainage
8 District No. 8. (New.)

9 Sec. 6605.002. NATURE OF DISTRICT. The district is a
10 conservation and reclamation district under Section 59, Article
11 XVI, Texas Constitution. (Acts 41st Leg., 4th C.S., Ch. 6, S.L.,
12 Secs. 2 (part), 5 (part).)

13 Sec. 6605.003. LEGISLATIVE FINDINGS. The legislature finds
14 that:

15 (1) providing the district with the powers authorized
16 by Section 59, Article XVI, Texas Constitution, benefits the
17 citizens and property in the district;

18 (2) all property in the district benefits;

19 (3) all property the district benefits is included in
20 the district; and

21 (4) the district is essential to accomplish the
22 purposes of Section 59, Article XVI, Texas Constitution. (Acts
23 41st Leg., 4th C.S., Ch. 6, S.L., Secs. 2 (part), 11 (part).)

24 Sec. 6605.004. DISTRICT TERRITORY. The district is
25 composed of the territory described by Section 1, Chapter 6,
26 Special Laws, Acts of the 41st Legislature, 4th Called Session,
27 1930, as that territory may have been modified under:

1 (1) Subchapter I, Chapter 56, Water Code, before
2 September 1, 1995;

3 (2) Subchapter J, Chapter 56, Water Code;

4 (3) Subchapter J, Chapter 49, Water Code; or

5 (4) other law. (New.)

6 [Sections 6605.005-6605.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

8 Sec. 6605.051. BOARD OF DIRECTORS. (a) The board consists
9 of three directors.

10 (b) The board has all the powers conferred on a board of
11 directors under Chapter 56, Water Code. (Acts 41st Leg., 4th C.S.,
12 Ch. 6, S.L., Sec. 4 (part); Acts 67th Leg., 1st C.S., Ch. 8, Sec.
13 57(a) (part).)

14 [Sections 6605.052-6605.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 6605.101. GENERAL POWERS AND DUTIES. The district has
17 the rights, powers, privileges, and duties of a drainage district
18 created under Section 59, Article XVI, Texas Constitution,
19 including the right to:

20 (1) impose taxes; and

21 (2) issue bonds. (Acts 41st Leg., 4th C.S., Ch. 6,
22 S.L., Secs. 5 (part), 7 (part), 11 (part).)

23 [Sections 6605.102-6605.150 reserved for expansion]

24 SUBCHAPTER D. FINANCIAL PROVISIONS

25 Sec. 6605.151. DEPOSITING REVENUE. (a) Tax collections,
26 after deductions of discounts and fees for collecting taxes, shall
27 be deposited in the depository of the district. The collections may

1 be withdrawn as directed by the board.

2 (b) All other district income shall be deposited in the
3 district depository. (Acts 41st Leg., 4th C.S., Ch. 6, S.L., Sec.
4 7A(f); Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

5 Sec. 6605.152. RESPONSIBILITY FOR DISTRICT MONEY. (a) The
6 board is responsible for all money the district receives.

7 (b) The county judge does not have a duty to countersign any
8 warrants or checks. The county treasurer and the county auditor do
9 not have a duty to perform any services for the district. (Acts
10 41st Leg., 4th C.S., Ch. 6, S.L., Sec. 7A(g); Acts 67th Leg., 1st
11 C.S., Ch. 8, Sec. 57(d) (part).)

12 [Sections 6605.153-6605.200 reserved for expansion]

13 SUBCHAPTER E. TAXES

14 Sec. 6605.201. IMPOSITION OF TAXES. Not later than October
15 1 of each year, for the benefit of the district, the board shall:

16 (1) impose a tax on all property subject to taxation in
17 the district to:

18 (A) meet the requirements of district bonds; and

19 (B) provide for district maintenance and
20 operating expenses; and

21 (2) immediately certify the tax rate to the
22 assessor-collector of Brazoria County. (Acts 41st Leg., 4th C.S.,
23 Ch. 6, S.L., Secs. 7A(a), (b) (part); Acts 67th Leg., 1st C.S., Ch.
24 8, Secs. 57(b), (c) (part).)

25 Sec. 6605.202. TAX ASSESSOR-COLLECTOR. (a) The tax
26 assessor-collector of Brazoria County is the tax
27 assessor-collector for the district.

1 (b) The tax assessor-collector shall charge and deduct from
2 payments to the district amounts for the tax assessor-collector's
3 services as may be agreed on by the tax assessor-collector and the
4 board. (Acts 41st Leg., 4th C.S., Ch. 6, S.L., Secs. 7A(b) (part),
5 (e); Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

6 SECTION 1.06. Subtitle B, Title 6, Special District Local
7 Laws Code, is amended by adding Chapters 6902, 6903, 6904, 6905, and
8 6906 to read as follows:

9 CHAPTER 6902. CRANE COUNTY WATER DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 6902.001. DEFINITIONS

12 Sec. 6902.002. NATURE OF DISTRICT

13 Sec. 6902.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

14 Sec. 6902.004. DISTRICT TERRITORY

15 Sec. 6902.005. SUFFICIENT AUTHORITY FOR ENTITIES TO

16 ACT

17 [Sections 6902.006-6902.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 6902.051. COMPOSITION OF BOARD

20 Sec. 6902.052. TERMS

21 Sec. 6902.053. QUALIFICATIONS FOR OFFICE

22 Sec. 6902.054. EX OFFICIO DIRECTORS

23 Sec. 6902.055. VACANCY

24 Sec. 6902.056. REMOVAL FROM OFFICE

25 Sec. 6902.057. QUORUM

26 Sec. 6902.058. BOARD RESOLUTIONS; VOTING REQUIREMENTS

27 Sec. 6902.059. OFFICERS AND ASSISTANTS

- 1 Sec. 6902.060. OFFICER DUTIES
- 2 Sec. 6902.061. MEETINGS
- 3 Sec. 6902.062. PERSONAL LIABILITY OF DIRECTORS
- 4 [Sections 6902.063-6902.100 reserved for expansion]
- 5 SUBCHAPTER C. POWERS AND DUTIES
- 6 Sec. 6902.101. GENERAL POWERS
- 7 Sec. 6902.102. AUTHORITY TO SUE AND BE SUED
- 8 Sec. 6902.103. SEAL
- 9 Sec. 6902.104. BYLAWS; RULES
- 10 Sec. 6902.105. GIFTS AND GRANTS
- 11 Sec. 6902.106. OFFICE
- 12 Sec. 6902.107. EMPLOYEES, AGENTS, AND OFFICERS
- 13 Sec. 6902.108. WATER CONSERVATION PROGRAM
- 14 Sec. 6902.109. WATER PERMITS
- 15 Sec. 6902.110. GENERAL AUTHORITY OF PUBLIC AGENCIES
- 16 AND POLITICAL SUBDIVISIONS TO
- 17 CONTRACT WITH DISTRICT
- 18 Sec. 6902.111. CONTRACTS TO SUPPLY WATER
- 19 Sec. 6902.112. SOURCES FOR WATER; ACQUISITION OF LAND;
- 20 STORAGE CAPACITY
- 21 Sec. 6902.113. ACQUISITION, DISPOSAL, AND MANAGEMENT
- 22 OF PROPERTY
- 23 Sec. 6902.114. CONSTRUCTION CONTRACTS
- 24 Sec. 6902.115. CONVEYANCE OF LAND TO DISTRICT
- 25 Sec. 6902.116. SURPLUS PROPERTY
- 26 Sec. 6902.117. EMINENT DOMAIN
- 27 Sec. 6902.118. COST OF RELOCATING OR ALTERING PROPERTY

1 Sec. 6902.119. RIGHTS-OF-WAY; EASEMENTS

2 [Sections 6902.120-6902.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 6902.151. TAX COLLECTION

5 Sec. 6902.152. ADVISORY DUTIES OF CRANE COUNTY AUDITOR

6 Sec. 6902.153. DISTRICT MONEY

7 Sec. 6902.154. DEPOSITORY

8 Sec. 6902.155. INVESTMENT OF DISTRICT MONEY

9 Sec. 6902.156. DISTRICT FACILITIES EXEMPT FROM

10 TAXATION AND ASSESSMENT

11 [Sections 6902.157-6902.200 reserved for expansion]

12 SUBCHAPTER E. GENERAL BOND PROVISIONS

13 Sec. 6902.201. AUTHORITY TO ISSUE BONDS

14 Sec. 6902.202. FORM OF BONDS

15 Sec. 6902.203. MATURITY

16 Sec. 6902.204. ELECTION FOR BONDS PAYABLE FROM

17 PROPERTY TAXES

18 Sec. 6902.205. BONDS SECURED BY REVENUE; ADDITIONAL

19 BONDS

20 Sec. 6902.206. BONDS PAYABLE FROM PROPERTY TAXES

21 Sec. 6902.207. ADDITIONAL SECURITY

22 Sec. 6902.208. TRUST INDENTURE

23 Sec. 6902.209. CHARGES FOR DISTRICT SERVICES

24 Sec. 6902.210. USE OF BOND PROCEEDS

25 Sec. 6902.211. APPOINTMENT OF RECEIVER

26 Sec. 6902.212. LIMITATION ON RIGHTS OF HOLDERS

27 Sec. 6902.213. BONDS EXEMPT FROM TAXATION

1 Sec. 6902.214. EXCLUSION OF TERRITORY AFTER ISSUANCE
2 OF BONDS

3 [Sections 6902.215-6902.250 reserved for expansion]

4 SUBCHAPTER F. REFUNDING BONDS

5 Sec. 6902.251. AUTHORITY TO ISSUE REFUNDING BONDS;
6 APPLICABILITY OF LAW RELATING TO
7 OTHER BONDS

8 Sec. 6902.252. TERMS OF ISSUANCE OF REFUNDING BONDS

9 Sec. 6902.253. REGISTRATION OF REFUNDING BONDS BY
10 COMPTROLLER

11 Sec. 6902.254. ESCROW AGREEMENT

12 CHAPTER 6902. CRANE COUNTY WATER DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 6902.001. DEFINITIONS. In this chapter:

15 (1) "Board" means the district's board of directors.

16 (2) "Director" means a member of the board.

17 (3) "District" means the Crane County Water District.

18 (Acts 69th Leg., R.S., Ch. 775, Sec. 2; New.)

19 Sec. 6902.002. NATURE OF DISTRICT. The district is a
20 conservation and reclamation district created under Section 59,
21 Article XVI, Texas Constitution. (Acts 69th Leg., R.S., Ch. 775,
22 Sec. 1 (part).)

23 Sec. 6902.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

24 The accomplishment of the purposes stated in this chapter is for:

25 (1) the benefit of the people of this state; and

26 (2) the improvement of their property and industries.

27 (b) The district, in carrying out the purposes of this

1 chapter, will be performing an essential public function under the
2 constitution. (Acts 69th Leg., R.S., Ch. 775, Sec. 22.)

3 Sec. 6902.004. DISTRICT TERRITORY. The district includes
4 all of the territory in the boundaries of Crane County as the
5 boundaries of that county existed on January 1, 1985, and as the
6 district territory may have been modified under:

- 7 (1) Subchapter J, Chapter 49, Water Code; or
8 (2) other law. (Acts 69th Leg., R.S., Ch. 775, Sec. 3;
9 New.)

10 Sec. 6902.005. SUFFICIENT AUTHORITY FOR ENTITIES TO ACT.
11 This chapter provides sufficient authority to issue district bonds,
12 execute contracts and conveyances, and perform any other act or
13 procedure authorized under this chapter by the district, the City
14 of Crane, public agencies, special districts, and other political
15 subdivisions, without reference to other law or a restriction or
16 limitation contained in other law, except as specifically provided
17 by this chapter. (Acts 69th Leg., R.S., Ch. 775, Sec. 26 (part).)

18 [Sections 6902.006-6902.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Sec. 6902.051. COMPOSITION OF BOARD. The district is
21 governed by a board composed of five directors appointed by the
22 Commissioners Court of Crane County. The directors occupy numbered
23 places on the board, with the places numbered as Places 1, 2, 3, 4,
24 and 5. (Acts 69th Leg., R.S., Ch. 775, Secs. 4(a), (d).)

25 Sec. 6902.052. TERMS. Each appointed director shall serve
26 for a term of two years, with the terms of the directors appointed
27 to occupy Places 1 and 2 expiring on June 1 of each even-numbered

1 year and the terms of the directors appointed to occupy Places 3, 4,
2 and 5 expiring on June 1 of each odd-numbered year. (Acts 69th
3 Leg., R.S., Ch. 775, Secs. 4(b), (e).)

4 Sec. 6902.053. QUALIFICATIONS FOR OFFICE. (a) To be
5 eligible for appointment as a director, a person must be:

6 (1) a qualified district voter; and

7 (2) a district resident.

8 (b) A director is eligible for reappointment. (Acts 69th
9 Leg., R.S., Ch. 775, Secs. 4(f), (h).)

10 Sec. 6902.054. EX OFFICIO DIRECTORS. The county judge of
11 Crane County and the mayor of the City of Crane shall serve as ex
12 officio directors. The county judge and mayor are entitled to
13 attend all board meetings and participate in all board proceedings
14 but are not entitled to vote on matters before the board. (Acts
15 69th Leg., R.S., Ch. 775, Sec. 4(c).)

16 Sec. 6902.055. VACANCY. The Commissioners Court of Crane
17 County by appointment shall fill a vacancy on the board for the
18 unexpired term. (Acts 69th Leg., R.S., Ch. 775, Sec. 4(g).)

19 Sec. 6902.056. REMOVAL FROM OFFICE. After reasonable
20 notice and a public hearing, the remaining members of the board may
21 remove a director from office for misfeasance, malfeasance, or
22 wilful neglect of duty. Reasonable notice and a public hearing are
23 not required if the director to be removed expressly waives the
24 notice and hearing in writing. (Acts 69th Leg., R.S., Ch. 775, Sec.
25 4(i).)

26 Sec. 6902.057. QUORUM. Any three regular directors
27 constitute a quorum. (Acts 69th Leg., R.S., Ch. 775, Sec. 5(d))

1 (part).)

2 Sec. 6902.058. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)
3 The district shall act through resolutions adopted by the board.

4 (b) All regular directors are entitled to vote on matters
5 before the board.

6 (c) The affirmative vote of at least three of the regular
7 directors is necessary to adopt a resolution. (Acts 69th Leg.,
8 R.S., Ch. 775, Sec. 5(d) (part).)

9 Sec. 6902.059. OFFICERS AND ASSISTANTS. (a) The board
10 shall elect a president, vice president, secretary, and treasurer
11 at the first meeting of the board in March of each year or at any
12 time necessary to fill a vacancy.

13 (b) The board shall elect the president and vice president
14 from among the directors. The president and vice president shall
15 serve for terms of one year.

16 (c) The offices of secretary and treasurer:

17 (1) may be held by one person; and

18 (2) are not required to be held by a director.

19 (d) The board may appoint as assistant board secretary one
20 or more persons who are not directors. (Acts 69th Leg., R.S., Ch.
21 775, Secs. 5(a) (part), (b) (part), (c) (part), (e) (part).)

22 Sec. 6902.060. OFFICER DUTIES. (a) The board president
23 shall preside at board meetings and perform other duties prescribed
24 by the board.

25 (b) The board secretary is the official custodian of the
26 minutes, books, records, and seal of the board and shall perform
27 other duties and functions prescribed by the board. An assistant

1 board secretary may perform any duty or function of the board
2 secretary.

3 (c) The board treasurer shall perform duties and functions
4 prescribed by the board. (Acts 69th Leg., R.S., Ch. 775, Secs. 5(a)
5 (part), (c) (part).)

6 Sec. 6902.061. MEETINGS. The board shall have regular
7 meetings at times specified by board resolution and shall have
8 special meetings when called by the board president or by any three
9 directors. (Acts 69th Leg., R.S., Ch. 775, Sec. 5(f).)

10 Sec. 6902.062. PERSONAL LIABILITY OF DIRECTORS. A director
11 is not personally liable for any bond issued or contract executed by
12 the district. (Acts 69th Leg., R.S., Ch. 775, Sec. 5(g).)

13 [Sections 6902.063-6902.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 6902.101. GENERAL POWERS. The district may exercise
16 all powers necessary or appropriate to carry out the purposes of
17 this chapter. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(a).)

18 Sec. 6902.102. AUTHORITY TO SUE AND BE SUED. The district
19 may sue and be sued in the district's own name. (Acts 69th Leg.,
20 R.S., Ch. 775, Sec. 7(b).)

21 Sec. 6902.103. SEAL. The board may adopt an official seal.
22 (Acts 69th Leg., R.S., Ch. 775, Sec. 7(c) (part).)

23 Sec. 6902.104. BYLAWS; RULES. The board may adopt and
24 enforce bylaws and rules. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(c)
25 (part).)

26 Sec. 6902.105. GIFTS AND GRANTS. The district may request
27 and accept any appropriation, grant, allocation, subsidy,

1 guaranty, aid, service, material, or gift from any person. (Acts
2 69th Leg., R.S., Ch. 775, Sec. 7(g).)

3 Sec. 6902.106. OFFICE. The district may operate and
4 maintain an office. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(h)
5 (part).)

6 Sec. 6902.107. EMPLOYEES, AGENTS, AND OFFICERS. The
7 district may appoint and determine the duties, tenure,
8 qualifications, and compensation of the officers, employees,
9 agents, and professional advisors and counselors of the district,
10 including financial consultants, accountants, attorneys,
11 architects, engineers, appraisers, and financial experts the board
12 considers necessary. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(h)
13 (part).)

14 Sec. 6902.108. WATER CONSERVATION PROGRAM. (a) In this
15 section, "program of water conservation" means the practices,
16 techniques, and technologies that will reduce water consumption,
17 reduce water loss or waste, improve efficiency in water use, or
18 increase water recycling and reuse so that a water supply is
19 available for future uses.

20 (b) The district shall adopt and implement a program of
21 water conservation consistent with rules and criteria adopted and
22 enforceable by the Texas Commission on Environmental Quality for
23 similarly situated districts in the region. (Acts 69th Leg., R.S.,
24 Ch. 775, Sec. 6.)

25 Sec. 6902.109. WATER PERMITS. (a) The district may obtain
26 water appropriation permits and diversion permits from the Texas
27 Commission on Environmental Quality.

1 (b) The district may acquire water appropriation permits
2 from owners of permits by contract or otherwise. (Acts 69th Leg.,
3 R.S., Ch. 775, Secs. 8(a), (b).)

4 Sec. 6902.110. GENERAL AUTHORITY OF PUBLIC AGENCIES AND
5 POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A municipality,
6 public agency, special district, or other political subdivision of
7 the state, including the City of Crane, may enter into a contract or
8 agreement with the district for a water supply, or for any purpose
9 relating to the district's powers or functions, on terms agreed to
10 by the parties. Approval, notice, consent, or an election is not
11 required in connection with a contract or agreement. (Acts 69th
12 Leg., R.S., Ch. 775, Sec. 9(c) (part).)

13 Sec. 6902.111. CONTRACTS TO SUPPLY WATER. (a) The district
14 may contract with municipalities, public agencies, special
15 districts, other political subdivisions of the state, and other
16 entities, including the City of Crane, for supplying water to them.
17 The district may sell water inside or outside the boundaries of the
18 district.

19 (b) A contract with the City of Crane must provide that the
20 city will pay to the district a portion of any surplus revenue from
21 the operation of the city's water system.

22 (c) The district may contract with a municipality, public
23 agency, special district, or other political subdivision of the
24 state for the rental or leasing of or for the operation of the water
25 production, water field, water supply, water filtration or
26 purification, or water supply facilities of the entity on the
27 consideration agreed to by the district and the entity.

1 (d) A contract may include the terms and be for the time
2 agreed to by the parties.

3 (e) A contract may provide that it will continue in effect
4 until bonds specified in it and refunding bonds issued in lieu of
5 those bonds are paid.

6 (f) The district may contract with the City of Crane for the
7 operation of the district's water facilities by the City of Crane.
8 An election is not required in connection with the contract. (Acts
9 69th Leg., R.S., Ch. 775, Secs. 9(b) (part), 19.)

10 Sec. 6902.112. SOURCES FOR WATER; ACQUISITION OF LAND;
11 STORAGE CAPACITY. (a) The district may acquire or construct inside
12 or outside the district one or more reservoirs and any work, water
13 well, water field, pump, plant, transmission line, or other
14 facility necessary or useful to divert, impound, drill for, store,
15 treat, or transport water to the City of Crane and others for
16 municipal, domestic, industrial, mining, oil flooding, or other
17 useful purposes.

18 (b) The district may acquire land or an interest in land,
19 inside or outside the district, for any work, water well, water
20 field, pump, plant, or other facility necessary or useful to
21 divert, impound, drill for, store, treat, or transport water to the
22 City of Crane and others for municipal, domestic, industrial,
23 mining, oil flooding, or any other useful purpose.

24 (c) The district may lease, purchase, or otherwise acquire
25 rights in and to storage and storage capacity in any reservoir
26 constructed or to be constructed by any person.

27 (d) The district may develop or otherwise acquire

1 underground sources of water. (Acts 69th Leg., R.S., Ch. 775, Secs.
2 8(c), 9(a) (part), (b) (part), 10 (part).)

3 Sec. 6902.113. ACQUISITION, DISPOSAL, AND MANAGEMENT OF
4 PROPERTY. The district may:

5 (1) acquire, own, rent, lease, accept, hold, or
6 dispose of property or an interest in property, including a right or
7 easement, by any means, including purchase, exchange, gift,
8 assignment, condemnation, sale, or lease, to perform a duty or
9 exercise a power under this chapter;

10 (2) sell, assign, lease, encumber, mortgage, or
11 otherwise dispose of property or an interest in property, and
12 release or relinquish a right, title, claim, lien, interest,
13 easement, or demand by public or private sale, with or without
14 public bidding, notwithstanding any other law;

15 (3) lease or rent any land, buildings, structures, or
16 facilities to carry out the purposes of this chapter; and

17 (4) manage, operate, or improve property. (Acts 69th
18 Leg., R.S., Ch. 775, Secs. 7(e), (f).)

19 Sec. 6902.114. CONSTRUCTION CONTRACTS. (a) The district
20 may award a construction contract that requires an expenditure of
21 more than \$5,000 only after publication of notice to bidders once
22 each week for two consecutive weeks in a newspaper of general
23 circulation in the district.

24 (b) The notice is sufficient if it states:

25 (1) the time and place for opening the bids;

26 (2) the general nature of the work to be done or the
27 material, equipment, or supplies to be purchased; and

1 (3) the place where the terms of bidding and copies of
2 the plans and specifications may be obtained. (Acts 69th Leg.,
3 R.S., Ch. 775, Sec. 13.)

4 Sec. 6902.115. CONVEYANCE OF LAND TO DISTRICT. A
5 municipality, public agency, special district, or other political
6 subdivision of the state, including the City of Crane, may lease,
7 sell, or otherwise convey its land or an interest in land to the
8 district for consideration that the parties agree is adequate.
9 Approval, notice, consent, or an election is not required in
10 connection with a conveyance, contract, or agreement. (Acts 69th
11 Leg., R.S., Ch. 775, Sec. 9(c) (part).)

12 Sec. 6902.116. SURPLUS PROPERTY. Subject to the terms of a
13 resolution or deed of trust authorizing or securing bonds issued by
14 the district, the district may sell, lease, rent, trade, or
15 otherwise dispose of property the board considers not needed for
16 district purposes. (Acts 69th Leg., R.S., Ch. 775, Sec. 10 (part).)

17 Sec. 6902.117. EMINENT DOMAIN. (a) To carry out a power
18 conferred by this chapter, the district may exercise the power of
19 eminent domain to acquire the fee simple title to land or any other
20 interest in land and other property and easements, including water
21 rights, land, or any interest in land needed for water fields, water
22 wells, or reservoir and dam and flood easements above the probable
23 high water line around any reservoirs inside or outside the
24 district.

25 (b) The district must exercise the power of eminent domain
26 in the manner provided by Chapter 21, Property Code.

27 (c) The board shall determine the amount and the type of the

1 interest in land, other property, and easements to be acquired.
2 (Acts 69th Leg., R.S., Ch. 775, Secs. 11(a), (b).)

3 Sec. 6902.118. COST OF RELOCATING OR ALTERING PROPERTY.

4 (a) In this section, "sole expense" means the actual cost of the
5 relocating, raising, lowering, rerouting, or change in grade or
6 alteration of construction required under Subsection (b) to provide
7 a comparable replacement without enhancing the facility, after
8 deducting the net salvage value derived from the old facility.

9 (b) If the district's exercise of eminent domain, police
10 power, or of another power conferred by this chapter requires
11 relocating, raising, lowering, rerouting, or changing the grade of,
12 or altering the construction of any railroad, electric
13 transmission, telegraph, or telephone line, conduit, pole,
14 property or facility, or pipeline, the action shall be accomplished
15 at the sole expense of the district. (Acts 69th Leg., R.S., Ch.
16 775, Sec. 11(c).)

17 Sec. 6902.119. RIGHTS-OF-WAY; EASEMENTS. The district
18 has necessary or useful rights-of-way and easements along, over,
19 under, and across all public, state, municipal, and county roads,
20 highways, and places for any of its purposes. The district shall
21 restore a facility used by the district to its previous condition as
22 nearly as possible at the sole expense of the district as defined by
23 Section 6902.118(a). (Acts 69th Leg., R.S., Ch. 775, Sec. 12(b).)

24 [Sections 6902.120-6902.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 6902.151. TAX COLLECTION. The district shall contract
27 with Crane County to collect property taxes for the district. (Acts

1 69th Leg., R.S., Ch. 775, Sec. 24(b).)

2 Sec. 6902.152. ADVISORY DUTIES OF CRANE COUNTY AUDITOR.
3 The Crane County auditor shall serve as an advisor to the district,
4 without remuneration, for the preparation of the district's budget
5 and the imposition of the district's property taxes. (Acts 69th
6 Leg., R.S., Ch. 775, Sec. 24(c).)

7 Sec. 6902.153. DISTRICT MONEY. The district may acquire,
8 hold, use, and dispose of its money from any source. (Acts 69th
9 Leg., R.S., Ch. 775, Sec. 7(d) (part).)

10 Sec. 6902.154. DEPOSITORY. (a) The board may select and
11 shall designate one or more banks inside or outside the district to
12 serve as the depository for the district's money.

13 (b) The district's money shall be deposited in the
14 depository designated by the board, except that:

15 (1) bond proceeds and money pledged to pay bonds, to
16 the extent provided in a resolution or trust indenture authorizing
17 or securing district bonds, may be deposited with another bank or
18 trustee named in the bond resolution or trust indenture; and

19 (2) money shall be remitted to each paying agent for
20 the payment of principal of and interest on the bonds.

21 (c) To the extent that money in a depository bank or trustee
22 bank is not insured by the Federal Deposit Insurance Corporation,
23 the money must be secured in the manner provided by law for the
24 security of county funds. (Acts 69th Leg., R.S., Ch. 775, Secs.
25 7(d) (part), 20(a), (b), (c).)

26 Sec. 6902.155. INVESTMENT OF DISTRICT MONEY. The board may
27 invest district money as determined by the board or in the manner

1 provided by a resolution or trust indenture authorizing or securing
2 district bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 20(d).)

3 Sec. 6902.156. DISTRICT FACILITIES EXEMPT FROM TAXATION AND
4 ASSESSMENT. The district is not required to pay a tax or assessment
5 on its facilities or any part of its facilities. (Acts 69th Leg.,
6 R.S., Ch. 775, Sec. 23 (part).)

7 [Sections 6902.157-6902.200 reserved for expansion]

8 SUBCHAPTER E. GENERAL BOND PROVISIONS

9 Sec. 6902.201. AUTHORITY TO ISSUE BONDS. (a) The district
10 may issue bonds to carry out any power provided by this chapter.
11 The bonds must be authorized by a board resolution.

12 (b) The bonds may be payable from and secured by revenue or
13 property taxes, or both revenue and property taxes, of the
14 district, in the manner and under the terms of the resolution
15 authorizing the issuance of the bonds.

16 (c) The district may issue bonds, provide for and secure the
17 payment of the bonds, and provide for the rights of the bondholders,
18 in the manner and to the extent permitted by this chapter. (Acts
19 69th Leg., R.S., Ch. 775, Secs. 7(i), 14(a), (b) (part), (c), (e)
20 (part).)

21 Sec. 6902.202. FORM OF BONDS. (a) A district bond must be:

- 22 (1) issued in the district's name;
23 (2) signed by the president or vice president;
24 (3) attested by the secretary; and
25 (4) bear the district seal.

26 (b) The district seal may be impressed or printed on the
27 bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 14(b) (part).)

1 Sec. 6902.203. MATURITY. District bonds must mature not
2 later than 40 years after the date of their issuance. (Acts 69th
3 Leg., R.S., Ch. 775, Sec. 14(b) (part).)

4 Sec. 6902.204. ELECTION FOR BONDS PAYABLE FROM PROPERTY
5 TAXES. (a) The district may not issue bonds, except refunding
6 bonds, payable wholly or partly from property taxes unless the
7 issuance of the bonds is authorized by a majority of the district
8 voters at an election.

9 (b) The district may issue bonds not payable wholly or
10 partly from property taxes without an election.

11 (c) A bond election may be called by the board on a motion of
12 the board.

13 (d) A resolution calling a bond election must state:

14 (1) the time and each place for holding the election;

15 (2) the purpose for which the bonds are to be issued;

16 (3) the amount of the bonds;

17 (4) the form of the ballot; and

18 (5) other matters considered necessary or advisable by
19 the board.

20 (e) The board shall give notice of the election by
21 publishing a substantial copy of the resolution calling the
22 election in a newspaper with general circulation in the district
23 once a week for two consecutive weeks, with the first publication to
24 be not later than the 14th day before the date of the election.
25 (Acts 69th Leg., R.S., Ch. 775, Secs. 17(a), (c), (d), (e), (f).)

26 Sec. 6902.205. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

27 (a) Bonds issued under this subchapter may be secured by a pledge

1 of all or part of the district's revenue, or by all or part of the
2 revenue of one or more district contracts or other revenue or income
3 specified by board resolution or a trust indenture securing the
4 bonds. The pledge may reserve the right, under conditions
5 specified by the pledge, to issue additional bonds that will be on a
6 parity with or subordinate to the bonds being issued.

7 (b) The district may issue bonds secured by both property
8 taxes and revenue of the district. (Acts 69th Leg., R.S., Ch. 775,
9 Secs. 14(d), (e) (part).)

10 Sec. 6902.206. BONDS PAYABLE FROM PROPERTY TAXES. (a) If
11 bonds are issued payable wholly or partly from property taxes, the
12 board must impose a tax on the taxable property in the district in
13 an amount sufficient to pay the principal of and interest on the
14 bonds.

15 (b) The district may adopt the rate of a tax imposed under
16 Subsection (a) after giving consideration to the money received
17 from the pledged revenue that may be available for payment of
18 principal and interest, to the extent and in the manner permitted by
19 the resolution authorizing the issuance of the bonds. (Acts 69th
20 Leg., R.S., Ch. 775, Sec. 14(e) (part).)

21 Sec. 6902.207. ADDITIONAL SECURITY. (a) Bonds not payable
22 wholly from ad valorem taxes may be additionally secured, at the
23 discretion of the board, by a deed of trust or mortgage lien on
24 physical property of the district, franchises, easements, water
25 rights and appropriation permits, leases, contracts, and all rights
26 appurtenant to the property, vesting in the trustee power to:

27 (1) sell the property for the payment of the debt;

1 (2) operate the property; and

2 (3) take other action to further secure the bonds.

3 (b) A purchaser under a sale under the deed of trust lien, if
4 one is given:

5 (1) is the absolute owner of property, facilities, and
6 rights purchased; and

7 (2) is entitled to maintain and operate the property
8 and facilities. (Acts 69th Leg., R.S., Ch. 775, Secs. 16(a) (part),
9 (b), (d).)

10 Sec. 6902.208. TRUST INDENTURE. (a) A bond issued under
11 this subchapter, including a refunding bond, that is not payable
12 wholly from property taxes may be additionally secured by a trust
13 indenture. The trustee may be a bank with trust powers located
14 inside or outside the state.

15 (b) A trust indenture, regardless of the existence of the
16 deed of trust or mortgage lien on the property, may:

17 (1) provide for the security of the bonds and the
18 preservation of the trust estate in the manner prescribed by the
19 board;

20 (2) provide for amendment or modification of the trust
21 indenture;

22 (3) provide for the issuance of bonds to replace lost
23 or mutilated bonds;

24 (4) condition the right to spend district money or
25 sell district property on the approval of a licensed engineer
26 selected as provided by this chapter; and

27 (5) provide for the investment of district money.

1 (Acts 69th Leg., R.S., Ch. 775, Secs. 16(a), (c).)

2 Sec. 6902.209. CHARGES FOR DISTRICT SERVICES. (a) If bonds
3 payable wholly from revenue are issued, the board shall set the
4 rates of compensation for water sold and services provided by the
5 district. The rates must be sufficient to:

6 (1) pay the expense of operating and maintaining
7 district facilities;

8 (2) pay the principal of and interest on the bonds when
9 due; and

10 (3) maintain the reserve fund and other funds as
11 provided in the resolution authorizing the bonds.

12 (b) If bonds payable partly from revenue are issued, the
13 board shall set the rate of compensation for water sold and any
14 other services provided by the district. The rate must be
15 sufficient to ensure compliance with the resolution authorizing the
16 bonds or the trust indenture securing the bonds. (Acts 69th Leg.,
17 R.S., Ch. 775, Sec. 14(f).)

18 Sec. 6902.210. USE OF BOND PROCEEDS. (a) The district may
19 set aside and use an amount of proceeds from the sale of bonds
20 issued under this subchapter for:

21 (1) the payment of interest expected to accrue during
22 construction not to exceed three years;

23 (2) a reserve interest and sinking fund; and

24 (3) other funds provided by the resolution authorizing
25 the bonds or in the trust indenture.

26 (b) The district may use proceeds from the sale of the bonds
27 to pay any expense necessarily incurred in accomplishing the

1 purpose of the district, including any expense of issuing and
2 selling the bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 14(g).)

3 Sec. 6902.211. APPOINTMENT OF RECEIVER. (a) On default or
4 threatened default in the payment of principal of or interest on
5 bonds issued under this subchapter that are payable wholly or
6 partly from revenue, a court may, on petition of the holders of
7 outstanding bonds, appoint a receiver for the district.

8 (b) The receiver may collect and receive all district
9 income, except taxes, employ and discharge district agents and
10 employees, take charge of money on hand, except money received from
11 taxes, unless commingled, and manage the proprietary affairs of the
12 district without the consent of the board.

13 (c) The receiver may be authorized to sell or contract for
14 the sale of water or renew those contracts with the approval of the
15 court that appointed the receiver.

16 (d) The court may vest the receiver with any other power or
17 duty the court finds necessary to protect the bondholders. (Acts
18 69th Leg., R.S., Ch. 775, Sec. 14(h) (part).)

19 Sec. 6902.212. LIMITATION ON RIGHTS OF HOLDERS. The
20 resolution authorizing the bonds or the trust indenture securing
21 the bonds may limit or qualify the rights of the holders of less
22 than all of the outstanding bonds payable from the same source to
23 institute or prosecute litigation affecting the district's
24 property or income. (Acts 69th Leg., R.S., Ch. 775, Sec. 14(h)
25 (part).)

26 Sec. 6902.213. BONDS EXEMPT FROM TAXATION. A bond issued
27 under this chapter, the transfer of the bond, and income from the

1 bond, including profits made on the sale of the bond, are exempt
2 from taxation in this state. (Acts 69th Leg., R.S., Ch. 775, Sec.
3 23 (part).)

4 Sec. 6902.214. EXCLUSION OF TERRITORY AFTER ISSUANCE OF
5 BONDS. Territory may not be excluded from the district after the
6 issuance of bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 17(b).)

7 [Sections 6902.215-6902.250 reserved for expansion]

8 SUBCHAPTER F. REFUNDING BONDS

9 Sec. 6902.251. AUTHORITY TO ISSUE REFUNDING BONDS;
10 APPLICABILITY OF LAW RELATING TO OTHER BONDS. (a) The district may
11 issue refunding bonds to refund outstanding bonds issued under this
12 chapter and interest on those bonds.

13 (b) The provisions of this chapter relating to the issuance
14 by the district of other bonds, their security, their approval by
15 the attorney general, and the remedies of the bondholders apply to
16 refunding bonds.

17 (c) An election is not required for refunding bonds.

18 (d) The district may also issue refunding bonds under any
19 other applicable law. (Acts 69th Leg., R.S., Ch. 775, Secs. 15(a),
20 (c), (e) (part).)

21 Sec. 6902.252. TERMS OF ISSUANCE OF REFUNDING BONDS.
22 Refunding bonds may:

- 23 (1) be issued to refund bonds of more than one series;
24 (2) combine the pledges for the outstanding bonds for
25 the security of the refunding bonds; or
26 (3) be secured by a pledge of other or additional
27 revenue or mortgage liens. (Acts 69th Leg., R.S., Ch. 775, Sec.

1 15(b).)

2 Sec. 6902.253. REGISTRATION OF REFUNDING BONDS BY
3 COMPTROLLER. (a) The comptroller shall register the refunding
4 bonds on the surrender and cancellation of the bonds to be refunded.

5 (b) Instead of issuing bonds to be registered on the
6 surrender and cancellation of the bonds to be refunded, the
7 district, in the resolution authorizing the issuance of the
8 refunding bonds, may provide for the sale of the refunding bonds and
9 the deposit of the proceeds, together with other money that may be
10 available, in a bank at which the bonds to be refunded are payable.
11 In that case, the refunding bonds may be issued in an amount
12 sufficient to pay the principal of and interest and any required
13 redemption premium on the bonds to be refunded to any redemption
14 date or to their maturity date, and the comptroller shall register
15 the refunding bonds without the surrender and cancellation of the
16 bonds to be refunded.

17 (c) The provisions described by Subsection (b) constitute
18 the making of firm banking arrangements for the discharge and final
19 payment or redemption of the bonds to be refunded or to be paid or
20 redeemed. (Acts 69th Leg., R.S., Ch. 775, Sec. 15(d).)

21 Sec. 6902.254. ESCROW AGREEMENT. (a) The district may
22 enter into an escrow or similar agreement with any place of payment,
23 paying agent, or trustee with respect to the safekeeping,
24 investment, administration, and disposition of a deposit made under
25 Section 6902.253(b).

26 (b) A deposit under Section 6902.253(b) may be invested only
27 in direct obligations of the United States, including obligations

1 the principal of and interest on which are unconditionally
2 guaranteed by the United States, that mature and bear interest
3 payable at the times and in amounts sufficient to provide for the
4 scheduled payment or redemption of the bonds to be refunded. The
5 obligations may be in book-entry form.

6 (c) The district must enter into an agreement under
7 Subsection (a) if a bond to be refunded is scheduled to be paid or
8 redeemed on a date later than the next scheduled interest payment
9 date. (Acts 69th Leg., R.S., Ch. 775, Sec. 15(e) (part).)

10 CHAPTER 6903. EASTLAND COUNTY WATER SUPPLY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 6903.001. DEFINITIONS

13 Sec. 6903.002. NATURE OF DISTRICT

14 Sec. 6903.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

15 [Sections 6903.004-6903.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT

17 TERRITORY

18 Sec. 6903.051. DISTRICT TERRITORY

19 Sec. 6903.052. AUTHORITY TO ANNEX TERRITORY

20 Sec. 6903.053. PETITION FOR ANNEXATION; BOARD FINDINGS

21 AND RESOLUTION

22 Sec. 6903.054. COMMISSIONERS COURT RESOLUTION; HEARING

23 Sec. 6903.055. ANNEXATION HEARING

24 Sec. 6903.056. COMMISSIONERS COURT FINDINGS AND

25 RESOLUTION; ELECTION

26 Sec. 6903.057. NOTICE OF ANNEXATION ELECTION

27 Sec. 6903.058. ELECTION RESULTS

- 1 Sec. 6903.059. ASSUMPTION OF DEBT; TAXES
2 Sec. 6903.060. RESTRICTION ON ANNEXATION OF RAILROAD
3 RIGHT-OF-WAY
4 [Sections 6903.061-6903.100 reserved for expansion]
5 SUBCHAPTER C. BOARD OF DIRECTORS
6 Sec. 6903.101. COMPOSITION OF BOARD; TERMS
7 Sec. 6903.102. QUALIFICATIONS FOR OFFICE
8 Sec. 6903.103. LOCATION AND NOTICE FOR DIRECTORS
9 ELECTION; RESULTS
10 Sec. 6903.104. BALLOT PROCEDURE FOR CANDIDATES
11 Sec. 6903.105. APPOINTMENT OF SECRETARY AND TREASURER
12 Sec. 6903.106. VOTE BY BOARD PRESIDENT
13 Sec. 6903.107. DIRECTOR'S AND TREASURER'S BOND
14 Sec. 6903.108. COMPENSATION
15 [Sections 6903.109-6903.150 reserved for expansion]
16 SUBCHAPTER D. GENERAL POWERS AND DUTIES
17 Sec. 6903.151. CONSTRUCTION OF DAM
18 Sec. 6903.152. UNDERGROUND SOURCES OF WATER
19 Sec. 6903.153. CONSTRUCTION OR ACQUISITION OF PROPERTY
20 Sec. 6903.154. WATER APPROPRIATION PERMITS
21 Sec. 6903.155. PURCHASE OF WATER
22 Sec. 6903.156. SURPLUS PROPERTY
23 Sec. 6903.157. EMINENT DOMAIN
24 Sec. 6903.158. PARKS AND RECREATION FACILITIES
25 Sec. 6903.159. CONSTRUCTION CONTRACTS
26 Sec. 6903.160. CONTRACTS TO SUPPLY WATER

1 Sec. 6903.161. CONTRACTS FOR TOLL BRIDGES OR FERRY

2 SERVICE

3 [Sections 6903.162-6903.200 reserved for expansion]

4 SUBCHAPTER E. REGULATORY POWERS

5 Sec. 6903.201. ADOPTION OF RULES

6 Sec. 6903.202. ENFORCEMENT OF RULES; PENALTY

7 Sec. 6903.203. NOTICE OF RULE PROVIDING PENALTY

8 Sec. 6903.204. JUDICIAL NOTICE OF RULES

9 Sec. 6903.205. ENFORCEMENT BY PEACE OFFICERS

10 [Sections 6903.206-6903.250 reserved for expansion]

11 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

12 Sec. 6903.251. DEPOSITORY

13 Sec. 6903.252. TAX ASSESSOR AND COLLECTOR

14 Sec. 6903.253. PROJECTS EXEMPT FROM ASSESSMENT OR

15 TAXATION

16 [Sections 6903.254-6903.300 reserved for expansion]

17 SUBCHAPTER G. BONDS

18 Sec. 6903.301. AUTHORITY TO ISSUE BONDS

19 Sec. 6903.302. FORM OF BONDS

20 Sec. 6903.303. MATURITY

21 Sec. 6903.304. ELECTION FOR BONDS PAYABLE FROM AD

22 VALOREM TAXES

23 Sec. 6903.305. BONDS PAYABLE FROM REVENUE

24 Sec. 6903.306. BONDS PAYABLE FROM AD VALOREM TAXES

25 Sec. 6903.307. TAX AND RATE REQUIREMENTS

26 Sec. 6903.308. ADDITIONAL SECURITY

27 Sec. 6903.309. USE OF BOND PROCEEDS

1 Sec. 6903.310. APPOINTMENT OF RECEIVER

2 Sec. 6903.311. REFUNDING BONDS

3 Sec. 6903.312. BONDS EXEMPT FROM TAXATION

4 CHAPTER 6903. EASTLAND COUNTY WATER SUPPLY DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 6903.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the
8 district.

9 (2) "Commissioners court" means the Commissioners
10 Court of Eastland County.

11 (3) "Director" means a member of the board.

12 (4) "District" means the Eastland County Water Supply
13 District. (Acts 51st Leg., R.S., Ch. 465, Sec. 1 (part); New.)

14 Sec. 6903.002. NATURE OF DISTRICT. The district is created
15 under Section 59, Article XVI, Texas Constitution. (Acts 51st
16 Leg., R.S., Ch. 465, Sec. 1 (part).)

17 Sec. 6903.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
18 All land in the district will benefit from the improvement to be
19 acquired and constructed by the district.

20 (b) The accomplishment of the purposes stated in this
21 chapter is for the benefit of the people of this state and for the
22 improvement of their property and industries. The district, in
23 carrying out the purposes of this chapter, will be performing an
24 essential public function under the Texas Constitution. (Acts 51st
25 Leg., R.S., Ch. 465, Secs. 2 (part), 19 (part).)

26 [Sections 6903.004-6903.050 reserved for expansion]

1 petition is sufficient if it states that the territory to be annexed
2 is the territory contained in the municipality.

3 (b) If the board determines that the petition complies with
4 Subsection (a), that the annexation would be in the interest of the
5 district, and that the district will be able to supply water to the
6 territory, the board shall adopt a resolution:

7 (1) stating the conditions, if any, under which the
8 territory may be annexed to the district; and

9 (2) requesting the commissioners court to annex the
10 territory to the district.

11 (c) A certified copy of the resolution and petition shall be
12 filed with the commissioners court. (Acts 51st Leg., R.S., Ch. 465,
13 Secs. 5(a), (b).)

14 Sec. 6903.054. COMMISSIONERS COURT RESOLUTION; HEARING.
15 The commissioners court shall:

16 (1) adopt a resolution declaring its intention to call
17 an election in the territory to submit the proposition of whether
18 the territory is to be annexed to the district; and

19 (2) set a time and place to hold a commissioners court
20 hearing on the question of whether the territory to be annexed will
21 benefit from the improvements, works, and facilities then owned or
22 operated or contemplated to be owned or operated by the district.
23 (Acts 51st Leg., R.S., Ch. 465, Sec. 5(c) (part).)

24 Sec. 6903.055. ANNEXATION HEARING. (a) At least 10 days
25 before the date of the annexation hearing, notice of the adoption of
26 the resolution stating the time and place of the hearing and
27 addressed to the citizens and owners of property in the territory to

1 be annexed shall be published one time in a newspaper designated by
2 the commissioners court. The notice must describe the territory in
3 the same manner in which Section 6903.053(a) requires the petition
4 to describe the territory.

5 (b) If a newspaper is not published in the territory to be
6 annexed, the notice shall be posted in three public places in the
7 territory.

8 (c) Any interested person may appear at the hearing and
9 offer evidence for or against the annexation.

10 (d) The hearing may proceed in the order and under the rules
11 prescribed by the commissioners court and may be recessed from time
12 to time. (Acts 51st Leg., R.S., Ch. 465, Secs. 5(d), (e) (part),
13 (k).)

14 Sec. 6903.056. COMMISSIONERS COURT FINDINGS AND
15 RESOLUTION; ELECTION. If, at the conclusion of the annexation
16 hearing, the commissioners court finds that all land in the
17 territory to be annexed will benefit from the present or
18 contemplated improvements, works, or facilities of the district,
19 the court shall adopt a resolution that:

20 (1) calls an election in the territory to be annexed;
21 and

22 (2) states the date of the election and the place or
23 places of holding the election. (Acts 51st Leg., R.S., Ch. 465,
24 Sec. 5(e) (part).)

25 Sec. 6903.057. NOTICE OF ANNEXATION ELECTION. In addition
26 to complying with Section 4.004, Election Code, notice of the
27 annexation election must:

1 (1) state the conditions under which the territory may
2 be annexed; or

3 (2) refer to the resolution of the board for that
4 purpose. (Acts 51st Leg., R.S., Ch. 465, Sec. 5(f) (part).)

5 Sec. 6903.058. ELECTION RESULTS. (a) The commissioners
6 court shall issue an order declaring the results of the annexation
7 election.

8 (b) If the order shows that a majority of the votes cast are
9 in favor of annexation, the commissioners court shall annex the
10 proposed territory to the district. The annexation is
11 incontestable except within the time for contesting elections under
12 the general election law.

13 (c) A certified copy of the order shall be recorded in the
14 deed records of the county in which the territory is located. (Acts
15 51st Leg., R.S., Ch. 465, Sec. 5(h) (part).)

16 Sec. 6903.059. ASSUMPTION OF DEBT; TAXES. (a) In calling
17 the election on the proposition for annexation of territory, the
18 commissioners court may include, as a part of the same proposition,
19 a proposition for:

20 (1) the territory to assume its part of the
21 tax-supported bonds of the district then outstanding and those
22 bonds previously voted but not yet sold; and

23 (2) an ad valorem tax to be imposed on taxable property
24 in the territory along with the tax in the rest of the district for
25 the payment of the bonds.

26 (b) After territory is annexed to the district, the board
27 may hold an election in the district as enlarged to determine

1 whether the district as enlarged shall assume any tax-supported
2 bonds then outstanding and those previously voted but not yet sold
3 and impose an ad valorem tax on all taxable property in the district
4 as enlarged to pay the bonds, unless the proposition is submitted as
5 provided by Subsection (a) and becomes binding on the territory
6 annexed.

7 (c) An election held under Subsection (b) shall be held in
8 the same manner as an election under this chapter for the issuance
9 of bonds. (Acts 51st Leg., R.S., Ch. 465, Secs. 5(i), (j).)

10 Sec. 6903.060. RESTRICTION ON ANNEXATION OF RAILROAD
11 RIGHT-OF-WAY. (a) A railroad right-of-way may not be annexed to
12 the district unless the right-of-way is contained in the limits of a
13 municipality annexed at the same time or previously annexed to the
14 district.

15 (b) A railroad right-of-way that is not in the defined
16 limits of a municipality will not benefit from improvements, works,
17 and facilities the district is authorized to construct. (Acts 51st
18 Leg., R.S., Ch. 465, Sec. 5(c) (part).)

19 [Sections 6903.061-6903.100 reserved for expansion]

20 SUBCHAPTER C. BOARD OF DIRECTORS

21 Sec. 6903.101. COMPOSITION OF BOARD; TERMS. (a) The board
22 consists of eight directors.

23 (b) Voters of the city of Ranger who reside in the district
24 elect four directors. Voters of the city of Eastland who reside in
25 the district elect four directors.

26 (c) Directors serve staggered terms, with the terms of two
27 directors elected from each city expiring at the same time. (Acts

1 51st Leg., R.S., Ch. 465, Secs. 3(a) (part), (c) (part), (d)
2 (part).)

3 Sec. 6903.102. QUALIFICATIONS FOR OFFICE. (a) A director
4 must reside in the municipality from which elected and own taxable
5 property in the district.

6 (b) A member of a municipality's governing body or an
7 employee of a municipality may not be a director. (Acts 51st Leg.,
8 R.S., Ch. 465, Secs. 3(a) (part), (c) (part).)

9 Sec. 6903.103. LOCATION AND NOTICE FOR DIRECTORS ELECTION;
10 RESULTS. (a) For a regular directors election, there shall be at
11 least one voting place in each municipality in the district.

12 (b) Notice of a directors election shall be published in a
13 newspaper published in each municipality in the district one time
14 not later than the 10th day before the date of the election.

15 (c) The board shall adopt a resolution declaring the
16 election results. (Acts 51st Leg., R.S., Ch. 465, Sec. 3(d)
17 (part).)

18 Sec. 6903.104. BALLOT PROCEDURE FOR CANDIDATES. (a) A
19 person who wants to have the person's name printed on the ballot as
20 a candidate for director must present a petition requesting that
21 action.

22 (b) The petition must be:

23 (1) signed by at least 50 residents of the district who
24 are registered to vote at the election; and

25 (2) presented to the board's secretary not later than
26 the 16th day before the date of the election. (Acts 51st Leg.,
27 R.S., Ch. 465, Sec. 3(e).)

1 Sec. 6903.105. APPOINTMENT OF SECRETARY AND TREASURER. The
2 board shall appoint a secretary and a treasurer, who are not
3 required to be directors. The board may combine the offices of
4 secretary and treasurer. (Acts 51st Leg., R.S., Ch. 465, Sec. 4
5 (part).)

6 Sec. 6903.106. VOTE BY BOARD PRESIDENT. The president has
7 the same right to vote as any other director. (Acts 51st Leg.,
8 R.S., Ch. 465, Sec. 4 (part).)

9 Sec. 6903.107. DIRECTOR'S AND TREASURER'S BOND. (a) Each
10 director shall give bond in the amount of \$5,000 conditioned on the
11 faithful performance of the director's duties.

12 (b) The treasurer shall give bond in the amount required by
13 the board. The treasurer's bond shall be conditioned on the
14 treasurer's faithful accounting for all money that comes into the
15 treasurer's custody as treasurer of the district. (Acts 51st Leg.,
16 R.S., Ch. 465, Secs. 3(a) (part), 4 (part).)

17 Sec. 6903.108. COMPENSATION. Unless the board by
18 resolution increases the fee to an amount authorized by Section
19 49.060, Water Code, each director:

20 (1) shall receive a fee of \$5 for attending each board
21 meeting; and

22 (2) is also entitled to receive \$5 for each day devoted
23 to the business of the district if the service is expressly approved
24 by the board. (Acts 51st Leg., R.S., Ch. 465, Sec. 3(g) (part);
25 New.)

26 [Sections 6903.109-6903.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL POWERS AND DUTIES

2 Sec. 6903.151. CONSTRUCTION OF DAM. (a) The district may
3 impound storm and flood waters and the unappropriated flow waters
4 at one or more places and in an amount approved by the Texas
5 Commission on Environmental Quality by constructing one or more
6 dams inside or outside the district. In exercising its powers under
7 this subsection, the district shall comply with Subchapters A-D,
8 Chapter 11, and Subchapter B, Chapter 12, Water Code.

9 (b) A dam or other works for the impounding of water from a
10 river under this section may not be constructed until the plans for
11 the dam or other works are approved by the Texas Commission on
12 Environmental Quality. (Acts 51st Leg., R.S., Ch. 465, Sec. 6
13 (part).)

14 Sec. 6903.152. UNDERGROUND SOURCES OF WATER. The district
15 may develop or otherwise acquire underground sources of water.
16 (Acts 51st Leg., R.S., Ch. 465, Sec. 6 (part).)

17 Sec. 6903.153. CONSTRUCTION OR ACQUISITION OF PROPERTY.
18 The district may construct or otherwise acquire all works, plants,
19 and other facilities necessary or useful for the purpose of
20 processing water impounded, developed, or otherwise acquired and
21 transporting it to municipalities and others for municipal,
22 domestic, and industrial purposes. (Acts 51st Leg., R.S., Ch. 465,
23 Sec. 6 (part).)

24 Sec. 6903.154. WATER APPROPRIATION PERMITS. The district
25 may acquire water appropriation permits directly from the Texas
26 Commission on Environmental Quality or from owners of permits.
27 (Acts 51st Leg., R.S., Ch. 465, Sec. 16 (part).)

1 Sec. 6903.155. PURCHASE OF WATER. The district may
2 purchase water or a water supply from any person, including a public
3 agency. (Acts 51st Leg., R.S., Ch. 465, Sec. 16 (part).)

4 Sec. 6903.156. SURPLUS PROPERTY. The district may sell any
5 property that, in the opinion of the board, will not be needed for
6 the conduct of the affairs or business of the district. (Acts 51st
7 Leg., R.S., Ch. 465, Sec. 6 (part).)

8 Sec. 6903.157. EMINENT DOMAIN. (a) To carry out a power
9 provided by this chapter, the district may exercise the power of
10 eminent domain to acquire land and easements inside or outside the
11 district, including land above the probable high water line around
12 the reservoirs.

13 (b) The district must exercise the power of eminent domain
14 in the manner provided by Chapter 21, Property Code.

15 (c) The board shall determine the amount and the type of
16 interest in land and easements to be acquired under this section.
17 (Acts 51st Leg., R.S., Ch. 465, Sec. 7.)

18 Sec. 6903.158. PARKS AND RECREATION FACILITIES. (a) The
19 district may establish or otherwise provide for public parks and
20 recreation facilities and may acquire land adjacent to any of its
21 reservoirs for those purposes.

22 (b) The district may not use money received from taxation or
23 from bonds payable wholly or partly from taxation for a purpose
24 described by Subsection (a). (Acts 51st Leg., R.S., Ch. 465, Sec.
25 22.)

26 Sec. 6903.159. CONSTRUCTION CONTRACTS. (a) This section
27 applies only to a construction contract or a contract for the

1 purchase of material, equipment, or supplies requiring an
2 expenditure of more than \$25,000.

3 (b) The district shall award a contract to the lowest and
4 best bidder after publishing notice to bidders once a week for two
5 weeks in a newspaper published in the district that is designated by
6 the board.

7 (c) The notice is sufficient if it states:

8 (1) the time and place for opening the bids;

9 (2) the general nature of the work to be done or the
10 material, equipment, or supplies to be purchased; and

11 (3) the place where and the terms on which copies of
12 the plans and specifications may be obtained. (Acts 51st Leg.,
13 R.S., Ch. 465, Sec. 8.)

14 Sec. 6903.160. CONTRACTS TO SUPPLY WATER. (a) The district
15 may contract with municipalities and others to supply water to
16 those entities.

17 (b) The district may contract with a municipality for the
18 rental or leasing of or for the operation of the water production,
19 water supply, and water supply facilities of the municipality on
20 the consideration agreed to by the district and the municipality.

21 (c) The contract may be on terms and for the time agreed to
22 by the parties.

23 (d) The contract may provide that it will continue in effect
24 until bonds specified in it and refunding bonds issued in lieu of
25 the bonds are paid. (Acts 51st Leg., R.S., Ch. 465, Sec. 14.)

26 Sec. 6903.161. CONTRACTS FOR TOLL BRIDGES OR FERRY SERVICE.

27 (a) The board may contract with a responsible person for:

1 (1) the construction and operation of a toll bridge
2 over the district's water; or

3 (2) ferry service on or over the district's water.

4 (b) The period of a contract under Subsection (a) may not
5 exceed:

6 (1) 20 years under Subsection (a)(1); or

7 (2) 10 years under Subsection (a)(2).

8 (c) The contract under Subsection (a) may:

9 (1) set reasonable compensation to be charged for
10 service by the facility;

11 (2) require from the contracting person an adequate
12 bond payable to the district in an amount and conditioned as the
13 board considers to be required; and

14 (3) provide for forfeiture of the particular franchise
15 if the license holder fails to render adequate public service.
16 (Acts 51st Leg., R.S., Ch. 465, Sec. 21(a) (part).)

17 [Sections 6903.162-6903.200 reserved for expansion]

18 SUBCHAPTER E. REGULATORY POWERS

19 Sec. 6903.201. ADOPTION OF RULES. The board may adopt
20 reasonable rules to:

21 (1) secure, maintain, and preserve the sanitary
22 condition of water in and water that flows into any reservoir owned
23 by the district;

24 (2) prevent waste of or the unauthorized use of water;
25 and

26 (3) regulate residence, hunting, fishing, boating,
27 camping, and any other recreational or business privilege along or

1 around any district reservoir and the stream leading into the
2 reservoir, and its tributaries, or any body of land, or easement
3 owned or controlled by the district. (Acts 51st Leg., R.S., Ch.
4 465, Sec. 21(a) (part).)

5 Sec. 6903.202. ENFORCEMENT OF RULES; PENALTY. (a) The
6 district by rule may prescribe reasonable penalties for the
7 violation of a district rule.

8 (b) A penalty may consist of:

9 (1) a fine not to exceed \$200;

10 (2) confinement in jail for a term not to exceed 30
11 days; or

12 (3) both the fine and confinement.

13 (c) A penalty adopted under this section is in addition to
14 any other penalty provided by Texas law. (Acts 51st Leg., R.S., Ch.
15 465, Sec. 21(b) (part).)

16 Sec. 6903.203. NOTICE OF RULE PROVIDING PENALTY. (a) If
17 the district adopts a rule that provides a penalty, the district
18 must publish a substantive statement of the rule and the penalty
19 once a week for two consecutive weeks in Eastland County.

20 (b) The statement must be as condensed as possible so that
21 the act prohibited by the rule can be easily understood.

22 (c) The statement may include notice of any number of rules.

23 (d) The notice must state that:

24 (1) a person who violates the rule is subject to a
25 penalty; and

26 (2) the rule is on file in the principal office of the
27 district, where it may be read by any interested person.

1 (e) A rule takes effect five days after the date of the
2 second publication of the statement under this section. (Acts 51st
3 Leg., R.S., Ch. 465, Sec. 21(b) (part).)

4 Sec. 6903.204. JUDICIAL NOTICE OF RULES. A court shall take
5 judicial notice of a rule adopted under this subchapter and
6 published as required by Section 6903.203, and the court shall
7 consider the rule to be similar in nature to a penal ordinance of a
8 municipality. (Acts 51st Leg., R.S., Ch. 465, Sec. 21(b) (part).)

9 Sec. 6903.205. ENFORCEMENT BY PEACE OFFICERS. (a) A peace
10 officer employed by the district or a county peace officer may make
11 an arrest when necessary to prevent or abate the commission of an
12 offense:

13 (1) in violation of a district rule or a law of this
14 state that occurs or threatens to occur on any land, water, or
15 easement owned or controlled by the district; or

16 (2) involving damage to any property owned or
17 controlled by the district.

18 (b) A peace officer described by Subsection (a) may make an
19 arrest under Subsection (a)(2) at any location. (Acts 51st Leg.,
20 R.S., Ch. 465, Sec. 21(c).)

21 [Sections 6903.206-6903.250 reserved for expansion]

22 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

23 Sec. 6903.251. DEPOSITORY. (a) Except as provided by
24 Subsection (i), the board shall designate one or more banks in the
25 district to serve as depository for the district's money.

26 (b) District money shall be deposited with a designated
27 depository bank or banks, except that:

1 (1) money pledged to pay bonds may be deposited with
2 the trustee bank named in the trust agreement; and

3 (2) money shall be remitted to the bank of payment for
4 the payment of principal of and interest on bonds.

5 (c) To the extent that money in a depository bank or a
6 trustee bank is not insured by the Federal Deposit Insurance
7 Corporation, the money must be secured in the manner provided by law
8 for the security of county funds.

9 (d) The board shall prescribe the terms of service for
10 depositories.

11 (e) Before designating a depository bank, the board shall
12 issue a notice that:

13 (1) states the time and place at which the board will
14 meet to designate a depository bank or banks; and

15 (2) invites the banks in the district to submit an
16 application to be designated as a depository.

17 (f) The notice must be published one time in a newspaper
18 published in the district and specified by the board.

19 (g) At the time stated in the notice, the board shall:

20 (1) consider the application and the management and
21 condition of each bank that applies; and

22 (2) designate as a depository the bank or banks that:

23 (A) offer the most favorable terms for handling
24 the money; and

25 (B) the board finds have proper management and
26 are in condition to handle the money.

27 (h) Membership on the board of an officer or director of a

1 bank does not disqualify the bank from being designated as a
2 depository.

3 (i) If the board does not receive any applications before
4 the time stated in the notice, or if the board rejects all
5 applications, the board shall designate one or more banks located
6 inside or outside the district on terms that the board finds
7 advantageous to the district. (Acts 51st Leg., R.S., Ch. 465, Sec.
8 15.)

9 Sec. 6903.252. TAX ASSESSOR AND COLLECTOR. The board shall
10 appoint a tax assessor and collector. (Acts 51st Leg., R.S., Ch.
11 465, Sec. 20(b) (part).)

12 Sec. 6903.253. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.
13 The district is not required to pay a tax or assessment on a project
14 or any part of a project. (Acts 51st Leg., R.S., Ch. 465, Sec. 19
15 (part).)

16 [Sections 6903.254-6903.300 reserved for expansion]

17 SUBCHAPTER G. BONDS

18 Sec. 6903.301. AUTHORITY TO ISSUE BONDS. (a) The district
19 may issue bonds to:

20 (1) provide a source of water supply for
21 municipalities and other users for municipal, domestic, and
22 industrial purposes; or

23 (2) carry out any other power conferred by this
24 chapter.

25 (b) The bonds must be authorized by a board resolution.
26 (Acts 51st Leg., R.S., Ch. 465, Secs. 9(a) (part), (b) (part), (c),
27 (e) (part).)

1 Sec. 6903.302. FORM OF BONDS. District bonds must be:

2 (1) issued in the district's name;

3 (2) signed by the president or vice president; and

4 (3) attested by the secretary. (Acts 51st Leg., R.S.,
5 Ch. 465, Sec. 9(b) (part).)

6 Sec. 6903.303. MATURITY. District bonds must mature not
7 later than 40 years after the date of their issuance. (Acts 51st
8 Leg., R.S., Ch. 465, Sec. 9(b) (part).)

9 Sec. 6903.304. ELECTION FOR BONDS PAYABLE FROM AD VALOREM
10 TAXES. (a) Bonds, other than refunding bonds, payable wholly or
11 partly from ad valorem taxes may not be issued unless authorized by
12 a district election at which a majority of the votes cast in each
13 municipality in the district favor the bond issuance.

14 (b) The board may order an election under this section
15 without a petition. The order must specify:

16 (1) the time and places at which the election will be
17 held;

18 (2) the purpose for which the bonds will be issued;

19 (3) the maximum amount of the bonds;

20 (4) the maximum maturity of the bonds;

21 (5) the form of the ballot; and

22 (6) the presiding judge for each voting place.

23 (c) Notice of the election must be given by publishing a
24 substantial copy of the order calling the election in a newspaper
25 published in the district for two consecutive weeks. The first
26 publication must be not later than the 21st day before the date of
27 the election. (Acts 51st Leg., R.S., Ch. 465, Secs. 12(a) (part),

1 (b).)

2 Sec. 6903.305. BONDS PAYABLE FROM REVENUE. (a) In this
3 section, "net revenue" means the gross revenue of the district less
4 the amount necessary to pay the cost of maintaining and operating
5 the district and its property.

6 (b) Bonds issued under this subchapter may be secured under
7 board resolution by a pledge of:

8 (1) all or part of the district's net revenue;

9 (2) the net revenue of one or more contracts made
10 before or after the issuance of the bonds; or

11 (3) other revenue specified by board resolution.

12 (c) The pledge may reserve the right to issue additional
13 bonds on a parity with or subordinate to the bonds being issued,
14 subject to conditions specified by the pledge.

15 (d) Bonds not payable wholly or partly from ad valorem taxes
16 may be issued without an election. (Acts 51st Leg., R.S., Ch. 465,
17 Secs. 9(a) (part), (d), 12(a) (part).)

18 Sec. 6903.306. BONDS PAYABLE FROM AD VALOREM TAXES. The
19 district may issue bonds payable from:

20 (1) ad valorem taxes imposed on taxable property in
21 the district; or

22 (2) ad valorem taxes and revenue of the district.
23 (Acts 51st Leg., R.S., Ch. 465, Sec. 9(e) (part).)

24 Sec. 6903.307. TAX AND RATE REQUIREMENTS. (a) If the
25 district issues bonds payable wholly or partly from ad valorem
26 taxes, the board shall impose a tax sufficient to pay the bonds and
27 the interest on the bonds as the bonds and interest become due. The

1 board may adopt the rate of the tax after considering the money
2 received from the pledged revenue available for payment of
3 principal and interest to the extent and in the manner permitted by
4 the resolution authorizing the issuance of the bonds.

5 (b) If the district issues bonds payable wholly or partly
6 from revenue, the board shall set and revise the rates of
7 compensation for water sold and services rendered by the district.

8 (c) For bonds payable wholly from revenue, the rates of
9 compensation must be sufficient to:

10 (1) pay the expense of operating and maintaining the
11 facilities of the district;

12 (2) pay the bonds as they mature and the interest as it
13 accrues; and

14 (3) maintain the reserve and other funds as provided
15 by the resolution authorizing the issuance of the bonds.

16 (d) For bonds payable partly from revenue, the rates of
17 compensation must be sufficient to assure compliance with the
18 resolution authorizing the issuance of the bonds. (Acts 51st Leg.,
19 R.S., Ch. 465, Secs. 9(e) (part), (f).)

20 Sec. 6903.308. ADDITIONAL SECURITY. (a) Bonds, including
21 refunding bonds, authorized by this subchapter that are not payable
22 wholly from ad valorem taxes may be additionally secured by a deed
23 of trust lien on physical property of the district and all
24 franchises, easements, water rights and appropriation permits,
25 leases, contracts, and all rights appurtenant to the property,
26 vesting in the trustee power to:

27 (1) sell the property for payment of the debt;

1 (2) operate the property; and

2 (3) take other action to further secure the bonds.

3 (b) The deed of trust may:

4 (1) contain any provision the board prescribes to
5 secure the bonds and preserve the trust estate;

6 (2) provide for amendment or modification of the deed
7 of trust; and

8 (3) provide for the issuance of bonds to replace lost
9 or mutilated bonds.

10 (c) A purchaser under a sale under the deed of trust:

11 (1) is the owner of the dam or dams and the other
12 property, including facilities, purchased; and

13 (2) is entitled to maintain and operate the property,
14 including facilities. (Acts 51st Leg., R.S., Ch. 465, Sec. 11.)

15 Sec. 6903.309. USE OF BOND PROCEEDS. (a) The district may
16 set aside an amount of proceeds from the sale of bonds issued under
17 this subchapter for the payment of interest expected to accrue
18 during construction and a reserve interest and sinking fund. The
19 resolution authorizing the bonds may provide for setting aside and
20 using the proceeds.

21 (b) The district may use proceeds from the sale of the bonds
22 to pay any expense necessarily incurred in accomplishing the
23 purposes of the district. (Acts 51st Leg., R.S., Ch. 465, Sec.
24 9(g).)

25 Sec. 6903.310. APPOINTMENT OF RECEIVER. (a) On default or
26 threatened default in the payment of principal of or interest on
27 bonds issued under this subchapter that are payable wholly or

1 partly from revenue, a court may, on petition of the holders of 25
2 percent of the outstanding bonds of the issue in default or
3 threatened with default, appoint a receiver for the district.

4 (b) The receiver may collect and receive all district income
5 except taxes, employ and discharge district agents and employees,
6 take charge of money on hand, except money received from taxes,
7 unless commingled, and manage the district's proprietary affairs
8 without consent or hindrance by the board.

9 (c) The receiver may be authorized to sell or contract for
10 the sale of water or to renew those contracts with the approval of
11 the court that appointed the receiver.

12 (d) The court may vest the receiver with any other power or
13 duty the court finds necessary to protect the bondholders. (Acts
14 51st Leg., R.S., Ch. 465, Sec. 9(h).)

15 Sec. 6903.311. REFUNDING BONDS. (a) The district may issue
16 refunding bonds to refund outstanding bonds issued under this
17 subchapter and interest on those bonds.

18 (b) Refunding bonds may:

- 19 (1) be issued to refund bonds of more than one series;
20 (2) combine the pledges for the outstanding bonds for
21 the security of the refunding bonds; or
22 (3) be secured by a pledge of other or additional
23 revenue.

24 (c) The provisions of this subchapter regarding the
25 issuance of other bonds and the remedies of the holders apply to
26 refunding bonds.

27 (d) The comptroller shall register the refunding bonds on

1 surrender and cancellation of the bonds to be refunded.

2 (e) Instead of issuing bonds to be registered on the
3 surrender and cancellation of the bonds to be refunded, the
4 district, in the resolution authorizing the issuance of the
5 refunding bonds, may provide for the sale of the refunding bonds and
6 the deposit of the proceeds in a bank at which the bonds to be
7 refunded are payable. In that case, the refunding bonds may be
8 issued in an amount sufficient to pay the interest on the bonds to
9 be refunded to their option date or maturity date, and the
10 comptroller shall register the refunding bonds without the
11 surrender and cancellation of the bonds to be refunded. (Acts 51st
12 Leg., R.S., Ch. 465, Sec. 10.)

13 Sec. 6903.312. BONDS EXEMPT FROM TAXATION. A bond issued
14 under this subchapter, the transfer of the bond, and income from the
15 bond, including profits made on the sale of the bond, are exempt
16 from taxation in this state. (Acts 51st Leg., R.S., Ch. 465, Sec.
17 19 (part).)

18 CHAPTER 6904. AQUILLA WATER SUPPLY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 6904.001. DEFINITIONS

21 Sec. 6904.002. NATURE OF DISTRICT

22 Sec. 6904.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

23 [Sections 6904.004-6904.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT

25 TERRITORY

26 Sec. 6904.051. DISTRICT TERRITORY

27 Sec. 6904.052. ANNEXATION OF TERRITORY

- 1 Sec. 6904.053. ANNEXATION OF TERRITORY ANNEXED TO
2 MUNICIPALITY IN DISTRICT
3 [Sections 6904.054-6904.100 reserved for expansion]
4 SUBCHAPTER C. BOARD OF DIRECTORS
5 Sec. 6904.101. COMPOSITION OF BOARD
6 Sec. 6904.102. QUALIFICATIONS FOR OFFICE
7 Sec. 6904.103. DIRECTORS' ELECTION
8 Sec. 6904.104. REMOVAL FROM OFFICE
9 Sec. 6904.105. BOARD RESOLUTIONS; VOTING REQUIREMENTS
10 Sec. 6904.106. OFFICERS AND ASSISTANTS
11 Sec. 6904.107. OFFICER DUTIES
12 Sec. 6904.108. MEETINGS
13 Sec. 6904.109. PERSONAL LIABILITY OF DIRECTORS
14 [Sections 6904.110-6904.150 reserved for expansion]
15 SUBCHAPTER D. POWERS AND DUTIES
16 Sec. 6904.151. DISTRICT POWERS
17 Sec. 6904.152. PERMITS
18 Sec. 6904.153. GENERAL AUTHORITY OF PUBLIC AGENCIES
19 AND POLITICAL SUBDIVISIONS TO
20 CONTRACT WITH DISTRICT
21 Sec. 6904.154. CONTRACTS TO SUPPLY WATER
22 Sec. 6904.155. SOURCES FOR WATER; ACQUISITION OF LAND;
23 STORAGE CAPACITY
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25 Sec. 6904.157. CONVEYANCE OF LAND TO DISTRICT
26 Sec. 6904.158. DISPOSAL OF PROPERTY
27 Sec. 6904.159. EMINENT DOMAIN

1 Sec. 6904.160. COST OF RELOCATING OR ALTERING PROPERTY

2 Sec. 6904.161. RIGHTS-OF-WAY; EASEMENTS

3 Sec. 6904.162. ELECTIONS

4 [Sections 6904.163-6904.200 reserved for expansion]

5 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

6 Sec. 6904.201. IMPOSITION OF TAX

7 Sec. 6904.202. DEPOSITORY

8 Sec. 6904.203. INVESTMENT OF DISTRICT MONEY

9 Sec. 6904.204. DISTRICT FACILITIES EXEMPT FROM

10 TAXATION AND ASSESSMENT

11 [Sections 6904.205-6904.250 reserved for expansion]

12 SUBCHAPTER F. BONDS

13 Sec. 6904.251. AUTHORITY TO ISSUE BONDS

14 Sec. 6904.252. FORM OF BONDS

15 Sec. 6904.253. MATURITY

16 Sec. 6904.254. ELECTION FOR BONDS PAYABLE FROM AD

17 VALOREM TAXES

18 Sec. 6904.255. BONDS SECURED BY REVENUE; ADDITIONAL

19 BONDS

20 Sec. 6904.256. BONDS PAYABLE FROM AD VALOREM TAXES

21 Sec. 6904.257. ADDITIONAL SECURITY

22 Sec. 6904.258. TRUST INDENTURE

23 Sec. 6904.259. CHARGES FOR DISTRICT SERVICES

24 Sec. 6904.260. USE OF BOND PROCEEDS

25 Sec. 6904.261. APPOINTMENT OF RECEIVER

26 Sec. 6904.262. REFUNDING BONDS

27 Sec. 6904.263. LIMITATION ON RIGHTS OF HOLDERS

1 Sec. 6904.264. BONDS EXEMPT FROM TAXATION

2 Sec. 6904.265. DETACHMENT OF DISTRICT TERRITORY AFTER
3 ISSUANCE OF BONDS

4 CHAPTER 6904. AQUILLA WATER SUPPLY DISTRICT
5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 6904.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the
8 district.

9 (2) "Director" means a member of the board.

10 (3) "District" means the Aquilla Water Supply
11 District. (Acts 65th Leg., R.S., Ch. 713, Secs. 1 (part), 3(a)
12 (part); New.)

13 Sec. 6904.002. NATURE OF DISTRICT. The district is a
14 conservation and reclamation district created under Section 59,
15 Article XVI, Texas Constitution. (Acts 65th Leg., R.S., Ch. 713,
16 Sec. 1 (part).)

17 Sec. 6904.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
18 All land and taxable property in the city of Hillsboro will benefit
19 from the works and improvements of the district.

20 (b) The accomplishment of the purposes stated in this
21 chapter is for the benefit of the people of this state for the
22 improvement of their property and industries. The district, in
23 carrying out the purposes of this chapter, will be performing an
24 essential public function under the constitution. (Acts 65th Leg.,
25 R.S., Ch. 713, Secs. 2 (part), 22 (part).)

26 [Sections 6904.004-6904.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT
2 TERRITORY

3 Sec. 6904.051. DISTRICT TERRITORY. (a) The boundaries of
4 the district are coextensive with the boundaries of the city of
5 Hillsboro as those boundaries existed on January 1, 1977, and as the
6 district territory may have been modified under:

7 (1) Sections 6904.052 and 6904.053 or their
8 predecessor statute, Section 6, Chapter 713, Acts of the 65th
9 Legislature, Regular Session, 1977;

10 (2) Subchapter J, Chapter 49, Water Code;

11 (3) Subchapter O, Chapter 51, Water Code, before
12 September 1, 1995; or

13 (4) other law.

14 (b) An invalidity in the fixing of the boundaries of the
15 city of Hillsboro as they existed on January 1, 1977, does not
16 affect the boundaries of the district. (Acts 65th Leg., R.S., Ch.
17 713, Sec. 2 (part); New.)

18 Sec. 6904.052. ANNEXATION OF TERRITORY. (a) Territory may
19 be annexed to the district as provided by this section or by Section
20 6904.053.

21 (b) The board may annex territory or a municipality under
22 this section only if a petition requesting annexation is signed by
23 50 voters of the territory or municipality to be annexed, or a
24 majority of the registered voters of that territory or
25 municipality, whichever is fewer, and is filed with the board. The
26 petition must describe the territory to be annexed by metes and
27 bounds, or otherwise, except that if the territory is the same as

1 that contained in the boundaries of a municipality, the petition is
2 sufficient if it states that the territory to be annexed is the
3 territory contained in the municipal boundaries.

4 (c) If the board determines that the petition complies with
5 Subsection (b), that the annexation would be in the best interest of
6 the territory or municipality and the district, and that the
7 district will be able to supply water or other services to the
8 territory or municipality, the board shall:

9 (1) adopt a resolution stating the conditions, if any,
10 under which the territory or municipality may be annexed to the
11 district; and

12 (2) set a time and place to hold a hearing on the
13 question of whether the territory or municipality to be annexed
14 will benefit from:

15 (A) the improvements, works, or facilities owned
16 or operated or contemplated to be owned or operated by the district;
17 or

18 (B) the other functions of the district.

19 (d) At least 10 days before the date of the hearing, notice
20 of the adoption of the resolution stating the time and place of the
21 hearing shall be published one time in a newspaper of general
22 circulation in the territory or municipality to be annexed. The
23 notice must describe the territory in the same manner in which
24 Subsection (b) requires the petition to describe the territory.

25 (e) Any interested person may appear at the hearing and
26 offer evidence for or against the annexation.

27 (f) The hearing may proceed in the order and under the rules

1 prescribed by the board and may be recessed from time to time.

2 (g) If, at the conclusion of the hearing, the board finds
3 that the property in the territory or municipality will benefit
4 from the present or contemplated improvements, works, or facilities
5 of the district, the board shall adopt a resolution making a finding
6 of the benefit and calling an election in the territory or
7 municipality to be annexed.

8 (h) In calling an election on the proposition for annexation
9 of the territory or municipality, the board may include, as part of
10 the same proposition or as a separate proposition, a proposition
11 for:

12 (1) the territory to assume its part of the
13 tax-supported bonds of the district then outstanding and those
14 bonds previously voted but not yet sold; and

15 (2) an ad valorem tax to be imposed on taxable property
16 on the territory along with the tax in the rest of the district for
17 the payment of the bonds.

18 (i) If a majority of the votes cast at the election are in
19 favor of annexation, the board by resolution shall annex the
20 territory to the district.

21 (j) An annexation under this section is incontestable
22 except in the manner and within the time for contesting elections
23 under the Election Code. (Acts 65th Leg., R.S., Ch. 713, Secs. 6(f),
24 (g), (h), (i).)

25 Sec. 6904.053. ANNEXATION OF TERRITORY ANNEXED TO
26 MUNICIPALITY IN DISTRICT. (a) At any time after final passage of
27 an ordinance or resolution annexing territory to a municipality in

1 the district, the board may give notice of a hearing on the question
2 of annexing that territory to the district. The notice is
3 sufficient if it:

- 4 (1) states the date and place of the hearing; and
5 (2) describes the area proposed to be annexed or
6 refers to the annexation ordinance or resolution of the
7 municipality.

8 (b) The notice must be published one time in a newspaper of
9 general circulation in the municipality not later than the 10th day
10 before the date set for the hearing.

11 (c) If, as a result of the hearing, the board finds that the
12 territory will benefit from the present or contemplated
13 improvements, works, or facilities of the district, the board shall
14 adopt a resolution annexing the territory to the district.

15 (d) After the territory is annexed to the district, the
16 board may call an election in the entire district to determine
17 whether:

18 (1) the entire district will assume any tax-supported
19 bonds then outstanding and those bonds previously voted but not yet
20 sold; and

21 (2) an ad valorem tax for the payment of the bonds will
22 be imposed on all taxable property in the district. (Acts 65th Leg.,
23 R.S., Ch. 713, Secs. 6(a), (b), (c), (d), (e).)

24 [Sections 6904.054-6904.100 reserved for expansion]

25 SUBCHAPTER C. BOARD OF DIRECTORS

26 Sec. 6904.101. COMPOSITION OF BOARD. (a) The district is
27 governed by a board of at least five directors. The directors

1 occupy numbered places on the board.

2 (b) For each municipality annexed to the district under
3 Section 6904.052, two places are added to the board, except that the
4 number of directors may not exceed 11.

5 (c) Not more than five directors may reside in the corporate
6 limits of the city of Hillsboro. (Acts 65th Leg., R.S., Ch. 713,
7 Sec. 3(a) (part).)

8 Sec. 6904.102. QUALIFICATIONS FOR OFFICE. (a) To be
9 eligible to serve as a director, a person must be:

10 (1) a qualified district voter; and

11 (2) a district resident.

12 (b) A director is eligible for reelection. (Acts 65th Leg.,
13 R.S., Ch. 713, Secs. 3(a) (part), (b).)

14 Sec. 6904.103. DIRECTORS' ELECTION. Directors shall be
15 elected at an election called for that purpose by the board. (Acts
16 65th Leg., R.S., Ch. 713, Sec. 3(a) (part).)

17 Sec. 6904.104. REMOVAL FROM OFFICE. After reasonable
18 notice and a public hearing, the board may remove a director from
19 office for misfeasance, malfeasance, or wilful neglect of duty.
20 Reasonable notice and a public hearing are not required if the
21 director to be removed expressly waives the notice and hearing in
22 writing. (Acts 65th Leg., R.S., Ch. 713, Sec. 3(c).)

23 Sec. 6904.105. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)
24 The district shall act through resolutions adopted by the board.

25 (b) All directors are entitled to vote.

26 (c) The affirmative vote of a majority of the quorum present
27 is necessary to adopt a resolution. (Acts 65th Leg., R.S., Ch. 713,

1 Sec. 4(c).)

2 Sec. 6904.106. OFFICERS AND ASSISTANTS. (a) The board
3 shall elect a president, vice president, secretary, and treasurer
4 at the first meeting of the newly constituted board after each
5 directors' election or at any time necessary to fill a vacancy.

6 (b) The board shall elect the president and vice president
7 from among the directors.

8 (c) The offices of secretary and treasurer:

9 (1) may be held by one person; and

10 (2) are not required to be held by a director.

11 (d) The board may appoint as assistant board secretary one
12 or more persons who are not directors. (Acts 65th Leg., R.S., Ch.
13 713, Secs. 4(b) (part), (d) (part).)

14 Sec. 6904.107. OFFICER DUTIES. (a) The board president
15 shall preside at board meetings and perform other duties prescribed
16 by the board.

17 (b) The board secretary is the official custodian of the
18 minutes, books, records, and seal of the board and shall perform
19 other duties and functions prescribed by the board. An assistant
20 board secretary may perform any duty or function of the board
21 secretary.

22 (c) The board treasurer shall perform duties and functions
23 prescribed by the board. (Acts 65th Leg., R.S., Ch. 713, Sec. 4(b)
24 (part).)

25 Sec. 6904.108. MEETINGS. The board shall have regular
26 meetings at times specified by board resolution and shall have
27 special meetings when called by the board president or by any two

1 directors. (Acts 65th Leg., R.S., Ch. 713, Sec. 4(e).)

2 Sec. 6904.109. PERSONAL LIABILITY OF DIRECTORS. A director
3 is not personally liable for any bond issued or contract executed by
4 the district. (Acts 65th Leg., R.S., Ch. 713, Sec. 4(f).)

5 [Sections 6904.110-6904.150 reserved for expansion]

6 SUBCHAPTER D. POWERS AND DUTIES

7 Sec. 6904.151. DISTRICT POWERS. The district may exercise
8 any power necessary or appropriate to achieve the purposes of this
9 chapter, including the power to:

10 (1) sue and be sued, and plead and be impleaded, in its
11 own name;

12 (2) adopt an official seal;

13 (3) adopt and enforce bylaws and rules for the conduct
14 of its affairs;

15 (4) acquire, hold, use, and dispose of its receipts
16 and money from any source;

17 (5) acquire, own, rent, lease, accept, hold, or
18 dispose of property, or an interest in property, including a right
19 or easement, by purchase, exchange, gift, assignment,
20 condemnation, sale, lease, or otherwise, in performing district
21 duties or exercising district powers under this chapter;

22 (6) hold, manage, operate, or improve property;

23 (7) lease or rent any land, building, structure, or
24 facility from or to any person;

25 (8) sell, assign, lease, encumber, mortgage, or
26 otherwise dispose of property, or an interest in property, and
27 release or relinquish a right, title, claim, lien, interest,

1 easement, or demand, regardless of the manner in which acquired,
2 and conduct a transaction authorized by this subdivision by public
3 or private sale, with or without public bidding, notwithstanding
4 any other law;

5 (9) issue bonds, provide for and secure the payment of
6 the bonds, and provide for the rights of the holders of the bonds in
7 the manner and to the extent authorized by this chapter;

8 (10) request and accept an appropriation, grant,
9 allocation, subsidy, guarantee, aid, service, material, or gift
10 from any source, including the federal government, the state, a
11 public agency, or a political subdivision;

12 (11) operate and maintain an office;

13 (12) appoint and determine the duties, tenure,
14 qualifications, and compensation of district officers and
15 employees, as well as any agent, professional advisor, or
16 counselor, including any financial consultant, accountant,
17 attorney, architect, engineer, appraiser, or financing expert,
18 considered necessary or advisable by the board; and

19 (13) exercise any power granted by Chapter 30, Water
20 Code, to water districts created under Section 59, Article XVI,
21 Texas Constitution. (Acts 65th Leg., R.S., Ch. 713, Sec. 5 (part).)

22 Sec. 6904.152. PERMITS. (a) The district may obtain
23 through appropriate proceedings permits from the Texas Commission
24 on Environmental Quality.

25 (b) The district may acquire water appropriation permits
26 from owners of permits by contract or otherwise. (Acts 65th Leg.,
27 R.S., Ch. 713, Sec. 7 (part).)

1 Sec. 6904.153. GENERAL AUTHORITY OF PUBLIC AGENCIES AND
2 POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency
3 or political subdivision of this state may enter into a contract or
4 agreement with the district, on terms agreed to by the parties, for
5 any purpose relating to the district's powers or functions.
6 Approval, notice, consent, or an election is not required in
7 connection with a contract or agreement. (Acts 65th Leg., R.S., Ch.
8 713, Sec. 8(b) (part).)

9 Sec. 6904.154. CONTRACTS TO SUPPLY WATER. (a) The district
10 may contract with public agencies, political subdivisions, and
11 others to supply water. The district may sell water inside and
12 outside the boundaries of the district.

13 (b) The district may contract with a public agency or
14 political subdivision for the rental or leasing of or for the
15 operation of the water production, water supply, water filtration
16 or purification, and water supply facilities of the entity on the
17 consideration agreed to by the district and the entity.

18 (c) A contract may be on terms and for the time agreed to by
19 the parties.

20 (d) A contract may provide that it will continue in effect
21 until bonds specified in it and refunding bonds issued in lieu of
22 the bonds are paid.

23 (e) The district may contract with the City of Hillsboro for
24 the operation of the district's water facilities by the city. An
25 election is not required in connection with this contract. (Acts
26 65th Leg., R.S., Ch. 713, Secs. 8(a) (part), (b) (part), 18 (part).)

27 Sec. 6904.155. SOURCES FOR WATER; ACQUISITION OF LAND;

1 STORAGE CAPACITY. (a) The district may acquire, construct, or
2 develop inside or outside the district sources for water, including
3 reservoirs or wells, and any work, plant, transmission line, or
4 other facility necessary or useful to develop, divert, impound,
5 store, drill for, pump, treat, or transport water, including
6 underground water, to the City of Hillsboro and others for
7 municipal, domestic, industrial, mining, oil flooding, or any other
8 useful purpose.

9 (b) The district may acquire land, or an interest in land,
10 inside or outside the district for any work, plant, or other
11 facility necessary or useful to divert, impound, store, drill for,
12 pump, treat, or transport water for municipal, domestic,
13 industrial, mining, oil flooding, or any other useful purpose.

14 (c) The district may lease, purchase, or otherwise acquire
15 rights in and to storage and storage capacity in any reservoir
16 constructed or to be constructed by any person or from the United
17 States. (Acts 65th Leg., R.S., Ch. 713, Secs. 7 (part), 8(a)
18 (part), 9 (part).)

19 Sec. 6904.156. CONSTRUCTION CONTRACTS. (a) The district
20 may award a construction contract that requires an expenditure of
21 more than \$5,000 only after publication of notice to bidders once
22 each week for two weeks in a newspaper of general circulation in the
23 district.

24 (b) The notice is sufficient if it states:

- 25 (1) the time and place for opening the bids;
26 (2) the general nature of the work to be done;
27 (3) the material, equipment, or supplies to be

1 purchased; and

2 (4) where the terms of bidding and copies of the plans
3 and specifications may be obtained. (Acts 65th Leg., R.S., Ch. 713,
4 Sec. 11.)

5 Sec. 6904.157. CONVEYANCE OF LAND TO DISTRICT. A public
6 agency or political subdivision of this state may lease, sell, or
7 otherwise convey its land or an interest in its land to the district
8 for any consideration that the parties agree is adequate.
9 Approval, notice, consent, or an election is not required in
10 connection with a conveyance, contract, or agreement. (Acts 65th
11 Leg., R.S., Ch. 713, Sec. 8(b) (part).)

12 Sec. 6904.158. DISPOSAL OF PROPERTY. Subject to the terms
13 of a resolution or deed of trust authorizing or securing bonds
14 issued by the district, the district may sell, lease, rent, trade,
15 or otherwise dispose of property under terms considered by the
16 board to be consistent with district purposes. (Acts 65th Leg.,
17 R.S., Ch. 713, Sec. 9 (part).)

18 Sec. 6904.159. EMINENT DOMAIN. (a) To carry out a power
19 provided by this chapter, the district may exercise the power of
20 eminent domain to acquire the fee simple title to land, or any other
21 interest in land, and other property and easements, inside or
22 outside the district, including land or an interest in land needed
23 for:

24 (1) a well; or

25 (2) a reservoir, dam, or flood easement above the
26 probable high-water line around a reservoir.

27 (b) The district must exercise the power of eminent domain

1 in the manner provided by Chapter 21, Property Code.

2 (c) The district is a municipal corporation for the purposes
3 of Chapter 21, Property Code.

4 (d) The board shall determine the amount and the type of
5 interest in land, other property, or easements to be acquired under
6 this section. (Acts 65th Leg., R.S., Ch. 713, Sec. 10(a) (part).)

7 Sec. 6904.160. COST OF RELOCATING OR ALTERING PROPERTY.

8 (a) In this section, "sole expense" means the actual cost of the
9 lowering, rerouting, or change in grade or alteration of
10 construction required under Subsection (b) to provide a comparable
11 replacement without enhancing the facility, after deducting the net
12 salvage value derived from the old facility.

13 (b) If the district's exercise of its eminent domain,
14 police, or other power requires relocating, raising, lowering,
15 rerouting, changing the grade of, or altering the construction of
16 any railroad, electric, transmission, telegraph, or telephone
17 line, conduit, pole, property, facility, or pipeline, the action
18 shall be accomplished at the sole expense of the district. (Acts
19 65th Leg., R.S., Ch. 713, Sec. 10(c).)

20 Sec. 6904.161. RIGHTS-OF-WAY; EASEMENTS. The district has
21 all necessary or useful rights-of-way and easements along, over,
22 under, and across all public, state, municipal, and county roads,
23 highways, and places for any of its purposes. The district shall
24 restore a facility used to its previous condition as nearly as
25 possible at the sole expense of the district. (Acts 65th Leg., R.S.,
26 Ch. 713, Sec. 10(b).)

27 Sec. 6904.162. ELECTIONS. (a) The board shall call an

1 election required to be held under this chapter by adopting a
2 resolution stating:

- 3 (1) the date of the election;
4 (2) each place where the election will be held; and
5 (3) the proposition or propositions to be voted on.

6 (b) The board shall give notice of an election by publishing
7 a substantial copy of the resolution calling the election one time
8 not less than 10 days before the date set for the election in:

- 9 (1) a newspaper of general circulation in the
10 district; and
11 (2) a newspaper of general circulation in the
12 territory, if the election is on the question of annexation of
13 territory.

14 (c) The board shall adopt a resolution declaring the results
15 of the election.

16 (d) The board may combine one or more elections required to
17 be held by this chapter, including a maintenance tax and bond
18 election. (Acts 65th Leg., R.S., Ch. 713, Secs. 12(c), 21 (part).)

19 [Sections 6904.163-6904.200 reserved for expansion]

20 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

21 Sec. 6904.201. IMPOSITION OF TAX. (a) The district may
22 impose a tax, not to exceed 25 cents on each \$100 valuation of
23 taxable property in the district, for:

- 24 (1) maintenance purposes, including money for
25 planning, maintaining, repairing, and operating all necessary
26 plants, works, facilities, improvements, appliances, and equipment
27 of the district;

1 (2) paying costs of proper services, engineering, and
2 legal fees; and

3 (3) organization and administrative expenses.

4 (b) The district may not impose a maintenance tax unless the
5 tax is approved by a majority of the voters voting at an election
6 held for that purpose. (Acts 65th Leg., R.S., Ch. 713, Secs. 12(a),
7 (b).)

8 Sec. 6904.202. DEPOSITORY. (a) The board shall designate
9 one or more banks inside or outside the district to serve as the
10 depository for the district's money.

11 (b) District money shall be deposited in the depository
12 designated by the board, except that:

13 (1) bond proceeds and money pledged to pay bonds, to
14 the extent provided in a resolution or trust indenture authorizing
15 or securing district bonds, may be deposited with another bank or
16 trustee named in the bond resolution or trust indenture; and

17 (2) money shall be remitted to each paying agent for
18 the payment of principal of and interest on the bonds.

19 (c) To the extent that money in a depository bank or the
20 trustee bank is not insured by the Federal Deposit Insurance
21 Corporation, the money must be secured in the manner provided by law
22 for the security of municipal money. (Acts 65th Leg., R.S., Ch.
23 713, Sec. 19 (part).)

24 Sec. 6904.203. INVESTMENT OF DISTRICT MONEY. The board may
25 invest district money in obligations and make time deposits of
26 district money in a manner determined by the board or in the manner
27 permitted or required in a resolution or trust indenture

1 authorizing or securing district bonds. (Acts 65th Leg., R.S., Ch.
2 713, Sec. 19 (part).)

3 Sec. 6904.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND
4 ASSESSMENT. The district is not required to pay a tax or assessment
5 on its facilities or any part of its facilities. (Acts 65th Leg.,
6 R.S., Ch. 713, Sec. 22 (part).)

7 [Sections 6904.205-6904.250 reserved for expansion]

8 SUBCHAPTER F. BONDS

9 Sec. 6904.251. AUTHORITY TO ISSUE BONDS. (a) The district
10 may issue bonds to carry out any power conferred by this chapter.
11 The bonds must be authorized by a board resolution.

12 (b) The bonds may be payable from and secured by revenue or
13 ad valorem taxes, or both revenue and ad valorem taxes, of the
14 district, in the manner and under the terms of the resolution
15 authorizing the issuance of the bonds. (Acts 65th Leg., R.S., Ch.
16 713, Secs. 13(a), (b) (part), (c), (e) (part).)

17 Sec. 6904.252. FORM OF BONDS. District bonds must be:

- 18 (1) issued in the district's name;
19 (2) signed by the president or vice president; and
20 (3) attested by the secretary. (Acts 65th Leg., R.S.,
21 Ch. 713, Sec. 13(b) (part).)

22 Sec. 6904.253. MATURITY. District bonds must mature not
23 later than 40 years after the date of their issuance. (Acts 65th
24 Leg., R.S., Ch. 713, Sec. 13(b) (part).)

25 Sec. 6904.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM
26 TAXES. (a) Bonds, other than refunding bonds, payable wholly or
27 partly from ad valorem taxes may not be issued unless authorized by

1 a majority of the district voters voting at an election.

2 (b) The board may issue bonds not payable wholly or partly
3 from ad valorem taxes without an election. (Acts 65th Leg., R.S.,
4 Ch. 713, Sec. 16(a) (part).)

5 Sec. 6904.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

6 (a) Bonds issued under this subchapter may be secured by a pledge
7 of all or part of the district's revenue, or by all or part of the
8 revenue of one or more contracts or other revenue or income
9 specified by board resolution or a trust indenture securing the
10 bonds. The pledge may reserve the right, under conditions
11 specified by the pledge, to issue additional bonds that will be on a
12 parity with or subordinate to the bonds then being issued.

13 (b) The district may issue bonds secured by both taxes and
14 revenue of the district described by Subsection (a). (Acts 65th
15 Leg., R.S., Ch. 713, Secs. 13(d), (e) (part).)

16 Sec. 6904.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If
17 bonds are issued payable wholly or partly from ad valorem taxes, the
18 board shall annually impose a tax on the taxable property in the
19 district in an amount sufficient to pay the principal of and
20 interest on the bonds when due.

21 (b) The district may adopt the rate of a tax imposed under
22 Subsection (a) after giving consideration to the money received
23 from the pledged revenue that may be available for payment of
24 principal and interest, to the extent and in the manner permitted by
25 the resolution authorizing the issuance of the bonds. (Acts 65th
26 Leg., R.S., Ch. 713, Secs. 13(e) (part), 23(b) (part).)

27 Sec. 6904.257. ADDITIONAL SECURITY. (a) Bonds, including

1 refunding bonds, authorized by this subchapter that are not payable
2 wholly from ad valorem taxes may be additionally secured, at the
3 discretion of the board, by a deed of trust or mortgage lien on
4 physical property of the district, franchises, easements, water
5 rights and appropriation permits, leases, contracts, and all rights
6 appurtenant to the property, vesting in the trustee power to:

- 7 (1) sell the property for the payment of the debt;
- 8 (2) operate the property; and
- 9 (3) take other action to further secure the bonds.

10 (b) A purchaser under a sale under the deed of trust lien, if
11 one is given:

- 12 (1) is the absolute owner of property, facilities, and
13 rights purchased; and
- 14 (2) is entitled to maintain and operate the property,
15 facilities, and rights. (Acts 65th Leg., R.S., Ch. 713, Sec. 15
16 (part).)

17 Sec. 6904.258. TRUST INDENTURE. (a) A bond issued under
18 this subchapter, including a refunding bond, that is not payable
19 wholly from ad valorem taxes may be additionally secured by a trust
20 indenture. The trustee may be a bank with trust powers located
21 inside or outside the state.

22 (b) A trust indenture, regardless of the existence of the
23 deed of trust or mortgage lien on the property, may:

- 24 (1) provide for the security of the bonds and the
25 preservation of the trust estate in the manner prescribed by the
26 board;
- 27 (2) provide for amendment or modification of the trust

1 indenture;

2 (3) provide for the issuance of bonds to replace lost
3 or mutilated bonds;

4 (4) condition the right to spend district money or
5 sell district property on the approval of a licensed engineer
6 selected as provided by the trust indenture; and

7 (5) provide for the investment of district money.
8 (Acts 65th Leg., R.S., Ch. 713, Sec. 15 (part).)

9 Sec. 6904.259. CHARGES FOR DISTRICT SERVICES. (a) If
10 district bonds payable wholly from revenue are issued, the board
11 shall set and revise the rates of compensation for water sold and
12 services provided by the district. The rates must be sufficient to:

13 (1) pay the expense of operating and maintaining
14 district facilities;

15 (2) pay the principal of and interest on the bonds when
16 due; and

17 (3) maintain the reserve fund and other funds as
18 provided in the resolution authorizing the bonds.

19 (b) If bonds payable partly from revenue are issued, the
20 board shall set the rate of compensation for water sold and any
21 other services provided by the district. The rate must be
22 sufficient to ensure compliance with the resolution authorizing the
23 bonds or the trust indenture securing the bonds. (Acts 65th Leg.,
24 R.S., Ch. 713, Sec. 13(f).)

25 Sec. 6904.260. USE OF BOND PROCEEDS. (a) The district may
26 set aside an amount of proceeds from the sale of bonds issued under
27 this subchapter for:

1 (1) the payment of interest expected to accrue during
2 construction not to exceed three years;

3 (2) a debt service reserve fund; and

4 (3) other funds as may be provided in the resolution
5 authorizing the bonds or in the trust indenture.

6 (b) The district may use proceeds from the sale of the bonds
7 to pay any expense necessarily incurred in accomplishing the
8 purpose of the district, including any expense of issuing and
9 selling the bonds. (Acts 65th Leg., R.S., Ch. 713, Sec. 13(g).)

10 Sec. 6904.261. APPOINTMENT OF RECEIVER. (a) On default or
11 a threatened default in the payment of principal of or interest on
12 bonds issued under this subchapter that are payable wholly or
13 partly from revenue, a court may, on petition of the holders of
14 outstanding bonds, appoint a receiver for the district.

15 (b) The receiver may collect and receive all district
16 income, except taxes, employ and discharge district agents and
17 employees, take charge of money on hand, except money received from
18 taxes, unless commingled, and manage the proprietary affairs of the
19 district without consent or hindrance by the board.

20 (c) The receiver may be authorized to sell or contract for
21 the sale of water or to renew those contracts with the approval of
22 the court that appointed the receiver.

23 (d) The court may vest the receiver with any other power or
24 duty the court finds necessary to protect the bondholders. (Acts
25 65th Leg., R.S., Ch. 713, Sec. 13(h) (part).)

26 Sec. 6904.262. REFUNDING BONDS. (a) The district may issue
27 refunding bonds to refund outstanding bonds issued under this

1 subchapter and interest on those bonds.

2 (b) Refunding bonds may:

3 (1) be issued to refund bonds of more than one series;

4 (2) combine the pledges for the outstanding bonds for
5 the security of the refunding bonds; or

6 (3) be secured by a pledge of other or additional
7 revenue or mortgage liens.

8 (c) The provisions of this subchapter regarding the
9 issuance of other bonds, their security, and the remedies of the
10 holders apply to refunding bonds.

11 (d) The comptroller shall register the refunding bonds on
12 surrender and cancellation of the bonds to be refunded.

13 (e) Instead of issuing bonds to be registered on the
14 surrender and cancellation of the bonds to be refunded, the
15 district, in the resolution authorizing the issuance of the
16 refunding bonds, may provide for the sale of the refunding bonds and
17 the deposit of the proceeds in a bank at which the bonds to be
18 refunded are payable. In that case, the refunding bonds may be
19 issued in an amount sufficient to pay the principal of and interest
20 and any required redemption premium on the bonds to be refunded to
21 any redemption date or to their maturity date, and the comptroller
22 shall register the refunding bonds without the surrender and
23 cancellation of the bonds to be refunded.

24 (f) An election is not required for refunding bonds.

25 (g) The district may also issue refunding bonds under any
26 other applicable law. (Acts 65th Leg., R.S., Ch. 713, Sec. 14.)

27 Sec. 6904.263. LIMITATION ON RIGHTS OF HOLDERS. The

1 resolution authorizing the bonds or the trust indenture securing
2 the bonds may limit or qualify the rights of the holders of less
3 than all of the outstanding bonds payable from the same source to
4 institute or prosecute litigation affecting the district's
5 property or income. (Acts 65th Leg., R.S., Ch. 713, Sec. 13(h)
6 (part).)

7 Sec. 6904.264. BONDS EXEMPT FROM TAXATION. A bond issued
8 under this subchapter, the transfer of the bond, and income from the
9 bond, including profits made on the sale of the bond, are exempt
10 from taxation in this state. (Acts 65th Leg., R.S., Ch. 713, Sec.
11 22 (part).)

12 Sec. 6904.265. DETACHMENT OF DISTRICT TERRITORY AFTER
13 ISSUANCE OF BONDS. Territory may not be detached from the district
14 after the issuance of bonds payable from revenue or taxes. (Acts
15 65th Leg., R.S., Ch. 713, Sec. 16(a) (part).)

16 CHAPTER 6905. BEEVILLE WATER SUPPLY DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 6905.001. DEFINITIONS

19 Sec. 6905.002. NATURE OF DISTRICT

20 Sec. 6905.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

21 [Sections 6905.004-6905.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION

23 Sec. 6905.051. DISTRICT TERRITORY

24 Sec. 6905.052. CITY OF BEEVILLE ANNEXATIONS

25 Sec. 6905.053. ANNEXATION BY PETITION

26 [Sections 6905.054-6905.100 reserved for expansion]

1 SUBCHAPTER C. BOARD OF DIRECTORS

2 Sec. 6905.101. COMPOSITION OF BOARD; TERMS

3 Sec. 6905.102. REMOVAL FROM OFFICE

4 Sec. 6905.103. BOARD RESOLUTIONS; VOTING REQUIREMENTS

5 Sec. 6905.104. OFFICERS AND ASSISTANTS

6 Sec. 6905.105. MEETINGS

7 Sec. 6905.106. PERSONAL LIABILITY OF DIRECTORS

8 [Sections 6905.107-6905.150 reserved for expansion]

9 SUBCHAPTER D. POWERS AND DUTIES

10 Sec. 6905.151. GENERAL POWERS

11 Sec. 6905.152. BYLAWS AND RULES

12 Sec. 6905.153. REGIONAL WASTE DISPOSAL

13 Sec. 6905.154. PERMITS

14 Sec. 6905.155. PROPERTY ACQUISITION, USE, AND

15 DISPOSITION

16 Sec. 6905.156. REQUESTS FOR AND ACCEPTANCE OF AID

17 Sec. 6905.157. DISTRICT OFFICE

18 Sec. 6905.158. PERSONNEL

19 Sec. 6905.159. GENERAL MANAGER

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23 Sec. 6905.161. CONTRACTS TO SUPPLY WATER

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- 27 Sec. 6905.260. CHARGES FOR DISTRICT SERVICES

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2 Sec. 6905.262. APPOINTMENT OF RECEIVER

3 Sec. 6905.263. REFUNDING BONDS

4 Sec. 6905.264. LIMITATION ON RIGHTS OF HOLDERS

5 Sec. 6905.265. BONDS EXEMPT FROM TAXATION

6 CHAPTER 6905. BEEVILLE WATER SUPPLY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 6905.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the district's board of directors.

10 (2) "Director" means a member of the board.

11 (3) "District" means the Beeville Water Supply
12 District. (Acts 66th Leg., R.S., Ch. 432, Secs. 1 (part), 4(a)
13 (part).)

14 Sec. 6905.002. NATURE OF DISTRICT. The district is a
15 conservation and reclamation district created under Section 59,
16 Article XVI, Texas Constitution. (Acts 66th Leg., R.S., Ch. 432,
17 Sec. 1 (part).)

18 Sec. 6905.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
19 The district is created to serve a public use and benefit.

20 (b) All land and other property in the district will benefit
21 from the works and projects to be accomplished by the district under
22 powers conferred by Section 59, Article XVI, Texas Constitution.

23 (c) The accomplishment of the purposes stated in this
24 chapter will benefit the people of this state and improve their
25 property and industries.

26 (d) The district, in carrying out the purposes of this
27 chapter, will be performing an essential public function under the

1 constitution of this state. (Acts 66th Leg., R.S., Ch. 432, Secs.
2 3, 22 (part).)

3 [Sections 6905.004-6905.050 reserved for expansion]

4 SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION

5 Sec. 6905.051. DISTRICT TERRITORY. The district boundaries
6 are coterminous with the boundaries of the City of Beeville as those
7 boundaries existed on June 6, 1979, and as the district territory
8 may have been modified under:

9 (1) this subchapter or its predecessor statutes,
10 Sections 2 and 8, Chapter 432, Acts of the 66th Legislature, Regular
11 Session, 1979;

12 (2) Subchapter J, Chapter 49, Water Code; or

13 (3) other law. (Acts 66th Leg., R.S., Ch. 432, Sec.
14 2(a) (part); New.)

15 Sec. 6905.052. CITY OF BEEVILLE ANNEXATIONS. If the City of
16 Beeville annexes territory, the board may consider whether the new
17 territory should also be added to the district and may:

18 (1) add the territory by a majority vote of the board
19 without following the annexation procedures under Section
20 6905.053; or

21 (2) reject the addition of the new territory. (Acts
22 66th Leg., R.S., Ch. 432, Sec. 2(b).)

23 Sec. 6905.053. ANNEXATION BY PETITION. (a) The district
24 may annex territory in the manner provided by this section.

25 (b) The board may annex territory or a municipality under
26 this section only if a petition requesting annexation is signed by
27 50 voters of the territory or municipality to be annexed, or a

1 majority of the registered voters of that territory or
2 municipality, whichever is fewer, and is filed with the board. The
3 petition must describe the territory to be annexed by metes and
4 bounds, or otherwise, except that if the territory is the same as
5 that contained in the boundaries of a municipality, the petition is
6 sufficient if it states that the territory to be annexed is the
7 territory contained in the municipal boundaries.

8 (c) If the board determines that the petition complies with
9 Subsection (b), that the annexation would be in the best interest of
10 the territory or municipality and the district, and that the
11 district will be able to supply water to the territory or
12 municipality, the board shall:

13 (1) adopt a resolution stating the conditions, if any,
14 under which the territory or municipality may be annexed to the
15 district; and

16 (2) set a time and place to hold a hearing on the
17 question of whether the territory or municipality to be annexed
18 will benefit from:

19 (A) the improvements, works, or facilities owned
20 or operated or contemplated to be owned or operated by the district;
21 or

22 (B) the other functions of the district.

23 (d) At least 10 days before the date of the hearing, notice
24 of the adoption of the resolution stating the time and place of the
25 hearing shall be published one time in a newspaper of general
26 circulation in the territory or municipality to be annexed. The
27 notice must describe the territory in the same manner in which

1 Subsection (b) requires the petition to describe the territory.

2 (e) Any interested person may appear at the hearing and
3 offer evidence for or against the annexation.

4 (f) The hearing may proceed in the order and under the rules
5 prescribed by the board and may be recessed from time to time.

6 (g) If, at the conclusion of the hearing, the board finds
7 that the property in the territory or municipality will benefit
8 from the present or contemplated improvements, works, or facilities
9 of the district, the board shall adopt a resolution making a finding
10 of the benefit and calling an election in the territory or
11 municipality proposed to be annexed.

12 (h) The resolution must state:

13 (1) the date of the election;

14 (2) each place where the election will be held; and

15 (3) the proposition to be voted on.

16 (i) At least 10 days before the date set for the election,
17 notice of the election shall be given by publishing a substantial
18 copy of the resolution calling the election one time in a newspaper
19 of general circulation in the territory proposed to be annexed.

20 (j) In calling an election on the proposition for annexation
21 of the territory or municipality, the board may include, as part of
22 the same proposition or as a separate proposition, a proposition
23 for:

24 (1) the territory or municipality to assume its part
25 of the tax-supported bonds of the district then outstanding and
26 those bonds previously voted but not yet sold; and

27 (2) an ad valorem tax to be imposed on taxable property

1 on the territory or municipality along with the tax in the rest of
2 the district for the payment of the bonds.

3 (k) If a majority of the votes cast at the election are in
4 favor of annexation, the board by resolution shall annex the
5 territory or municipality to the district.

6 (1) The board is not required to call an election if:

7 (1) a petition requesting annexation is signed by all
8 residents and landowners of the territory to be annexed, the same as
9 provided by law for conveyance of real property; and

10 (2) the petition:

11 (A) states that the petitioners approve their
12 share of the outstanding bonds or other obligations, and the
13 unissued bonds, if any, of the district, and authorizes the board to
14 set tax rates sufficient to pay their share of the debt; and

15 (B) is filed in the office of the county clerk of
16 the county in which the district is located.

17 (m) An annexation under this section is incontestable
18 except in the manner and within the time for contesting elections
19 under the Election Code. (Acts 66th Leg., R.S., Ch. 432, Secs. 2(a)
20 (part), 8(a), (b), (c) (part), (d) (part), (e) (part), (f).)

21 [Sections 6905.054-6905.100 reserved for expansion]

22 SUBCHAPTER C. BOARD OF DIRECTORS

23 Sec. 6905.101. COMPOSITION OF BOARD; TERMS. (a) The
24 district is governed by a board of five elected directors.
25 Directors occupy numbered places on the board.

26 (b) A director is eligible for reelection to the board.

27 (c) Directors serve staggered terms. (Acts 66th Leg., R.S.,

1 Ch. 432, Sec. 4(a) (part).)

2 Sec. 6905.102. REMOVAL FROM OFFICE. After reasonable
3 notice and a public hearing, the board may remove a director from
4 office for misfeasance, malfeasance, or wilful neglect of duty.
5 Reasonable notice and a public hearing are not required if the
6 director to be removed expressly waives the notice and hearing in
7 writing. (Acts 66th Leg., R.S., Ch. 432, Sec. 4(b).)

8 Sec. 6905.103. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)
9 The district shall act through resolutions adopted by the board.

10 (b) Each director has a vote.

11 (c) The affirmative vote of at least three directors is
12 necessary to adopt any resolution. (Acts 66th Leg., R.S., Ch. 432,
13 Sec. 5(c) (part).)

14 Sec. 6905.104. OFFICERS AND ASSISTANTS. (a) The board
15 president shall:

16 (1) serve a one-year term; and

17 (2) perform duties prescribed by the board.

18 (b) The board secretary shall:

19 (1) be the official custodian of the board seal; and

20 (2) perform other duties and functions prescribed by
21 the board.

22 (c) The board shall elect a treasurer who shall perform
23 duties and functions prescribed by the board.

24 (d) One person may hold the offices of secretary and
25 treasurer. The secretary and treasurer are not required to be
26 directors.

27 (e) The board may appoint one or more persons who are not

1 directors to be an assistant board secretary. An assistant
2 secretary may perform any duty or function of the board secretary.

3 (f) The board shall elect officers annually or at any time
4 necessary to fill a vacancy. (Acts 66th Leg., R.S., Ch. 432, Secs.
5 5(b) (part), (d) (part).)

6 Sec. 6905.105. MEETINGS. The board shall have regular
7 meetings at times specified by board resolution and shall have
8 special meetings when called by the board president or by any three
9 directors. (Acts 66th Leg., R.S., Ch. 432, Sec. 5(e).)

10 Sec. 6905.106. PERSONAL LIABILITY OF DIRECTORS. A director
11 is not personally liable for any bond issued or contract executed by
12 the district. (Acts 66th Leg., R.S., Ch. 432, Sec. 5(f).)

13 [Sections 6905.107-6905.150 reserved for expansion]

14 SUBCHAPTER D. POWERS AND DUTIES

15 Sec. 6905.151. GENERAL POWERS. The district may exercise
16 any power necessary or appropriate to achieve the purposes of this
17 chapter. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(a).)

18 Sec. 6905.152. BYLAWS AND RULES. The district may adopt and
19 enforce bylaws and rules for the conduct of its affairs. (Acts 66th
20 Leg., R.S., Ch. 432, Sec. 6(c) (part).)

21 Sec. 6905.153. REGIONAL WASTE DISPOSAL. (a) The district
22 may exercise any power granted by Chapter 30, Water Code, to a water
23 district created under Section 59, Article XVI, Texas Constitution,
24 including the power to collect, transport, process, treat, dispose
25 of, and control all municipal, domestic, industrial, or communal
26 waste, whether in fluid, solid, or composite state, including the
27 control, abatement, or reduction of any type of pollution.

1 (b) The powers granted to the district by Chapter 30, Water
2 Code, are for the purposes of conservation and development of the
3 natural resources of this state within the meaning of Section 59,
4 Article XVI, Texas Constitution. (Acts 66th Leg., R.S., Ch. 432,
5 Sec. 6(k).)

6 Sec. 6905.154. PERMITS. (a) The district may obtain
7 through appropriate proceedings an appropriation permit or a
8 diversion permit from the Texas Commission on Environmental
9 Quality.

10 (b) The district may acquire water appropriation permits
11 from owners of permits by contract or otherwise. (Acts 66th Leg.,
12 R.S., Ch. 432, Sec. 9 (part).)

13 Sec. 6905.155. PROPERTY ACQUISITION, USE, AND DISPOSITION.

14 (a) The district may acquire, own, rent, lease, accept, hold, or
15 dispose of any property, or any interest in property, including a
16 right or easement, by purchase, exchange, gift, assignment,
17 condemnation, sale, lease, or otherwise, in performing district
18 duties or exercising district powers under this chapter.

19 (b) The district may hold, manage, operate, or improve
20 property.

21 (c) The district may lease or rent any land, building,
22 structure, or facility from or to any person to achieve the purposes
23 of this chapter.

24 (d) The district may sell, assign, lease, encumber,
25 mortgage, or otherwise dispose of property, or an interest in
26 property, and release or relinquish a right, title, claim, lien,
27 interest, easement, or demand, regardless of the manner in which

1 acquired, and conduct a transaction authorized by this subsection
2 by public or private sale, with or without public bidding,
3 notwithstanding any other law. (Acts 66th Leg., R.S., Ch. 432,
4 Secs. 6(e), (f).)

5 Sec. 6905.156. REQUESTS FOR AND ACCEPTANCE OF AID. The
6 district may request and accept an appropriation, grant,
7 allocation, subsidy, guarantee, aid, service, material, or gift
8 from any source, including the federal government, the state, a
9 public agency, or a political subdivision. (Acts 66th Leg., R.S.,
10 Ch. 432, Sec. 6(g).)

11 Sec. 6905.157. DISTRICT OFFICE. The district may operate
12 and maintain an office. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(h)
13 (part).)

14 Sec. 6905.158. PERSONNEL. The district may appoint and
15 determine the duties, tenure, qualifications, and compensation of
16 district officers and employees, as well as any agent, professional
17 advisor, or counselor, including any financial consultant,
18 accountant, attorney, architect, engineer, appraiser, or financing
19 expert, considered necessary or advisable by the board. (Acts 66th
20 Leg., R.S., Ch. 432, Sec. 6(h) (part).)

21 Sec. 6905.159. GENERAL MANAGER. (a) The district may
22 employ a general manager who may be the city manager of the City of
23 Beeville.

24 (b) The general manager may:

25 (1) employ and discharge employees; and

26 (2) exercise other powers conferred on the general
27 manager by the board. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(h))

1 (part).)

2 Sec. 6905.160. GENERAL AUTHORITY OF PUBLIC AGENCIES AND
3 POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency
4 or political subdivision of this state, including the City of
5 Beeville, may enter into a contract or agreement with the district,
6 on terms agreed to by the parties, for any purpose relating to the
7 district's powers or functions. Approval, notice, consent, or an
8 election is not required in connection with a contract or
9 agreement. (Acts 66th Leg., R.S., Ch. 432, Sec. 10(b) (part).)

10 Sec. 6905.161. CONTRACTS TO SUPPLY WATER. (a) The district
11 may contract with municipalities and others, including the City of
12 Beeville, to supply water. The district may sell water inside or
13 outside the boundaries of the district.

14 (b) The district may contract with a public agency or
15 political subdivision for the rental or leasing of or for the
16 operation of the water production, water supply, water filtration
17 or purification, and water supply facilities of the entity on the
18 consideration agreed to by the district and the entity.

19 (c) A contract may be on terms and for the time agreed to by
20 the parties.

21 (d) A contract may provide that it will continue in effect
22 until bonds specified in it and refunding bonds issued in lieu of
23 the bonds are paid.

24 (e) The district may contract with the City of Beeville for
25 the operation of the district's water facilities by the city. An
26 election is not required in connection with the contract.

27 (f) A public agency or political subdivision, including the

1 City of Beeville, may enter into a contract or agreement with the
2 authority for a water supply as provided by Section 6905.160. (Acts
3 66th Leg., R.S., Ch. 432, Secs. 10(a) (part), (b) (part), 19.)

4 Sec. 6905.162. SOURCES FOR WATER; ACQUISITION OF LAND;
5 STORAGE CAPACITY. (a) The district may acquire or construct,
6 inside or outside the district, a reservoir, well, or any work,
7 plant, transmission line, or other facility necessary or useful to
8 drill for, divert, impound, store, treat, or transport water to the
9 City of Beeville and others for municipal, domestic, agricultural,
10 industrial, mining, oil flooding, or any other useful purpose.

11 (b) The district may develop or otherwise acquire
12 underground sources of water.

13 (c) The district may acquire land, or an interest in land,
14 inside or outside the district, for a reservoir, well, or any work,
15 plant, transmission line, or other facility necessary or useful to
16 drill for, divert, impound, store, treat, or transport water to the
17 City of Beeville and others for municipal, domestic, agricultural,
18 industrial, mining, oil flooding, or any other useful purpose.

19 (d) The district may lease, purchase, or otherwise acquire
20 rights in and to storage and storage capacity in any reservoir
21 constructed or to be constructed by any person or from the United
22 States. (Acts 66th Leg., R.S., Ch. 432, Secs. 9 (part), 10(a)
23 (part), 11 (part).)

24 Sec. 6905.163. CONSTRUCTION CONTRACTS. (a) The district
25 may award a construction contract that requires an expenditure of
26 more than \$5,000 only after publication of notice to bidders once
27 each week for two weeks in a newspaper of general circulation in the

1 district.

2 (b) The notice is sufficient if it states:

3 (1) the time and place for opening the bids;

4 (2) the general nature of the work to be done or the
5 material, equipment, or supplies to be purchased; and

6 (3) where the terms of bidding and copies of the plans
7 and specifications may be obtained. (Acts 66th Leg., R.S., Ch. 432,
8 Sec. 13.)

9 Sec. 6905.164. CONVEYANCE OF LAND TO DISTRICT. A public
10 agency or a political subdivision of this state, including the City
11 of Beeville, may lease, sell, or otherwise convey its land or an
12 interest in its land to the district for consideration that the
13 parties agree is adequate. Approval, notice, consent, or an
14 election is not required in connection with the conveyance. (Acts
15 66th Leg., R.S., Ch. 432, Sec. 10(b) (part).)

16 Sec. 6905.165. SURPLUS PROPERTY. Subject to the terms of a
17 resolution or deed of trust authorizing or securing bonds issued by
18 the district, the district may sell, lease, rent, trade, or
19 otherwise dispose of property that the board considers is not
20 needed for a district purpose. (Acts 66th Leg., R.S., Ch. 432, Sec.
21 11 (part).)

22 Sec. 6905.166. EMINENT DOMAIN. (a) To carry out an
23 authority provided by this chapter, the district may exercise the
24 power of eminent domain to acquire the fee simple title, or any
25 other interest in land, and other property and easements, inside or
26 outside the district, including land or an interest in land needed
27 for a reservoir, dam, or flood easement above the probable high

1 water line around any reservoir.

2 (b) The district must exercise the power of eminent domain
3 in the manner provided by Chapter 21, Property Code.

4 (c) The district is a municipal corporation for the purposes
5 of Chapter 21, Property Code.

6 (d) The board shall determine the amount and type of
7 interest in land, other property, or easements to be acquired.
8 (Acts 66th Leg., R.S., Ch. 432, Sec. 12(a) (part).)

9 Sec. 6905.167. COST OF RELOCATING OR ALTERING PROPERTY.

10 (a) In this section, "sole expense" means the actual cost of the
11 lowering, rerouting, or change in grade or alteration of
12 construction required under Subsection (b) to provide a comparable
13 replacement without enhancing the facility, after deducting the net
14 salvage value derived from the old facility.

15 (b) If the district's exercise of its eminent domain,
16 police, or other power requires relocating, raising, lowering,
17 rerouting, or changing the grade of, or altering the construction
18 of any railroad, electric transmission, telegraph, or telephone
19 line, conduit, pole, property, facility, or pipeline, the action
20 shall be accomplished at the sole expense of the district. (Acts
21 66th Leg., R.S., Ch. 432, Sec. 12(c).)

22 Sec. 6905.168. RIGHTS-OF-WAY; EASEMENTS. The district has
23 all necessary or useful rights-of-way and easements along, over,
24 under, and across all public, state, municipal, and county roads,
25 highways, and places for any of its purposes. The district shall
26 restore a facility used to its previous condition as nearly as
27 possible at the sole expense of the district. (Acts 66th Leg.,

1 R.S., Ch. 432, Sec. 12(b).)

2 Sec. 6905.169. DISTRICT SEAL. The district may adopt an
3 official seal. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(c) (part).)

4 [Sections 6905.170-6905.200 reserved for expansion]

5 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

6 Sec. 6905.201. DISTRICT MONEY. The district may acquire,
7 hold, use, and dispose of its receipts and money from every source.
8 (Acts 66th Leg., R.S., Ch. 432, Sec. 6(d) (part).)

9 Sec. 6905.202. DEPOSITORY. (a) The board shall designate
10 one or more banks inside or outside the district to serve as the
11 depository for the district's money.

12 (b) District money shall be deposited in the depository
13 designated by the board, except that:

14 (1) bond proceeds and money pledged to pay bonds, to
15 the extent provided in a resolution or trust indenture authorizing
16 or securing district bonds, may be deposited with another bank or
17 trustee named in the bond resolution or trust indenture; and

18 (2) money shall be remitted to each paying agent for
19 the payment of principal of and interest on the bonds.

20 (c) To the extent that money in a depository bank or the
21 trustee bank is not insured by the Federal Deposit Insurance
22 Corporation, the money must be secured in the manner provided by law
23 for the security of municipal money. (Acts 66th Leg., R.S., Ch.
24 432, Secs. 6(d) (part), 20 (part).)

25 Sec. 6905.203. INVESTMENT OF DISTRICT MONEY. The board may
26 invest district money in obligations and make time deposits of
27 district money in a manner determined by the board or in the manner

1 permitted or required in a resolution or trust indenture
2 authorizing or securing district bonds. (Acts 66th Leg., R.S., Ch.
3 432, Sec. 20 (part).)

4 Sec. 6905.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND
5 ASSESSMENT. The district is not required to pay a tax or assessment
6 on its facilities or any part of its facilities. (Acts 66th Leg.,
7 R.S., Ch. 432, Sec. 22 (part).)

8 [Sections 6905.205-6905.250 reserved for expansion]

9 SUBCHAPTER F. BONDS

10 Sec. 6905.251. AUTHORITY TO ISSUE BONDS. (a) The district
11 may issue bonds, provide for and secure the payment of the bonds,
12 and provide for the rights of the holders of the bonds, in the
13 manner and to the extent permitted by this chapter.

14 (b) The district may issue bonds to carry out any authority
15 conferred by this chapter. The bonds must be authorized by a board
16 resolution.

17 (c) The bonds may be payable from and secured by revenue or
18 ad valorem taxes, or both revenue and ad valorem taxes, of the
19 district, in the manner and under the terms of the resolution
20 authorizing the issuance of the bonds. (Acts 66th Leg., R.S., Ch.
21 432, Secs. 6(i), 14(a), (b) (part), (d) (part).)

22 Sec. 6905.252. FORM OF BONDS. A district bond must be:

- 23 (1) issued in the district's name;
24 (2) signed by the president or vice president; and
25 (3) attested by the secretary. (Acts 66th Leg., R.S.,
26 Ch. 432, Sec. 14(b) (part).)

27 Sec. 6905.253. MATURITY. District bonds must mature not

1 later than 50 years after the date of their issuance. (Acts 66th
2 Leg., R.S., Ch. 432, Sec. 14(b) (part).)

3 Sec. 6905.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM
4 TAXES. (a) Bonds, other than refunding bonds, payable wholly or
5 partly from ad valorem taxes may not be issued unless authorized by
6 a majority of the district voters voting at an election.

7 (b) The board may call an election under this section
8 without a petition. The resolution calling the election must
9 specify:

10 (1) the time and places at which the election will be
11 held;

12 (2) the purpose for which the bonds will be issued;

13 (3) the amount of the bonds;

14 (4) the form of the ballot; and

15 (5) other matters the board considers necessary or
16 advisable.

17 (c) Notice of the election must be given by publishing a
18 substantial copy of the resolution calling the election in a
19 newspaper of general circulation in the district. The notice must
20 be published once each week for two consecutive weeks. The first
21 publication must be not later than the 14th day before the date of
22 the election.

23 (d) The board may issue bonds not payable wholly or partly
24 from ad valorem taxes without an election. (Acts 66th Leg., R.S.,
25 Ch. 432, Secs. 17(a) (part), (b).)

26 Sec. 6905.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

27 (a) Bonds issued under this subchapter may be secured by a pledge

1 of all or part of the district's revenue, or by all or part of the
2 revenue of one or more contracts previously or subsequently made or
3 other revenue or income specified by board resolution or a trust
4 indenture securing the bonds. The pledge may reserve the right,
5 under conditions specified by the pledge, to issue additional bonds
6 that will be on a parity with or subordinate to the bonds then being
7 issued.

8 (b) The district may issue bonds secured by both taxes and
9 revenue of the district described by Subsection (a). (Acts 66th
10 Leg., R.S., Ch. 432, Secs. 14(c), (d) (part).)

11 Sec. 6905.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If
12 bonds are issued payable wholly or partly from ad valorem taxes, the
13 board shall annually impose a tax on the taxable property in the
14 district in an amount sufficient to pay the principal of and
15 interest on the bonds when due.

16 (b) The district may adopt the rate of a tax imposed under
17 Subsection (a) after giving consideration to the money received
18 from the pledged revenue that may be available for payment of
19 principal and interest, to the extent and in the manner permitted by
20 the resolution authorizing the issuance of the bonds. (Acts 66th
21 Leg., R.S., Ch. 432, Secs. 14(d) (part), 23(b) (part).)

22 Sec. 6905.257. ADDITIONAL SECURITY. (a) Bonds, including
23 refunding bonds, authorized by this subchapter that are not payable
24 wholly from ad valorem taxes may be additionally secured, at the
25 discretion of the board, by a deed of trust or mortgage lien on
26 physical property of the district, franchises, easements, water
27 rights and appropriation permits, leases, contracts, and all rights

1 appurtenant to the property, vesting in the trustee power to:

2 (1) sell the property for the payment of the debt;

3 (2) operate the property; and

4 (3) take other action to further secure the bonds.

5 (b) A purchaser under a sale under the deed of trust lien, if
6 one is given:

7 (1) is the absolute owner of property, facilities, and
8 rights purchased; and

9 (2) is entitled to maintain and operate the property,
10 facilities, and rights. (Acts 66th Leg., R.S., Ch. 432, Sec. 16
11 (part).)

12 Sec. 6905.258. TRUST INDENTURE. (a) A bond issued under
13 this subchapter, including a refunding bond, that is not payable
14 wholly from ad valorem taxes may be additionally secured by a trust
15 indenture. The trustee may be a bank with trust powers located
16 inside or outside the state.

17 (b) A trust indenture, regardless of the existence of the
18 deed of trust or mortgage lien on the property, may:

19 (1) provide for the security of the bonds and the
20 preservation of the trust estate in the manner prescribed by the
21 board;

22 (2) provide for amendment or modification of the trust
23 indenture;

24 (3) provide for the issuance of bonds to replace lost
25 or mutilated bonds;

26 (4) condition the right to spend district money or
27 sell district property on the approval of a licensed engineer

1 selected as provided by the trust indenture; and

2 (5) provide for the investment of district money.
3 (Acts 66th Leg., R.S., Ch. 432, Sec. 16 (part).)

4 Sec. 6905.259. DEANNEXATION OF DISTRICT TERRITORY AFTER
5 ISSUANCE OF BONDS. Territory may not be deannexed from the district
6 after the issuance of bonds payable from revenue or taxes. (Acts
7 66th Leg., R.S., Ch. 432, Sec. 17(a) (part).)

8 Sec. 6905.260. CHARGES FOR DISTRICT SERVICES. (a) If bonds
9 payable wholly from revenue are issued, the board shall set and
10 revise the rates of compensation for water sold and services
11 provided by the district. The rates must be sufficient to:

12 (1) pay the expense of operating and maintaining
13 district facilities;

14 (2) pay the principal of and interest on the bonds when
15 due; and

16 (3) maintain the reserve fund and other funds as
17 provided in the resolution authorizing the bonds.

18 (b) If bonds payable partly from revenue are issued, the
19 board shall set and revise the rate of compensation for water sold
20 and any other services provided by the district. The rate must be
21 in an amount sufficient to ensure compliance with the resolution
22 authorizing the bonds or the trust indenture securing the bonds.
23 (Acts 66th Leg., R.S., Ch. 432, Sec. 14(e).)

24 Sec. 6905.261. USE OF BOND PROCEEDS. (a) The district may
25 set aside an amount of proceeds from the sale of bonds issued under
26 this subchapter for:

27 (1) the payment of interest expected to accrue during

1 construction not to exceed three years;

2 (2) a reserve interest and sinking fund; and

3 (3) other funds as may be provided in the resolution
4 authorizing the bonds or in the trust indenture.

5 (b) The district may use proceeds from the sale of the bonds
6 to pay any expense necessarily incurred in accomplishing the
7 purpose of the district, including:

8 (1) any expense of issuing and selling the bonds; and

9 (2) the amount needed to operate the district during
10 construction of the improvements. (Acts 66th Leg., R.S., Ch. 432,
11 Sec. 14(f).)

12 Sec. 6905.262. APPOINTMENT OF RECEIVER. (a) On default or
13 a threatened default in the payment of principal of or interest on
14 bonds issued under this subchapter that are payable wholly or
15 partly from revenue, a court may, on petition of the holders of
16 outstanding bonds, appoint a receiver for the district.

17 (b) The receiver may collect and receive all district
18 income, except taxes, employ and discharge district agents and
19 employees, take charge of money on hand, except money received from
20 taxes, unless commingled, and manage the proprietary affairs of the
21 district without consent or hindrance by the board.

22 (c) The receiver may be authorized to sell or contract for
23 the sale of water or to renew those contracts with the approval of
24 the court that appointed the receiver.

25 (d) The court may vest the receiver with any other power or
26 duty the court finds necessary to protect the bondholders. (Acts
27 66th Leg., R.S., Ch. 432, Sec. 14(g) (part).)

1 Sec. 6905.263. REFUNDING BONDS. (a) The district may issue
2 refunding bonds to refund outstanding bonds issued under this
3 subchapter and interest on those bonds.

4 (b) Refunding bonds may:

5 (1) be issued to refund bonds of more than one series;

6 (2) combine the pledges for the outstanding bonds for
7 the security of the refunding bonds; or

8 (3) be secured by a pledge of other or additional
9 revenue or mortgage liens.

10 (c) The provisions of this subchapter regarding the
11 issuance of other bonds, their security, and the remedies of the
12 holders apply to refunding bonds.

13 (d) The comptroller shall register the refunding bonds on
14 surrender and cancellation of the bonds to be refunded.

15 (e) Instead of issuing bonds to be registered on the
16 surrender and cancellation of the bonds to be refunded, the
17 district, in the resolution authorizing the issuance of the
18 refunding bonds, may provide for the sale of the refunding bonds and
19 the deposit of the proceeds in a bank at which the bonds to be
20 refunded are payable. In that case, the refunding bonds may be
21 issued in an amount sufficient to pay the principal of and interest
22 and any required redemption premium on the bonds to be refunded to
23 any redemption date or to their maturity date, and the comptroller
24 shall register the refunding bonds without the surrender and
25 cancellation of the bonds to be refunded.

26 (f) An election is not required for refunding bonds.

27 (g) The district may also issue refunding bonds under any

1 other applicable law. (Acts 66th Leg., R.S., Ch. 432, Sec. 15.)

2 Sec. 6905.264. LIMITATION ON RIGHTS OF HOLDERS. The
3 resolution authorizing the bonds or the trust indenture securing
4 the bonds may limit or qualify the rights of the holders of less
5 than all of the outstanding bonds payable from the source to
6 institute or prosecute litigation affecting the district's
7 property or income. (Acts 66th Leg., R.S., Ch. 432, Sec. 14(g)
8 (part).)

9 Sec. 6905.265. BONDS EXEMPT FROM TAXATION. A bond issued
10 under this subchapter, the transfer of the bond, and income from the
11 bond, including profits made on the sale of the bond, are exempt
12 from taxation in this state. (Acts 66th Leg., R.S., Ch. 432, Sec.
13 22 (part).)

14 CHAPTER 6906. CORYELL CITY WATER SUPPLY DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 6906.001. DEFINITIONS

17 Sec. 6906.002. NATURE OF DISTRICT

18 Sec. 6906.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

19 Sec. 6906.004. DISTRICT TERRITORY

20 [Sections 6906.005-6906.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 6906.051. COMPOSITION OF BOARD; TERMS

23 Sec. 6906.052. QUALIFICATIONS FOR OFFICE

24 Sec. 6906.053. VACANCIES

25 Sec. 6906.054. REMOVAL FROM OFFICE

26 Sec. 6906.055. BOARD RESOLUTIONS; VOTING REQUIREMENTS

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- 1 Sec. 6906.057. DUTIES OF OFFICERS AND ASSISTANTS
2 Sec. 6906.058. MEETINGS
3 Sec. 6906.059. PERSONAL LIABILITY OF DIRECTORS
4 [Sections 6906.060-6906.100 reserved for expansion]
5 SUBCHAPTER C. POWERS AND DUTIES
6 Sec. 6906.101. GENERAL POWERS
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11 DISPOSITION
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13 Sec. 6906.107. DISTRICT OFFICE
14 Sec. 6906.108. PERSONNEL
15 Sec. 6906.109. PERMITS
16 Sec. 6906.110. GENERAL CONTRACT POWERS
17 Sec. 6906.111. AUTHORITY OF PUBLIC AGENCIES AND
18 POLITICAL SUBDIVISIONS TO CONTRACT
19 WITH DISTRICT
20 Sec. 6906.112. ACQUISITION OF LAND; STORAGE CAPACITY
21 Sec. 6906.113. CONSTRUCTION CONTRACTS
22 Sec. 6906.114. CONVEYANCE OF LAND TO DISTRICT
23 Sec. 6906.115. DISPOSAL OF PROPERTY
24 Sec. 6906.116. EMINENT DOMAIN
25 Sec. 6906.117. COST OF RELOCATING OR ALTERING PROPERTY
26 Sec. 6906.118. RIGHTS-OF-WAY; EASEMENTS
27 Sec. 6906.119. SEAL

1 [Sections 6906.120-6906.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 6906.151. DISTRICT MONEY

4 Sec. 6906.152. AUTHORITY TO BORROW MONEY AND ISSUE

5 BONDS

6 Sec. 6906.153. DEPOSITORY

7 Sec. 6906.154. INVESTMENT OF DISTRICT MONEY

8 Sec. 6906.155. DISTRICT FACILITIES EXEMPT FROM

9 TAXATION AND ASSESSMENT

10 [Sections 6906.156-6906.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 6906.201. AUTHORITY TO ISSUE BONDS

13 Sec. 6906.202. FORM OF BONDS

14 Sec. 6906.203. MATURITY

15 Sec. 6906.204. BONDS SECURED BY REVENUE; ADDITIONAL

16 BONDS

17 Sec. 6906.205. ADDITIONAL SECURITY

18 Sec. 6906.206. TRUST INDENTURE

19 Sec. 6906.207. CHARGES FOR DISTRICT SERVICES

20 Sec. 6906.208. STATE PLEDGE REGARDING RIGHTS AND

21 REMEDIES OF BONDHOLDERS

22 Sec. 6906.209. USE OF BOND PROCEEDS

23 Sec. 6906.210. APPOINTMENT OF RECEIVER

24 Sec. 6906.211. REFUNDING BONDS

25 Sec. 6906.212. OTHER REMEDIES AND COVENANTS

26 Sec. 6906.213. LIMITATION ON RIGHTS OF BONDHOLDERS

27 Sec. 6906.214. BONDS EXEMPT FROM TAXATION

1 CHAPTER 6906. CORYELL CITY WATER SUPPLY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 6906.001. DEFINITIONS. In this chapter:

4 (1) "Board" means the district's board of directors.

5 (2) "Bond" means a bond or note.

6 (3) "Director" means a member of the board.

7 (4) "District" means the Coryell City Water Supply
8 District. (Acts 66th Leg., R.S., Ch. 435, Secs. 1 (part), 5(a)
9 (part), 16(a) (part).)

10 Sec. 6906.002. NATURE OF DISTRICT. The district is a
11 conservation and reclamation district in Coryell County created
12 under Section 59, Article XVI, Texas Constitution. (Acts 66th
13 Leg., R.S., Ch. 435, Sec. 1 (part).)

14 Sec. 6906.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
15 The district is created to serve a public use and benefit.

16 (b) All land and other property included in the boundaries
17 of the district and other areas to be served by the district's works
18 and projects will benefit from the works and projects accomplished
19 by the district under the powers conferred by Section 59, Article
20 XVI, Texas Constitution.

21 (c) The accomplishment of the purposes stated in this
22 chapter is for the benefit of the people of this state for the
23 improvement of their property and industries. The district, in
24 carrying out the purposes of this chapter, will be performing an
25 essential public function under the constitution. (Acts 66th Leg.,
26 R.S., Ch. 435, Secs. 4, 23 (part).)

27 Sec. 6906.004. DISTRICT TERRITORY. (a) The district is

1 composed of the territory described by Section 2, Chapter 435, Acts
2 of the 66th Legislature, Regular Session, 1979, as that territory
3 may have been modified under:

- 4 (1) Subchapter J, Chapter 49, Water Code; or
5 (2) other law.

6 (b) The boundaries and field notes of the district form a
7 closure. A mistake in the field notes or in copying the field notes
8 in the legislative process does not affect:

- 9 (1) the district's organization, existence, and
10 validity;
11 (2) the district's right to issue any type of bond for
12 a purpose for which the district is created or to pay the principal
13 of and interest on the bond;
14 (3) the district's right to impose a tax; or
15 (4) the legality or operation of the district or its
16 governing body. (Acts 66th Leg., R.S., Ch. 435, Sec. 3; New.)

17 [Sections 6906.005-6906.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 6906.051. COMPOSITION OF BOARD; TERMS. (a) The
20 district is governed by a board of 11 directors, each of whom
21 occupies a numbered place on the board.

22 (b) Directors serve staggered two-year terms, with the
23 terms of the directors occupying Places 1, 2, 3, 4, and 5 expiring
24 on April 1 of each even-numbered year and the terms of the directors
25 occupying Places 6, 7, 8, 9, 10, and 11 expiring April 1 of each
26 odd-numbered year.

27 (c) In March of each year, the Commissioners Court of

1 Coryell County shall appoint directors to succeed directors whose
2 term of office will expire on April 1. The appointed directors'
3 terms begin on April 1 of that year. (Acts 66th Leg., R.S., Ch. 435,
4 Secs. 5(a) (part), (b) (part).)

5 Sec. 6906.052. QUALIFICATIONS FOR OFFICE. (a) Directors
6 must be appointed from areas in Coryell County as follows:

7 (1) one each from the Oglesby-Mound area and Levita
8 area;

9 (2) two each from the Pancake area, Jonesboro area,
10 and Turnersville area; and

11 (3) three from the Coryell City area.

12 (b) To be eligible to succeed a director whose term of
13 office is about to expire, a person must be appointed from the same
14 geographical area as the geographical area that the director
15 represents.

16 (c) Each director is eligible for reappointment.

17 (d) To be eligible to be appointed or to serve as a director,
18 a person must be a resident, qualified voter of the geographical
19 area from which the person is appointed.

20 (e) A director may not hold any other public office. (Acts
21 66th Leg., R.S., Ch. 435, Secs. 5(b) (part), (c).)

22 Sec. 6906.053. VACANCIES. Any vacancy occurring on the
23 board shall be filled for the unexpired term by appointment in the
24 manner in which the vacating director was appointed. (Acts 66th
25 Leg., R.S., Ch. 435, Sec. 5(b) (part).)

26 Sec. 6906.054. REMOVAL FROM OFFICE. After reasonable
27 notice and a public hearing, the board may remove a director from

1 office for misfeasance, malfeasance, or wilful neglect of duty.
2 Reasonable notice and a public hearing are not required if the
3 notice and hearing are expressly waived in writing. (Acts 66th
4 Leg., R.S., Ch. 435, Sec. 5(d).)

5 Sec. 6906.055. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)
6 The district shall act by resolutions adopted by the board.

7 (b) All directors are entitled to vote.

8 (c) The affirmative vote of a majority of the directors
9 present is necessary to adopt a resolution. (Acts 66th Leg., R.S.,
10 Ch. 435, Sec. 6(c).)

11 Sec. 6906.056. OFFICERS AND ASSISTANTS. (a) The board
12 shall elect a president, vice president, secretary, and treasurer
13 at the first meeting of the newly constituted board each year and at
14 any time necessary to fill a vacancy.

15 (b) The board shall elect the president and vice president
16 from among the directors.

17 (c) The offices of secretary and treasurer:

18 (1) may be held by one person; and

19 (2) are not required to be held by a director.

20 (d) The board may appoint as assistant board secretary one
21 or more persons who are not directors. (Acts 66th Leg., R.S., Ch.
22 435, Secs. 6(b) (part), (d) (part).)

23 Sec. 6906.057. DUTIES OF OFFICERS AND ASSISTANTS. (a) The
24 board president shall preside at board meetings and perform other
25 duties prescribed by the board.

26 (b) The board treasurer shall perform duties and functions
27 prescribed by the board.

1 (c) The board secretary is the official custodian of the
2 minutes, books, records, and seal of the board and shall perform
3 other duties and functions prescribed by the board. An assistant
4 board secretary may perform any duty or function of the board
5 secretary. (Acts 66th Leg., R.S., Ch. 435, Sec. 6(b) (part).)

6 Sec. 6906.058. MEETINGS. The board shall have regular
7 meetings at times specified by board resolution and shall have
8 special meetings when called by the board president or by any two
9 directors. (Acts 66th Leg., R.S., Ch. 435, Sec. 6(e).)

10 Sec. 6906.059. PERSONAL LIABILITY OF DIRECTORS. A director
11 is not personally liable for any bond issued or contract executed by
12 the district. (Acts 66th Leg., R.S., Ch. 435, Sec. 6(f).)

13 [Sections 6906.060-6906.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 6906.101. GENERAL POWERS. The district has all powers
16 necessary or appropriate to achieve the purposes of this chapter.
17 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(a).)

18 Sec. 6906.102. GENERAL POWERS REGARDING WATER. The
19 district has all rights, powers, and privileges necessary or useful
20 to enable it to acquire, provide, supply, deliver, and sell potable
21 water for any beneficial purpose in its boundaries and vicinity and
22 in Coryell and McLennan Counties. (Acts 66th Leg., R.S., Ch. 435,
23 Sec. 7.)

24 Sec. 6906.103. GENERAL POWERS REGARDING WASTE. (a) The
25 district has all rights, powers, and privileges necessary or useful
26 to enable it to collect, transport, dispose of, and control
27 domestic, industrial, or communal wastes, whether in fluid, solid,

1 or composite state, inside and outside its boundaries.

2 (b) The district may exercise any power granted by Chapter
3 30, Water Code, to a district created under Section 59, Article XVI,
4 Texas Constitution. (Acts 66th Leg., R.S., Ch. 435, Secs. 8, 9(1).)

5 Sec. 6906.104. DISTRICT BYLAWS AND RULES. The district may
6 adopt and enforce:

7 (1) bylaws and rules for the conduct of its affairs;
8 and

9 (2) rules that a municipal utility district may adopt
10 and enforce under Sections 54.205 et seq., Water Code. (Acts 66th
11 Leg., R.S., Ch. 435, Secs. 9(c) (part), (k).)

12 Sec. 6906.105. PROPERTY ACQUISITION, USE, AND DISPOSITION.

13 (a) The district may acquire, own, rent, lease, accept, hold, or
14 dispose of property, or an interest in property, including a right
15 or easement, by purchase, exchange, gift, assignment,
16 condemnation, sale, lease, or otherwise, in performing district
17 duties or exercising district powers under this chapter.

18 (b) The district may hold, manage, operate, or improve
19 property.

20 (c) The district may lease or rent any land, building,
21 structure, or facility from or to any person to achieve the purposes
22 of this chapter.

23 (d) The district may sell, assign, lease, encumber,
24 mortgage, or otherwise dispose of property, or an interest in
25 property, and release or relinquish a right, title, claim, lien,
26 interest, easement, or demand, regardless of the manner in which
27 acquired, and conduct a transaction authorized by this subsection

1 by public or private sale, with or without public bidding,
2 notwithstanding any other law. (Acts 66th Leg., R.S., Ch. 435,
3 Secs. 9(e), (f).)

4 Sec. 6906.106. REQUESTS FOR AND ACCEPTANCE OF AID. The
5 district may request and accept an appropriation, grant,
6 allocation, subsidy, guarantee, aid, service, material, or gift
7 from any public or private source, including the federal
8 government, the state, a public agency, or a political subdivision.
9 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(g).)

10 Sec. 6906.107. DISTRICT OFFICE. The district may operate
11 and maintain an office. (Acts 66th Leg., R.S., Ch. 435, Sec. 9(h)
12 (part).)

13 Sec. 6906.108. PERSONNEL. The district may appoint and
14 determine the duties, tenure, qualifications, and compensation of
15 district officers and employees, as well as any agent, professional
16 advisor, or counselor, including any financial consultant,
17 accountant, attorney, architect, engineer, appraiser, or financing
18 expert, considered necessary or advisable by the board. (Acts 66th
19 Leg., R.S., Ch. 435, Sec. 9(h) (part).)

20 Sec. 6906.109. PERMITS. (a) The district may obtain
21 through appropriate proceedings permits from the Texas Commission
22 on Environmental Quality.

23 (b) The district may acquire water appropriation permits
24 from owners of permits by contract or otherwise. (Acts 66th Leg.,
25 R.S., Ch. 435, Sec. 10 (part).)

26 Sec. 6906.110. GENERAL CONTRACT POWERS. (a) The district
27 may enter into and enforce a contract or agreement necessary or

1 convenient to the exercise of the powers, rights, privileges, and
2 functions conferred on the district by this chapter or the general
3 law, including a contract or agreement with any person as the board
4 considers necessary or proper for, or in connection with, any power
5 or function of the district for:

6 (1) the purchase or other acquisition, storage,
7 transportation, distribution, delivery, or sale of water;

8 (2) the collection, transportation, processing, or
9 disposal of waste; or

10 (3) the construction, acquisition, ownership,
11 financing, operation, maintenance, sale, leasing to or from, or
12 other use or disposition of any facilities authorized to be
13 developed, acquired, or constructed under this chapter or the
14 general law.

15 (b) The authority to enter into or enforce the contract or
16 agreement includes the authority to enter into or enforce a
17 contract or agreement regarding:

18 (1) any improvements, structures, facilities,
19 equipment, and other property of any kind in connection with the
20 subject of the contract or agreement;

21 (2) any related land, leaseholds, and easements; and

22 (3) any interests in the property.

23 (c) The contract or agreement:

24 (1) may not have a term of more than 40 years; and

25 (2) may contain provisions the board determines to be
26 in the best interest of the district.

27 (d) The district may pledge all or part of its revenue to the

1 payment of its obligations under the contract or agreement to the
2 same extent and on the same conditions as it may pledge revenue to
3 secure district bonds. (Acts 66th Leg., R.S., Ch. 435, Sec. 11(a).)

4 Sec. 6906.111. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL
5 SUBDIVISIONS TO CONTRACT WITH DISTRICT. (a) A public agency or
6 political subdivision of this state may enter into a contract or
7 agreement with the district, on terms agreed to by the parties, for:

8 (1) the purchase or sale of water;

9 (2) waste collection, processing, or disposal; or

10 (3) any purpose relating to the district's powers or
11 functions.

12 (b) Approval, notice, consent, or an election is not
13 required in connection with a contract or agreement. (Acts 66th
14 Leg., R.S., Ch. 435, Sec. 11(b) (part).)

15 Sec. 6906.112. ACQUISITION OF LAND; STORAGE CAPACITY. (a)
16 The district may acquire land, or an interest in land, inside or
17 outside the district for any work, plant, or other facility
18 necessary or useful to divert, impound, store, drill for, pump,
19 treat, or transport water for municipal, domestic, industrial,
20 mining, oil flooding, or any other useful purpose.

21 (b) The district may lease, purchase, or otherwise acquire
22 rights in and to storage and storage capacity in any reservoir
23 constructed or to be constructed by the United States or any other
24 person. (Acts 66th Leg., R.S., Ch. 435, Secs. 10 (part), 13
25 (part).)

26 Sec. 6906.113. CONSTRUCTION CONTRACTS. (a) The district
27 may award a construction contract that requires an expenditure of

1 more than \$5,000 only after publication of notice to bidders once
2 each week for two consecutive weeks in a newspaper of general
3 circulation in the district.

4 (b) The notice is sufficient if it states:

5 (1) the time and place for opening the bids;

6 (2) the general nature of the work to be done;

7 (3) the material, equipment, or supplies to be
8 purchased; and

9 (4) where the terms of bidding and copies of the plans
10 and specifications may be obtained. (Acts 66th Leg., R.S., Ch. 435,
11 Sec. 15.)

12 Sec. 6906.114. CONVEYANCE OF LAND TO DISTRICT. A public
13 agency or political subdivision of this state may lease, sell, or
14 otherwise convey to the district any of its land, improvements,
15 property, plants, lines, or other facilities related to the supply
16 of water or the collection, processing, or disposal of waste for any
17 consideration that the parties agree is adequate. Approval,
18 notice, consent, or an election is not required in connection with a
19 conveyance, contract, or agreement. (Acts 66th Leg., R.S., Ch.
20 435, Sec. 11(b) (part).)

21 Sec. 6906.115. DISPOSAL OF PROPERTY. Subject to the terms
22 of a resolution or deed of trust authorizing or securing bonds
23 issued by the district, the district may sell, lease, rent, trade,
24 or otherwise dispose of property under terms considered by the
25 board to be consistent with district purposes. (Acts 66th Leg.,
26 R.S., Ch. 435, Sec. 13 (part).)

27 Sec. 6906.116. EMINENT DOMAIN. (a) To carry out a power

1 provided by this chapter, the district may exercise the power of
2 eminent domain to acquire the fee simple title to land, or any other
3 interest in land, and other property and easements, inside or
4 outside the district.

5 (b) The district must exercise the power of eminent domain
6 in the manner provided by Chapter 21, Property Code, except that the
7 district is not required to:

8 (1) give bond for appeal or bond for costs in a
9 condemnation or other suit to which it is a party; or

10 (2) deposit double the amount of an award in a suit.

11 (c) The district is a municipal corporation for the purposes
12 of Chapter 21, Property Code.

13 (d) The board shall determine the amount and the type of
14 interest in land, other property, or easements to be acquired.
15 (Acts 66th Leg., R.S., Ch. 435, Sec. 14(a) (part).)

16 Sec. 6906.117. COST OF RELOCATING OR ALTERING PROPERTY.

17 (a) In this section, the term "sole expense" means the actual cost
18 of the relocation, raising, lowering, rerouting, or change in grade
19 or alteration of construction required under Subsection (b) to
20 provide a comparable replacement without enhancing the facility,
21 after deducting the net salvage value derived from the old
22 facility.

23 (b) If the district's exercise of its eminent domain,
24 police, or other power requires relocating, raising, lowering,
25 rerouting, changing the grade of, or altering the construction of
26 any railroad, electric, transmission, telegraph, or telephone
27 line, conduit, pole, property or facility, or pipeline, the action

1 shall be accomplished at the sole expense of the district. (Acts
2 66th Leg., R.S., Ch. 435, Sec. 14(c).)

3 Sec. 6906.118. RIGHTS-OF-WAY; EASEMENTS. The district has
4 all necessary or useful right-of-way and easements along, over,
5 under, and across all public, state, municipal, and county roads,
6 highways, and places for any of its purposes. The district shall
7 restore a facility used to its previous condition as nearly as
8 possible at the sole expense of the district. (Acts 66th Leg.,
9 R.S., Ch. 435, Sec. 14(b).)

10 Sec. 6906.119. SEAL. The district may adopt an official
11 seal. (Acts 66th Leg., R.S., Ch. 435, Sec. 9(c) (part).)

12 [Sections 6906.120-6906.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 6906.151. DISTRICT MONEY. The district may acquire,
15 hold, use, and dispose of its receipts and money from any source.
16 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(d) (part).)

17 Sec. 6906.152. AUTHORITY TO BORROW MONEY AND ISSUE BONDS.
18 The district, in the manner and to the extent permitted by this
19 chapter, may:

- 20 (1) borrow money for any of its corporate purposes;
21 (2) enter into agreements in connection with the
22 borrowing;
23 (3) issue its bonds for money borrowed;
24 (4) provide for and secure the payment of its bonds;
25 and
26 (5) provide for the rights of the holders of its bonds.

27 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(i).)

1 Sec. 6906.153. DEPOSITORY. (a) The board shall designate
2 one or more banks or savings and loan associations inside or outside
3 the district to serve as the depository for the district's money.

4 (b) All of the district's money shall be deposited in the
5 depository designated by the board, except that:

6 (1) bond proceeds and money pledged to pay bonds, to
7 the extent provided in a resolution or trust indenture authorizing
8 or securing district bonds, may be deposited with another bank or
9 trustee named in the bond resolution or trust indenture; and

10 (2) money shall be remitted to each paying agent for
11 the payment of principal of and interest on the bonds.

12 (c) To the extent that money in a depository bank or trustee
13 bank is not insured by the Federal Deposit Insurance Corporation,
14 the money must be secured in the manner provided by law for the
15 security of county funds in this state. (Acts 66th Leg., R.S., Ch.
16 435, Secs. 9(d) (part), 21 (part).)

17 Sec. 6906.154. INVESTMENT OF DISTRICT MONEY. The board may
18 invest district money in obligations and make time deposits of
19 district money in a manner determined by the board or in the manner
20 permitted or required in a resolution or trust indenture
21 authorizing or securing district bonds. (Acts 66th Leg., R.S., Ch.
22 435, Sec. 21 (part).)

23 Sec. 6906.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND
24 ASSESSMENT. The district is not required to pay a tax or assessment
25 on its facilities or any part of its facilities. (Acts 66th Leg.,
26 R.S., Ch. 435, Sec. 23 (part).)

27 [Sections 6906.156-6906.200 reserved for expansion]

SUBCHAPTER E. BONDS

1
2 Sec. 6906.201. AUTHORITY TO ISSUE BONDS. (a) The district
3 may issue bonds payable from and secured by district revenue to
4 carry out any purpose or power conferred on the district by this
5 chapter. The bonds must be authorized by a board resolution.

6 (b) The bonds must be issued in the manner and under the
7 terms of the resolution authorizing the issuance of the bonds.
8 (Acts 66th Leg., R.S., Ch. 435, Secs. 16(a) (part), (b) (part),
9 (c).)

10 Sec. 6906.202. FORM OF BONDS. District bonds must be:

- 11 (1) issued in the district's name;
12 (2) signed by the president or vice president; and
13 (3) attested by the secretary. (Acts 66th Leg., R.S.,
14 Ch. 435, Sec. 16(b) (part).)

15 Sec. 6906.203. MATURITY. District bonds must mature not
16 later than 40 years after the date of their issuance. (Acts 66th
17 Leg., R.S., Ch. 435, Sec. 16(b) (part).)

18 Sec. 6906.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

19 (a) District bonds may be secured by a pledge of all or part of the
20 district's revenue, or by all or part of the payments or rentals
21 under one or more contracts or leases specified by board resolution
22 or a trust indenture securing the bonds.

23 (b) A resolution authorizing the issuance of bonds secured
24 by a pledge of revenue of all or part of the district's facilities
25 may provide that the district shall first pay the expenses of
26 operating and maintaining all or part of the facilities as the board
27 considers appropriate before paying the principal of and interest

1 on the bonds.

2 (c) A resolution authorizing the issuance of bonds secured
3 by revenue, contract payments, or lease rentals may reserve to the
4 district the right, under conditions specified by the resolution,
5 to issue additional bonds that will be on a parity with, superior
6 to, or subordinate to the bonds then being issued. (Acts 66th Leg.,
7 R.S., Ch. 435, Sec. 16(d).)

8 Sec. 6906.205. ADDITIONAL SECURITY. (a) District bonds
9 may be additionally secured, at the discretion of the board, by a
10 deed of trust or mortgage lien on all or part of the district's
11 physical property, facilities, easements, franchises, water rights
12 and appropriation permits, leases, contracts, and all rights
13 appurtenant to the property, vesting in the trustee power to:

- 14 (1) sell the property for the payment of the debt;
15 (2) operate the property; and
16 (3) take other action to further secure the bonds.

17 (b) A purchaser under a sale under the deed of trust lien, if
18 one is given:

19 (1) is the absolute owner of the property, facilities,
20 and rights purchased; and

21 (2) is entitled to maintain and operate the property,
22 facilities, and rights. (Acts 66th Leg., R.S., Ch. 435, Sec. 18
23 (part).)

24 Sec. 6906.206. TRUST INDENTURE. (a) District bonds,
25 including refunding bonds, may be additionally secured by a trust
26 indenture. The trustee may be a bank with trust powers located
27 inside or outside the state.

1 (b) A trust indenture, regardless of the existence of a deed
2 of trust or mortgage lien on the property, may:

3 (1) provide for the security of the bonds and the
4 preservation of the trust estate in the manner prescribed by the
5 board;

6 (2) provide for amendment or modification of the trust
7 indenture;

8 (3) provide for the issuance of bonds to replace lost
9 or mutilated bonds;

10 (4) condition the right to spend district money or
11 sell district property on the approval of a licensed engineer
12 selected as provided by the trust indenture; and

13 (5) provide for the investment of district money.
14 (Acts 66th Leg., R.S., Ch. 435, Sec. 18 (part).)

15 Sec. 6906.207. CHARGES FOR DISTRICT SERVICES. If district
16 bonds payable wholly from revenue are issued, the board shall set
17 and revise the rates, fees, and charges assessed for water sold and
18 waste collection and treatment services provided by the district.
19 The rates, fees, and charges must be sufficient to:

20 (1) pay the expense of operating and maintaining the
21 district facilities that generate the revenue from which the bonds
22 will be paid;

23 (2) pay the principal of and interest on the bonds when due;
24 and

25 (3) maintain the reserve fund and other funds as provided in
26 the resolution authorizing the bonds. (Acts 66th Leg., R.S., Ch.
27 435, Sec. 16(e) (part).)

1 Sec. 6906.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES
2 OF BONDHOLDERS. Without depriving this state of its power to
3 regulate and control the rates, fees, and charges assessed for
4 water sold and waste collection and treatment services provided by
5 the district, the state pledges to and agrees with the holders of
6 district bonds that the state will not exercise its power to
7 regulate and control the rates, fees, and charges in any way that
8 would impair the rights or remedies of the holders of the bonds.
9 (Acts 66th Leg., R.S., Ch. 435, Sec. 16(e) (part).)

10 Sec. 6906.209. USE OF BOND PROCEEDS. (a) The district may
11 set aside an amount of proceeds from the sale of district bonds for:

12 (1) the payment of interest expected to accrue during
13 construction not to exceed three years;

14 (2) a debt service reserve fund; and

15 (3) other funds as may be provided in the resolution
16 authorizing the bonds or in the trust indenture.

17 (b) The district may use proceeds from the sale of the bonds
18 to pay any expense necessarily incurred in accomplishing the
19 purpose of the district, including any expense of issuing and
20 selling the bonds. (Acts 66th Leg., R.S., Ch. 435, Sec. 16(f).)

21 Sec. 6906.210. APPOINTMENT OF RECEIVER. (a) On default or
22 threatened default in the payment of the principal of or interest on
23 district bonds that are payable wholly or partly from revenue, a
24 court may, on petition of the holders of outstanding bonds, appoint
25 a receiver for the district.

26 (b) The receiver may collect and receive all district
27 income, employ and discharge district agents and employees, take

1 charge of money on hand, and manage the proprietary affairs of the
2 district without consent or hindrance by the board.

3 (c) The receiver may be authorized to sell or contract for
4 the sale of water or the collection, processing, or disposal of
5 waste or to renew contracts with the approval of the court that
6 appointed the receiver.

7 (d) The court may vest the receiver with any other power or
8 duty the court finds necessary to protect the bondholders. (Acts
9 66th Leg., R.S., Ch. 435, Sec. 16(g) (part).)

10 Sec. 6906.211. REFUNDING BONDS. (a) The district may issue
11 refunding bonds to refund outstanding district bonds and interest
12 on those bonds.

13 (b) Refunding bonds may:

14 (1) be issued to refund bonds of more than one series;

15 (2) combine the pledges for the outstanding bonds for
16 the security of the refunding bonds; or

17 (3) be secured by a pledge of other or additional
18 revenue or mortgage liens.

19 (c) The provisions of this subchapter regarding the
20 issuance of other bonds, their security, and the remedies of the
21 holders apply to refunding bonds.

22 (d) The comptroller shall register the refunding bonds on
23 the surrender and cancellation of the bonds to be refunded.

24 (e) Instead of issuing bonds to be registered on the
25 surrender and cancellation of the bonds to be refunded, the
26 district, in the resolution authorizing the issuance of the
27 refunding bonds, may provide for the sale of the refunding bonds and

1 the deposit of the proceeds in a bank at which the bonds to be
2 refunded are payable. In that case, the refunding bonds may be
3 issued in an amount sufficient to pay the principal of and interest
4 and any required redemption premium on the bonds to be refunded to
5 any redemption date or to their maturity date, and the comptroller
6 shall register the refunding bonds without the surrender and
7 cancellation of the bonds to be refunded.

8 (f) The district may also issue refunding bonds under any
9 other applicable law. (Acts 66th Leg., R.S., Ch. 435, Sec. 17.)

10 Sec. 6906.212. OTHER REMEDIES AND COVENANTS. The
11 resolution authorizing the issuance of any district bonds,
12 including refunding bonds, or the trust indenture securing the
13 bonds, may provide other remedies and covenants the board considers
14 necessary to issue the bonds on the most favorable terms. (Acts
15 66th Leg., R.S., Ch. 435, Sec. 16(h).)

16 Sec. 6906.213. LIMITATION ON RIGHTS OF BONDHOLDERS. The
17 resolution authorizing the bonds or the trust indenture securing
18 the bonds may limit or qualify the rights of the holders of less
19 than all of the outstanding bonds payable from the same source to
20 institute or prosecute litigation affecting the district's
21 property or income. (Acts 66th Leg., R.S., Ch. 435, Sec. 16(g)
22 (part).)

23 Sec. 6906.214. BONDS EXEMPT FROM TAXATION. A district
24 bond, the transfer of the bond, and the income from the bond,
25 including profits made on the sale of the bond, are exempt from
26 taxation in this state. (Acts 66th Leg., R.S., Ch. 435, Sec. 23
27 (part).)

1 SECTION 1.07. Subtitle C, Title 6, Special District Local
2 Laws Code, is amended by adding Chapters 7207 and 7208 to read as
3 follows:

4 CHAPTER 7207. TARKINGTON SPECIAL UTILITY DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 7207.001. DEFINITIONS

7 Sec. 7207.002. NATURE OF DISTRICT

8 Sec. 7207.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

9 Sec. 7207.004. DISTRICT TERRITORY

10 [Sections 7207.005-7207.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 7207.051. COMPOSITION OF BOARD; TERMS

13 Sec. 7207.052. DIRECTORS' ELECTION

14 [Sections 7207.053-7207.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 7207.101. SPECIAL UTILITY DISTRICT POWERS

17 Sec. 7207.102. GENERAL CONTRACT POWERS

18 Sec. 7207.103. WATER RIGHTS

19 Sec. 7207.104. WATER OR SEWER SYSTEM ACQUISITION OR

20 CONSTRUCTION

21 Sec. 7207.105. STANDARD SPECIFICATIONS FOR FACILITIES

22 Sec. 7207.106. REVENUE BONDS

23 CHAPTER 7207. TARKINGTON SPECIAL UTILITY DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 7207.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the
27 district.

1 (2) "Director" means a member of the board.

2 (3) "District" means the Tarkington Special Utility
3 District. (Acts 76th Leg., R.S., Ch. 1321, Sec. 2; New.)

4 Sec. 7207.002. NATURE OF DISTRICT. The district is a
5 conservation and reclamation district in Liberty County created
6 under Section 59, Article XVI, Texas Constitution, as a special
7 utility district. (Acts 76th Leg., R.S., Ch. 1321, Secs. 1(a)
8 (part), (b) (part), 11(a) (part).)

9 Sec. 7207.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
10 The district is created to serve a public use and benefit.

11 (b) All land and other property in the district will benefit
12 from the works and projects to be accomplished by the district under
13 the powers conferred by Section 59, Article XVI, Texas
14 Constitution.

15 (c) The creation of the district is essential to accomplish
16 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
17 76th Leg., R.S., Ch. 1321, Secs. 1(b) (part), 5.)

18 Sec. 7207.004. DISTRICT TERRITORY. (a) The district is
19 composed of the territory described by Section 3, Chapter 1321,
20 Acts of the 76th Legislature, Regular Session, 1999, as that
21 territory may have been modified under:

- 22 (1) Subchapter J, Chapter 49, Water Code;
23 (2) Subchapter H, Chapter 65, Water Code; or
24 (3) other law.

25 (b) The boundaries and field notes of the district form a
26 closure. A mistake in the field notes or in copying the field notes
27 in the legislative process does not affect:

1 (1) the district's organization, existence, or
2 validity;

3 (2) the district's right to issue any type of bond for
4 a purpose for which the district is created or to pay the principal
5 of and interest on the bond; or

6 (3) the legality or operation of the district or its
7 board. (New; Acts 76th Leg., R.S., Ch. 1321, Sec. 4.)

8 [Sections 7207.005-7207.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 7207.051. COMPOSITION OF BOARD; TERMS. (a) The
11 district is governed by a board of seven directors.

12 (b) Directors serve staggered terms of four years. (Acts
13 76th Leg., R.S., Ch. 1321, Secs. 7(a), (d).)

14 Sec. 7207.052. DIRECTORS' ELECTION. (a) An election shall
15 be held in the district to elect the appropriate number of directors
16 to the board on the uniform election date in May of each
17 even-numbered year.

18 (b) The board may assign a position to each director's
19 office. If positions are assigned, directors shall subsequently be
20 elected by position and not at large. (Acts 76th Leg., R.S., Ch.
21 1321, Sec. 10.)

22 [Sections 7207.053-7207.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 7207.101. SPECIAL UTILITY DISTRICT POWERS. The
25 district has the rights, powers, privileges, functions, and duties
26 provided by general law applicable to a special utility district
27 created under Section 59, Article XVI, Texas Constitution,

1 including those provided by Chapters 49 and 65, Water Code. (Acts
2 76th Leg., R.S., Ch. 1321, Sec. 6(a) (part).)

3 Sec. 7207.102. GENERAL CONTRACT POWERS. The district may
4 contract for:

5 (1) purchasing or selling raw or treated water;

6 (2) transporting, treating, or disposing of the
7 district's domestic, industrial, or communal waste;

8 (3) transporting, treating, or disposing of domestic,
9 industrial, or communal waste of others as provided by Chapter 30,
10 Water Code;

11 (4) purchasing, leasing, using, managing,
12 controlling, or operating a water treatment or distribution
13 facility or a sewer collection and treatment facility, including
14 all or part of a facility or system owned by another political
15 subdivision; or

16 (5) planning, surveying, investigating, or preparing
17 a report of any kind. (Acts 76th Leg., R.S., Ch. 1321, Sec. 11(b).)

18 Sec. 7207.103. WATER RIGHTS. The district may acquire,
19 develop, and use rights to groundwater or surface water. (Acts 76th
20 Leg., R.S., Ch. 1321, Sec. 11(c).)

21 Sec. 7207.104. WATER OR SEWER SYSTEM ACQUISITION OR
22 CONSTRUCTION. (a) In this section, "system" means a water system,
23 sewer system, or water and sewer system.

24 (b) The district may:

25 (1) acquire a system that serves all or part of the
26 territory located inside or outside the district;

27 (2) construct a system; or

1 (3) improve or extend a system the district acquires.

2 (c) A construction contract is governed by the competitive
3 bidding requirements of the Water Code.

4 (d) An existing contract for the acquisition of a water or
5 sewer facility may be made on terms agreed to by the parties. (Acts
6 76th Leg., R.S., Ch. 1321, Sec. 13.)

7 Sec. 7207.105. STANDARD SPECIFICATIONS FOR FACILITIES. (a)
8 The district by rule may establish standard specifications for
9 facilities designed or constructed to:

10 (1) store, treat, or transport water for domestic,
11 municipal, or industrial purposes;

12 (2) collect, treat, and dispose of sewage; or

13 (3) dispose of solid waste.

14 (b) The board shall hold a public hearing on the adoption of
15 standards for district facilities. The board shall give notice of
16 the hearing to the Texas Commission on Environmental Quality and
17 shall publish notice of the hearing in a newspaper with general
18 circulation in the district not later than the 10th day before the
19 date set for the hearing.

20 (c) An appeal of an order adopting standard specifications
21 may be made to a district court of Liberty County. The substantial
22 evidence rule applies to the appeal.

23 (d) The district may seek an injunction against the
24 construction of, addition to, or operation of a facility in the
25 district's jurisdiction if the construction, addition, or
26 operation does not comply with the district's standard
27 specifications.

1 (e) A specification adopted under this section does not
2 apply inside the boundaries or extraterritorial jurisdiction of a
3 municipality unless the governing body of the municipality by
4 resolution gives its approval.

5 (f) The district shall file the standard specifications
6 with the Texas Commission on Environmental Quality. (Acts 76th
7 Leg., R.S., Ch. 1321, Sec. 12.)

8 Sec. 7207.106. REVENUE BONDS. (a) The district may issue
9 bonds to provide for improvements and the maintenance of those
10 improvements necessary to achieve the purposes of Section 59,
11 Article XVI, Texas Constitution.

12 (b) The district shall provide for the payment of the bonds
13 solely through revenue collected to pay the bonds as authorized by
14 Chapter 65, Water Code. (Acts 76th Leg., R.S., Ch. 1321, Sec. 11(a)
15 (part).)

16 CHAPTER 7208. PARKER COUNTY UTILITY DISTRICT NO. 1

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 7208.001. DEFINITIONS

19 Sec. 7208.002. NATURE OF DISTRICT

20 Sec. 7208.003. PURPOSE

21 Sec. 7208.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

22 Sec. 7208.005. DISTRICT TERRITORY

23 Sec. 7208.006. EXISTING OBLIGATIONS AND RIGHTS OF

24 OTHER ENTITIES PRESERVED

25 [Sections 7208.007-7208.050 reserved for expansion]

26 SUBCHAPTER B. ADDING TERRITORY OR NEW MEMBER ENTITIES

27 Sec. 7208.051. ADDING TERRITORY OF MEMBER ENTITIES

1 Sec. 7208.052. ADDING NEW MEMBER ENTITIES

2 Sec. 7208.053. APPOINTMENT OF DIRECTORS BY NEW MEMBER
3 ENTITY

4 [Sections 7208.054-7208.100 reserved for expansion]

5 SUBCHAPTER C. BOARD OF DIRECTORS

6 Sec. 7208.101. GOVERNING BODY

7 Sec. 7208.102. TERMS

8 Sec. 7208.103. APPOINTMENT OF DIRECTORS

9 Sec. 7208.104. QUALIFICATIONS FOR OFFICE

10 Sec. 7208.105. EX OFFICIO DIRECTORS

11 Sec. 7208.106. VACANCY

12 Sec. 7208.107. REMOVAL FROM OFFICE

13 Sec. 7208.108. COMPENSATION; EXPENSES

14 Sec. 7208.109. OFFICERS

15 Sec. 7208.110. MEETINGS

16 Sec. 7208.111. QUORUM

17 Sec. 7208.112. VOTING REQUIREMENTS

18 Sec. 7208.113. CONFLICT OF INTEREST

19 Sec. 7208.114. DISTRICT EMPLOYEES

20 Sec. 7208.115. BYLAWS

21 Sec. 7208.116. CUSTOMER ADVISORY COUNCIL

22 [Sections 7208.117-7208.150 reserved for expansion]

23 SUBCHAPTER D. POWERS AND DUTIES

24 Sec. 7208.151. GENERAL POWERS AND DUTIES OF DISTRICT

25 Sec. 7208.152. RULES

26 Sec. 7208.153. RULES RELATING TO WATER QUALITY

27 Sec. 7208.154. GENERAL WASTE AND WATER POWERS

- 1 Sec. 7208.155. PERMITS
- 2 Sec. 7208.156. GENERAL CONTRACTING AUTHORITY
- 3 Sec. 7208.157. CONTRACTS WITH DISTRICT FOR WASTEWATER
- 4 AND OTHER UTILITY SERVICES
- 5 Sec. 7208.158. AUTHORITY OF OTHER ENTITIES TO CONTRACT
- 6 WITH DISTRICT
- 7 Sec. 7208.159. JOINT AGREEMENTS
- 8 Sec. 7208.160. WASTEWATER AND OTHER NECESSARY
- 9 UTILITIES AND SERVICES
- 10 Sec. 7208.161. CONSTRUCTION OR ACQUISITION OF WORKS
- 11 AND FACILITIES
- 12 Sec. 7208.162. WASTE DISPOSAL SYSTEMS
- 13 Sec. 7208.163. SERVICES PROVIDED OUTSIDE SERVICE AREA
- 14 Sec. 7208.164. RIGHT OF EMINENT DOMAIN
- 15 Sec. 7208.165. COSTS OF RELOCATING OR ALTERING
- 16 PROPERTY
- 17 Sec. 7208.166. REGULATORY POWER OF MUNICIPALITIES
- 18 Sec. 7208.167. STATE SUPERVISION
- 19 Sec. 7208.168. RIGHTS AND DUTIES ASSUMED ON CREATION
- 20 OF DISTRICT
- 21 [Sections 7208.169-7208.200 reserved for expansion]
- 22 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
- 23 Sec. 7208.201. AUDITS
- 24 Sec. 7208.202. DEPOSITORY
- 25 Sec. 7208.203. INVESTMENT OF DISTRICT MONEY
- 26 Sec. 7208.204. RATES, FEES, CHARGES, AND RENTALS
- 27 Sec. 7208.205. ADMINISTRATION AND PLANNING COSTS FEE

1 Sec. 7208.206. IMPOSITION OF AD VALOREM TAXES

2 PROHIBITED

3 Sec. 7208.207. DISTRICT PROPERTY AND PROJECTS EXEMPT

4 FROM TAXATION AND ASSESSMENT

5 [Sections 7208.208-7208.250 reserved for expansion]

6 SUBCHAPTER F. BONDS

7 Sec. 7208.251. AUTHORITY TO ISSUE BONDS

8 Sec. 7208.252. ELECTION NOT REQUIRED

9 Sec. 7208.253. BONDS EXEMPT FROM TAXATION

10 Sec. 7208.254. PAYMENT AND SECURITY

11 Sec. 7208.255. MATURITY

12 Sec. 7208.256. INTEREST RATE

13 Sec. 7208.257. ADDITIONAL BONDS

14 Sec. 7208.258. USE OF BOND PROCEEDS

15 Sec. 7208.259. NEGOTIABLE INSTRUMENTS

16 CHAPTER 7208. PARKER COUNTY UTILITY DISTRICT NO. 1

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 7208.001. DEFINITIONS. In this chapter:

19 (1) "Board" means the board of directors of the
20 district.

21 (2) "Bond" means any interest-bearing obligation,
22 including a bond, note, debenture, certificate, warrant, security,
23 interim certificate or receipt, or other evidence of debt issued by
24 the district, whether general or special, negotiable or
25 nonnegotiable in form, in bearer or registered form, temporary or
26 permanent in form, or with or without interest coupons.

27 (3) "Customer" means a wholesale user of wastewater or

1 other services provided by the district.

2 (4) "Director" means a member of the board.

3 (5) "District" means the Parker County Utility
4 District No. 1.

5 (6) "Local government" means a municipality, a county,
6 or an entity created under Section 52, Article III, or Section 59,
7 Article XVI, Texas Constitution.

8 (7) "Member entity" means a public entity or private
9 utility entity that:

10 (A) provides retail utility service or regulates
11 water, wastewater, sewage, or solid waste in the district; and

12 (B) enters into a contract with the district for
13 service.

14 (8) "Participant entity" means a public entity or
15 private utility entity that:

16 (A) provides utility service inside the
17 boundaries of the entity; and

18 (B) contracts with the district for the
19 construction of and payment for wastewater or other utility service
20 projects to be financed or provided by the district.

21 (9) "Service area" means the territory inside the
22 district and inside the corporate limits or defined boundaries of
23 all member entities, participant entities, and customers of the
24 district, including the areas served by the member entities,
25 participant entities, and customers. (Acts 75th Leg., R.S., Ch.
26 1273, Secs. 1.02(1), (2), (3), (4), (5), (6), (7), (8), (10).)

27 Sec. 7208.002. NATURE OF DISTRICT. The district is a

1 regional wastewater district created under Section 59, Article XVI,
2 Texas Constitution, and is essential to accomplish the purposes of
3 that provision. (Acts 75th Leg., R.S., Ch. 1273, Sec. 1.01.)

4 Sec. 7208.003. PURPOSE. The district is created to:

5 (1) purchase, own, hold, lease, or otherwise acquire
6 wastewater collection facilities;

7 (2) build, operate, and maintain facilities to treat
8 and transport wastewater;

9 (3) protect, preserve, and restore the purity and
10 sanitary condition of water in the district; and

11 (4) provide other utilities in the district if the
12 utilities are not otherwise provided. (Acts 75th Leg., R.S., Ch.
13 1273, Sec. 1.03.)

14 Sec. 7208.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
15 All land and other property included in the district will benefit
16 from the improvements, works, and projects that are to be
17 accomplished by the district under the powers conferred by this
18 chapter and Section 59, Article XVI, Texas Constitution.

19 (b) The district benefits the state by:

20 (1) contributing to economic development and
21 diversification;

22 (2) decreasing the rates of unemployment and
23 underemployment;

24 (3) stimulating agricultural innovation;

25 (4) fostering enterprise growth based on agriculture;
26 and

27 (5) contributing to the development or expansion of

1 transportation and commerce.

2 (c) The accomplishment of the purposes of the district
3 benefits the people, property, and industry of the state. The
4 district is performing an essential public function under the Texas
5 Constitution by accomplishing the purposes of the district. (Acts
6 75th Leg., R.S., Ch. 1273, Secs. 1.06, 1.07, 4.03 (part).)

7 Sec. 7208.005. DISTRICT TERRITORY. (a) The district is
8 composed of the territory described by Section 1.04, Chapter 1273,
9 Acts of the 75th Legislature, Regular Session, 1997, as that
10 territory may have been modified under:

11 (1) Subchapter B or its predecessor statutes, Sections
12 2.17 and 6.01, Chapter 1273, Acts of the 75th Legislature, Regular
13 Session, 1997;

14 (2) Subchapter J, Chapter 49, Water Code;

15 (3) Subchapter H, Chapter 54, Water Code;

16 (4) Subchapter H, Chapter 65, Water Code; or

17 (5) other law.

18 (b) The boundaries and field notes of the district form a
19 closure. A mistake in the field notes or in copying the field notes
20 in the legislative process does not affect:

21 (1) the district's organization, existence, or
22 validity; or

23 (2) the legality or operation of the district or its
24 board. (Acts 75th Leg., R.S., Ch. 1273, Sec. 1.05; New.)

25 Sec. 7208.006. EXISTING OBLIGATIONS AND RIGHTS OF OTHER
26 ENTITIES PRESERVED. This chapter does not alter any existing
27 permit, contract, or other obligation or impair the right of any

1 entity to own, operate, maintain, or otherwise use, provide, or
2 control water, wastewater, solid waste, or liquid waste under the
3 entity's governing law. (Acts 75th Leg., R.S., Ch. 1273, Sec.
4 3.02(e).)

5 [Sections 7208.007-7208.050 reserved for expansion]

6 SUBCHAPTER B. ADDING TERRITORY OR NEW MEMBER ENTITIES

7 Sec. 7208.051. ADDING TERRITORY OF MEMBER ENTITIES. On
8 request by a member entity, the district boundaries may be expanded
9 to include additional or the remaining territory of the member
10 entity if:

11 (1) the boundaries of the member entity are contiguous
12 to the district boundaries; and

13 (2) the requested expansion is approved by a
14 three-fourths majority vote of the board. (Acts 75th Leg., R.S.,
15 Ch. 1273, Sec. 2.17.)

16 Sec. 7208.052. ADDING NEW MEMBER ENTITIES. (a) On receipt
17 of a petition submitted by the governing body of a local government,
18 another political subdivision, or a private entity, including a
19 water supply corporation, the board may add a member entity to the
20 district as provided by this section.

21 (b) A petition must be submitted in the manner and form
22 required by the district bylaws.

23 (c) On receipt of a petition, the board shall give notice
24 and hold a hearing on the petition to determine if adding the member
25 entity to the district:

26 (1) will benefit the territory or service area in the
27 member entity; and

1 (2) is in the best interests of the district.

2 (d) If the board determines that the proposed member entity
3 should be added to the district, the board shall issue an order:

4 (1) adding the proposed member entity and its
5 territory or service area to the district;

6 (2) making the member entity and its territory or
7 service area subject to the privileges, duties, assets, and
8 financial obligations of the district in the same manner as other
9 member entities; and

10 (3) requiring the member entity to reimburse the
11 existing member entities or directly reimburse the district an
12 amount that is an equitable pro rata share of the costs paid by the
13 existing member entities or the district in creating and operating
14 the district. (Acts 75th Leg., R.S., Ch. 1273, Sec. 6.01.)

15 Sec. 7208.053. APPOINTMENT OF DIRECTORS BY NEW MEMBER
16 ENTITY. If the board issues an order under Section 7208.052(d)
17 adding a member entity to the district, the governing body of the
18 member entity shall appoint the appropriate number of directors to
19 the board as provided by Section 7208.103. (Acts 75th Leg., R.S.,
20 Ch. 1273, Sec. 6.02.)

21 [Sections 7208.054-7208.100 reserved for expansion]

22 SUBCHAPTER C. BOARD OF DIRECTORS

23 Sec. 7208.101. GOVERNING BODY. The district is governed by
24 a board of directors. The board has exclusive authority to manage
25 the district. (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.01(a),
26 2.07.)

27 Sec. 7208.102. TERMS. Directors serve staggered four-year

1 terms beginning May 1 of the year in which the director is
2 appointed. (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.01(h) (part),
3 (i) (part).)

4 Sec. 7208.103. APPOINTMENT OF DIRECTORS. (a) Not earlier
5 than April 1 or later than April 30 of each year, the appropriate
6 number of directors, if any, shall be appointed to the board as
7 provided by Subsection (b).

8 (b) Each member entity shall appoint:

9 (1) one director if the number of member entities is at
10 least six;

11 (2) two directors if the number of member entities is
12 at least three but less than six;

13 (3) three directors if there are two member entities;
14 or

15 (4) six directors if there is one member entity.

16 (c) A participant entity or customer may not appoint a
17 director.

18 (d) The appointment of a director is not valid unless the
19 appointment is made as provided by this subchapter. (Acts 75th
20 Leg., R.S., Ch. 1273, Secs. 2.01(f), (g), (l), (m).)

21 Sec. 7208.104. QUALIFICATIONS FOR OFFICE. A person is
22 qualified to serve as a director if the person:

23 (1) is at least 18 years of age;

24 (2) is a qualified voter who resides in the district;

25 (3) qualifies to serve as a director by taking the oath
26 of office;

27 (4) is eligible to serve as a director under

1 Subchapter C, Chapter 49, Water Code, except as otherwise provided
2 by this section; and

3 (5) verifies compliance with the requirements of this
4 section. (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.03.)

5 Sec. 7208.105. EX OFFICIO DIRECTORS. (a) The county judge
6 of Parker County, or a person designated by that judge, serves as an
7 ex officio director. An ex officio director may vote on any matter
8 considered by the board.

9 (b) The board may appoint or elect other ex officio
10 directors and provide for the powers and duties of ex officio
11 directors in the bylaws or rules of the district. (Acts 75th Leg.,
12 R.S., Ch. 1273, Secs. 2.01(d), 2.06.)

13 Sec. 7208.106. VACANCY. (a) Any time after a board vacancy
14 occurs, the governing body of the appropriate member entity shall
15 fill the vacancy by appointment.

16 (b) The member entity shall provide notice of the
17 appointment to the board not later than six hours before the first
18 board meeting following the appointment.

19 (c) The appointment is effective on the date notice is
20 received by the board. If the notice is not provided, the
21 appointment is not effective until after the first board meeting
22 following the appointment. (Acts 75th Leg., R.S., Ch. 1273, Sec.
23 2.01(k).)

24 Sec. 7208.107. REMOVAL FROM OFFICE. A director may be
25 removed for any reason:

26 (1) by the governing body of the member entity that
27 appointed the director; or

1 (2) if three-fourths of the directors vote to remove
2 the director. (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.02.)

3 Sec. 7208.108. COMPENSATION; EXPENSES. (a) Except as
4 provided by Subsection (b), a director may not receive compensation
5 for serving on the board.

6 (b) A director may receive reimbursement for travel or other
7 expenses reasonably incurred by the director while acting on behalf
8 of the district. The board may adopt reasonable policies governing
9 the reimbursement of director expenses, including a requirement
10 that the director provide written verification of expenses. (Acts
11 75th Leg., R.S., Ch. 1273, Sec. 2.05.)

12 Sec. 7208.109. OFFICERS. (a) Each year at the first board
13 meeting following the appointment of directors under Section
14 7208.103, the board shall elect from its members a president, a vice
15 president, a secretary, a treasurer, and any other officer the
16 board determines is necessary.

17 (b) The president is the chief executive officer of the
18 district.

19 (c) The vice president may perform the duties and exercise
20 the powers of the president if the president is absent or fails,
21 refuses, or is unable to act.

22 (d) The board secretary or an assistant secretary:

23 (1) shall keep a record of the minutes of board
24 meetings;

25 (2) shall maintain the official district records; and

26 (3) may certify the accuracy and authenticity of any
27 actions, proceedings, minutes, or records of the board or the

1 district.

2 (e) The board may provide for additional powers and duties
3 of elected officers in the district bylaws.

4 (f) Officers serve until the election of new officers.
5 (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.09(a) (part), (c), (d),
6 2.10.)

7 Sec. 7208.110. MEETINGS. The board shall hold regular and,
8 if necessary, special and emergency board meetings. The board shall
9 hold board meetings at a time and place specified in the district
10 bylaws. (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.08(a) (part),
11 (c).)

12 Sec. 7208.111. QUORUM. (a) A quorum of the directors is
13 required to be present at a board meeting for the board to conduct
14 district business.

15 (b) The board shall specify in the district bylaws the
16 number of directors that constitute a quorum. A quorum may not be
17 less than a majority of the directors serving on the board. (Acts
18 75th Leg., R.S., Ch. 1273, Sec. 2.14(a).)

19 Sec. 7208.112. VOTING REQUIREMENTS. (a) The board shall
20 specify in the district bylaws the number of votes necessary to
21 approve a matter considered by the board. The number of votes
22 specified may not be less than a majority of the directors present
23 at the meeting at which the matter is being considered.

24 (b) A director, including the president, may vote on any
25 matter considered by the board, including a matter authorizing a
26 financial commitment to a capital project. This subsection applies
27 even if the director was appointed by a member entity that is not

1 participating in the project being considered by the board. (Acts
2 75th Leg., R.S., Ch. 1273, Secs. 2.04, 2.14(b).)

3 Sec. 7208.113. CONFLICT OF INTEREST. District directors
4 and officers are subject to Chapter 572, Government Code. (Acts
5 75th Leg., R.S., Ch. 1273, Sec. 2.12.)

6 Sec. 7208.114. DISTRICT EMPLOYEES. The board may appoint
7 and employ any person that the board determines is necessary to
8 conduct the affairs of the district, including a general manager,
9 engineer, attorney, financial advisor, accountant, or other
10 consultant. (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.11.)

11 Sec. 7208.115. BYLAWS. The board shall adopt bylaws to
12 govern matters of the district. (Acts 75th Leg., R.S., Ch. 1273,
13 Sec. 2.08(a) (part).)

14 Sec. 7208.116. CUSTOMER ADVISORY COUNCIL. (a) The board
15 may establish a customer advisory council that consists of one
16 representative of each customer of the district.

17 (b) A representative serving on the customer advisory
18 council:

19 (1) has the powers and duties provided in the bylaws
20 and rules of the district; and

21 (2) may not vote on any matter considered by the board.

22 (c) The board may abolish the customer advisory council.
23 (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.15.)

24 [Sections 7208.117-7208.150 reserved for expansion]

25 SUBCHAPTER D. POWERS AND DUTIES

26 Sec. 7208.151. GENERAL POWERS AND DUTIES OF DISTRICT.
27 Except as provided by Sections 7208.167 and 7208.206, the district

1 has all the rights, powers, privileges, functions, and duties:

2 (1) provided by general law, including Chapters 49,
3 54, and 65, Water Code; and

4 (2) conferred by Section 59, Article XVI, Texas
5 Constitution. (Acts 75th Leg., R.S., Ch. 1273, Sec. 1.08(a)
6 (part).)

7 Sec. 7208.152. RULES. The board may adopt and enforce
8 reasonable rules to exercise the powers and perform the duties of
9 the district as provided by this chapter. (Acts 75th Leg., R.S.,
10 Ch. 1273, Sec. 2.18.)

11 Sec. 7208.153. RULES RELATING TO WATER QUALITY. (a) The
12 district may adopt and enforce rules relating to protection of the
13 quality of water flowing to or from the areas in or surrounding a
14 lake, reservoir, or other source of water supply owned, operated,
15 or controlled by the district.

16 (b) A rule adopted by the district under this section must:

17 (1) relate to:

18 (A) preventing waste or unauthorized use of water
19 controlled by the district; or

20 (B) regulating privileges on land, a reservoir,
21 or an easement owned or controlled by the district; and

22 (2) be consistent with rules of the state. (Acts 75th
23 Leg., R.S., Ch. 1273, Sec. 3.09.)

24 Sec. 7208.154. GENERAL WASTE AND WATER POWERS. The
25 district may:

26 (1) provide for:

27 (A) the collection, construction, improvement,

1 maintenance, and operation of wholesale wastewater and water
2 systems and treatment works necessary to provide wholesale service
3 to customers; and

4 (B) the acquisition, construction, improvement,
5 and maintenance of a water supply or reservoir, or an interest in a
6 water supply or reservoir, necessary to exercise and fulfill the
7 powers and duties of the district;

8 (2) supply water for municipal, domestic, and
9 industrial or other beneficial uses or controls;

10 (3) collect, treat, process, dispose of, and control
11 all domestic or industrial wastes, whether in fluid, solid, or
12 composite state;

13 (4) gather, conduct, divert, control, and treat local
14 storm water or local harmful excesses of water in the district; and

15 (5) irrigate and alter land elevations in the district
16 as needed. (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.05.)

17 Sec. 7208.155. PERMITS. The district may acquire a water
18 appropriation or other necessary permit from the state or a permit
19 owner. (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.12(c).)

20 Sec. 7208.156. GENERAL CONTRACTING AUTHORITY. (a) If
21 necessary to exercise the powers and accomplish the purposes of the
22 district, the district may contract with the United States, a
23 municipality, a county, a water supply corporation, an entity
24 created under Section 52, Article III, or Section 59, Article XVI,
25 Texas Constitution, or another public or private entity.

26 (b) The district may contract for the acquisition, rental,
27 lease, or operation of wastewater or water facilities owned or

1 operated by the party contracting with the district.

2 (c) A contract that requires payment of money by the
3 district may be satisfied from any general or specific source of
4 district money as determined by the board. (Acts 75th Leg., R.S.,
5 Ch. 1273, Secs. 3.12(a), (b), (d).)

6 Sec. 7208.157. CONTRACTS WITH DISTRICT FOR WASTEWATER AND
7 OTHER UTILITY SERVICES. (a) Except as provided by Subsection (b),
8 this chapter does not require a customer or prospective customer of
9 the district to secure wastewater or other utility service from the
10 district unless the customer or prospective customer contracts with
11 the district for that purpose.

12 (b) A customer or prospective customer is required to secure
13 wastewater or other utility service from the district if:

14 (1) the customer or prospective customer is not
15 receiving the service from another source; and

16 (2) the district provides the service or determines
17 that the district will make the service available to the customer or
18 prospective customer.

19 (c) If a customer contracts with the district to secure
20 wastewater or other utility service from the district, a user of the
21 service under the contract must connect to the district's service
22 system if:

23 (1) the user is located inside the boundaries of the
24 customer; and

25 (2) the district's system is available for connection
26 at or near the property line of the user.

27 (d) A contract under this section may authorize the district

1 to:

2 (1) require the customer to terminate service provided
3 to a user who fails or refuses to pay for that service after
4 providing notice as required by law;

5 (2) terminate service provided to a customer or user
6 who fails or refuses to pay for that service after providing notice
7 as required by law; and

8 (3) terminate other utility services provided to a
9 customer or user if the customer or user fails or refuses to pay for
10 any service provided by the district after providing notice as
11 required by law. (Acts 75th Leg., R.S., Ch. 1273, Secs. 3.02(a),
12 (b), (c), (d).)

13 Sec. 7208.158. AUTHORITY OF OTHER ENTITIES TO CONTRACT WITH
14 DISTRICT. (a) A municipality, county, public agency, or political
15 subdivision of the state, an entity created under Section 52,
16 Article III, or Section 59, Article XVI, Texas Constitution, or a
17 water supply corporation may contract with the district if the
18 entity is conducting business wholly or partly inside the district.

19 (b) The governing body of an entity that contracts with the
20 district under this section may pledge to the payment of the
21 contract any source of revenue available to the governing body,
22 including revenue from ad valorem taxes.

23 (c) If an entity under this section pledges to the payment
24 of a contract money from the entity's water system, wastewater
25 system, or combined water and wastewater system, the payments are
26 an operating expense of that system. (Acts 75th Leg., R.S., Ch.
27 1273, Sec. 3.13.)

1 Sec. 7208.159. JOINT AGREEMENTS. To accomplish the
2 objectives and exercise the powers of the district, the district
3 may enter into a joint agreement or contract with a water supply
4 corporation, a municipality, an entity created under Section 52,
5 Article III, or Section 59, Article XVI, Texas Constitution, a
6 county, a political subdivision of the state, the state, or another
7 private or public entity. (Acts 75th Leg., R.S., Ch. 1273, Sec.
8 3.15 (part).)

9 Sec. 7208.160. WASTEWATER AND OTHER NECESSARY UTILITIES AND
10 SERVICES. (a) The district may provide wastewater collection,
11 treatment, or service in the district.

12 (b) The district may own, operate, and provide other
13 necessary utilities and services in the district, including raw
14 water, potable water, water distribution and treatment, solid waste
15 collection and disposal, fire, police, and ambulance services, if:

16 (1) the right to own, operate, or provide the utility
17 or service has not been conveyed to another entity; or

18 (2) the entity to which the right has been conveyed
19 agrees to sell, cede, or otherwise convey to the district the right
20 to own, operate, or provide the utility or service.

21 (c) Subsection (b) does not require the district to own,
22 operate, or provide other necessary utilities or services in the
23 district unless the district is required to own, operate, or
24 provide the utility or service under a permit, certificate, or
25 license issued by the state. (Acts 75th Leg., R.S., Ch. 1273, Sec.
26 3.01.)

27 Sec. 7208.161. CONSTRUCTION OR ACQUISITION OF WORKS AND

1 FACILITIES. The district may plan, lay out, construct, acquire,
2 own, operate, maintain, repair, improve, or contract for, inside or
3 outside the district, any works, improvements, facilities, plants,
4 equipment, and appliances, including any administrative property
5 and facilities, any permits, franchises, licenses, or contract or
6 property rights, and any levees, drains, waterways, lakes,
7 reservoirs, channels, conduits, sewers, dams, storm water
8 detention facilities, treatment plants, or other similar
9 facilities and improvements, whether for municipal, industrial,
10 agricultural, flood control, or related purposes, that are
11 necessary, helpful, or incidental to the exercise of any right,
12 power, privilege, or function provided by this chapter. (Acts 75th
13 Leg., R.S., Ch. 1273, Sec. 3.03.)

14 Sec. 7208.162. WASTE DISPOSAL SYSTEMS. (a) The district
15 may establish, acquire, operate, or maintain a regional solid waste
16 disposal system or a nonhazardous liquid waste disposal system.

17 (b) If the district establishes a disposal system under
18 this section, the district shall provide services from the system
19 to:

20 (1) users as determined by the board if the services
21 are provided inside the district's service area; and

22 (2) customers if the services are provided outside the
23 district's service area. (Acts 75th Leg., R.S., Ch. 1273, Sec.
24 3.08.)

25 Sec. 7208.163. SERVICES PROVIDED OUTSIDE SERVICE AREA. The
26 district may provide services outside the district's service area
27 as provided by state law. (Acts 75th Leg., R.S., Ch. 1273, Sec.

1 3.07.)

2 Sec. 7208.164. RIGHT OF EMINENT DOMAIN. (a) The district
3 may acquire by eminent domain land, an easement, a right-of-way, or
4 other property or improvement inside or outside the district if
5 necessary or appropriate in exercising the powers and performing
6 the functions of the district.

7 (b) The district may exercise the power of eminent domain as
8 provided by state law, including Chapter 21, Property Code, except
9 that the district is not required to comply with Section 21.021(a),
10 Property Code, during the pendency of the subject litigation.

11 (c) In a condemnation proceeding brought by the district,
12 the district is not required to:

13 (1) pay in advance or give bond or other security for
14 costs;

15 (2) give bond for the issuance of a temporary
16 restraining order or a temporary injunction; or

17 (3) give bond for costs or supersedeas on an appeal or
18 writ of error.

19 (d) The district may not exercise the power of eminent
20 domain to acquire:

21 (1) property located in the existing corporate limits
22 of a municipality that is located wholly or partly inside the
23 district unless the governing body of the municipality in which the
24 property is located consents by resolution to the acquisition of
25 the property;

26 (2) property located outside the district to be used
27 as a water supply reservoir unless the county in which the reservoir

1 is to be located consents;

2 (3) property owned by a county, a municipality, an
3 entity created by special act of the legislature under Section 52,
4 Article III, or Section 59, Article XVI, Texas Constitution, a
5 political subdivision of the state, or an agency or instrumentality
6 of a county or municipality; or

7 (4) a waterworks system or a wastewater system owned
8 by a municipality, an entity created by special act of the
9 legislature under Section 52, Article III, or Section 59, Article
10 XVI, Texas Constitution, a political subdivision of the state, a
11 private party, or a nonprofit corporation. (Acts 75th Leg., R.S.,
12 Ch. 1273, Secs. 3.06(a), (b), (c), (d).)

13 Sec. 7208.165. COSTS OF RELOCATING OR ALTERING PROPERTY.
14 If the district exercises the power of eminent domain and requires
15 relocating, raising, lowering, rerouting, changing the grade of, or
16 altering the construction of any railroad, highway, pipeline, or
17 electric transmission and electric distribution, telegraph, or
18 telephone lines, conduits, poles, or facilities, the district shall
19 pay the cost of relocating, raising, lowering, rerouting, changing
20 the grade, or altering the construction that equals the comparable
21 replacement cost without enhancement of facilities minus the net
22 salvage value derived from the old facility. (Acts 75th Leg., R.S.,
23 Ch. 1273, Sec. 3.06(e).)

24 Sec. 7208.166. REGULATORY POWER OF MUNICIPALITIES. The
25 district and the land in the district are subject to any ordinance,
26 code, resolution, or rule, including any platting or zoning
27 requirement, of a municipality that has jurisdiction over territory

1 in the district. (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.11.)

2 Sec. 7208.167. STATE SUPERVISION. (a) The rights, powers,
3 privileges, functions, and duties of the district are subject to
4 the continuing right of supervision by this state exercised by the
5 Texas Commission on Environmental Quality.

6 (b) Except as otherwise provided by this chapter or other
7 law, the district may exercise the rights, powers, privileges,
8 functions, and duties conferred by this chapter without obtaining
9 approval from the Texas Commission on Environmental Quality. (Acts
10 75th Leg., R.S., Ch. 1273, Sec. 1.08(c).)

11 Sec. 7208.168. RIGHTS AND DUTIES ASSUMED ON CREATION OF
12 DISTRICT. The district may succeed to and assume the rights,
13 privileges, and duties, including contractual obligations, of the
14 Walnut Creek Special Utility District and the City of Springtown
15 relating to the creation of the district. (Acts 75th Leg., R.S.,
16 Ch. 1273, Sec. 4.02(b).)

17 [Sections 7208.169-7208.200 reserved for expansion]

18 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

19 Sec. 7208.201. AUDITS. All funds and accounts of the
20 district shall be audited by an independent auditor. The district
21 shall maintain a copy of the audit in the district's official
22 records. (Acts 75th Leg., R.S., Ch. 1273, Sec. 4.01.)

23 Sec. 7208.202. DEPOSITORY. The board, by order or
24 resolution, shall designate one or more banks inside or outside the
25 district to serve as depository for district money. Except as
26 provided by this chapter, district money shall be deposited in a
27 depository bank designated under this section. (Acts 75th Leg.,

1 R.S., Ch. 1273, Secs. 3.14(a), (b).)

2 Sec. 7208.203. INVESTMENT OF DISTRICT MONEY. The board may
3 invest district money:

4 (1) in the same manner as provided for the investment
5 of county money; and

6 (2) as provided by Chapter 2256, Government Code.
7 (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.14(c).)

8 Sec. 7208.204. RATES, FEES, CHARGES, AND RENTALS. (a)
9 District rates, fees, and charges assessed to provide services and
10 facilities to customers and users of the district may vary
11 according to customer class, project, or service area to reflect
12 different costs of providing service.

13 (b) The district may require a customer to obtain a deposit
14 from a user for services or facilities provided by the district. A
15 deposit under this subsection may bear interest.

16 (c) If the district issues bonds payable wholly from
17 revenue, the board shall establish and revise rates of compensation
18 for water sold and wastewater or other services rendered by the
19 district that are sufficient:

20 (1) to pay operating and maintenance expenses of
21 district facilities;

22 (2) to pay the issued bonds as the bonds mature and the
23 interest that accrues on the bonds;

24 (3) to maintain the district's fund reserve; and

25 (4) to maintain other funds of the district provided
26 by the resolution that authorized the issuance of the bonds.

27 (d) A local government, water supply corporation, or other

1 entity that contracts with the district may:

2 (1) establish, charge, and collect fees, rates,
3 charges, rentals, or other amounts for services or facilities
4 provided under the contract; and

5 (2) pledge amounts that are sufficient to make the
6 required payments under the contract. (Acts 75th Leg., R.S., Ch.
7 1273, Secs. 3.10(a) (part), (b), (c), (d).)

8 Sec. 7208.205. ADMINISTRATION AND PLANNING COSTS FEE. (a)
9 The district may charge each member entity an annual pro rata fee to
10 pay for administration and planning costs incurred by the district
11 that are unrelated to capital projects financed by the district.

12 (b) The fee may not exceed \$2 per capita population of the
13 member entity unless the board and at least 75 percent of the member
14 entities of the district that together have at least 75 percent of
15 the population of the district agree to a different fee. (Acts 75th
16 Leg., R.S., Ch. 1273, Sec. 2.16.)

17 Sec. 7208.206. IMPOSITION OF AD VALOREM TAXES
18 PROHIBITED. The district may not impose an ad valorem tax. (Acts
19 75th Leg., R.S., Ch. 1273, Sec. 1.08(b).)

20 Sec. 7208.207. DISTRICT PROPERTY AND PROJECTS EXEMPT FROM
21 TAXATION AND ASSESSMENT. The district is not required to pay a tax
22 or assessment on any property or project owned, operated, leased,
23 or controlled by the district. (Acts 75th Leg., R.S., Ch. 1273,
24 Sec. 4.03 (part).)

25 [Sections 7208.208-7208.250 reserved for expansion]

26 SUBCHAPTER F. BONDS

27 Sec. 7208.251. AUTHORITY TO ISSUE BONDS. The district may

1 issue bonds as provided by Chapters 1201 and 1371, Government Code,
2 to provide money for the district to exercise its powers and carry
3 out its purposes. (Acts 75th Leg., R.S., Ch. 1273, Secs. 5.01(a),
4 5.06(b).)

5 Sec. 7208.252. ELECTION NOT REQUIRED. The district may
6 issue bonds without holding an election. (Acts 75th Leg., R.S., Ch.
7 1273, Sec. 5.01(b).)

8 Sec. 7208.253. BONDS EXEMPT FROM TAXATION. Bonds issued by
9 the district, the transfer of the bonds, and income from those
10 bonds, including profits made on the sale of the bonds, are exempt
11 from taxation in this state. (Acts 75th Leg., R.S., Ch. 1273, Sec.
12 4.03 (part).)

13 Sec. 7208.254. PAYMENT AND SECURITY. (a) District bonds
14 may be:

15 (1) made payable from all or part of the revenue of the
16 district derived from any lawful source, including revenue derived
17 from a contract with a customer or other user of facilities owned or
18 operated by the district or from the ownership and operation of any
19 waterworks system, wastewater system, sewer system, solid waste
20 disposal system, or nonhazardous liquid waste system, or a
21 combination of those systems; and

22 (2) paid from and secured by liens on the pledges of
23 all or part of the revenue, income, or receipts derived from the
24 district's ownership, operation, lease, or sale of the property,
25 buildings, structures, or facilities, including the proceeds or
26 revenue from contracts with any person.

27 (b) District bonds may be additionally secured by a mortgage

1 or deed of trust on real property owned or to be acquired by the
2 district and by a chattel mortgage or lien on any personal property
3 appurtenant to that real property. The board may authorize the
4 execution of a trust indenture, mortgage, deed of trust, or other
5 form of encumbrance. The district may also pledge to the payment of
6 the bonds all or part of a grant, a donation, or revenue or income
7 received or to be received from the United States or any public or
8 private source.

9 (c) The district may pledge all or part of the district's
10 revenue, income, or receipts from fees, rentals, rates, charges, or
11 contract proceeds or payments to the payment of district bonds,
12 including the payment of principal, interest, and any other amount
13 required or permitted relating to the bonds. The pledged fees,
14 rentals, rates, charges, proceeds, or payments shall be established
15 and collected in amounts sufficient, together with any other
16 pledged resources, to provide for the payment of expenses relating
17 to the bonds and for operation and maintenance and other expenses
18 relating to those facilities.

19 (d) For purposes of Subsections (a) and (c), payments and
20 revenue pledged for the district's benefit under Sections
21 7208.158(a) and (b) are district revenue. (Acts 75th Leg., R.S.,
22 Ch. 1273, Sec. 5.02.)

23 Sec. 7208.255. MATURITY. District bonds may not have a term
24 that exceeds 40 years from the date of issuance. (Acts 75th Leg.,
25 R.S., Ch. 1273, Sec. 5.03 (part).)

26 Sec. 7208.256. INTEREST RATE. District bonds shall bear an
27 interest rate as provided by the resolution that authorized the

1 issuance of the bond. (Acts 75th Leg., R.S., Ch. 1273, Sec. 5.03
2 (part).)

3 Sec. 7208.257. ADDITIONAL BONDS. District bonds may
4 provide for the subsequent issuance of additional parity bonds or
5 subordinate lien bonds under terms provided in the resolution that
6 authorized the issuance of the bond. (Acts 75th Leg., R.S., Ch.
7 1273, Sec. 5.03 (part).)

8 Sec. 7208.258. USE OF BOND PROCEEDS. (a) If permitted in
9 the resolution that authorized the issuance of the bond, the
10 proceeds from the sale of the bond may be used:

11 (1) to pay the interest on the bond during the period
12 of acquisition or construction of facilities to be provided through
13 the issuance of the bond;

14 (2) to pay the operating and maintenance expenses of
15 district facilities;

16 (3) to create a reserve fund for the payment of the
17 principal of and interest on the bond; and

18 (4) in any other manner that is necessary,
19 appropriate, or convenient to accomplish a district purpose.

20 (b) The proceeds from the sale of a bond may be placed on
21 time deposit or invested as provided by the resolution that
22 authorized the issuance of the bond. (Acts 75th Leg., R.S., Ch.
23 1273, Sec. 5.05.)

24 Sec. 7208.259. NEGOTIABLE INSTRUMENTS. Obligations under
25 this chapter are negotiable instruments for purposes of Chapter 8,
26 Business & Commerce Code. (Acts 75th Leg., R.S., Ch. 1273, Sec.
27 5.04.)

1 SECTION 1.08. Subtitle D, Title 6, Special District Local
2 Laws Code, is amended by adding Chapter 7503 to read as follows:

3 CHAPTER 7503. DELTA LAKE IRRIGATION DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 7503.001. DEFINITION

6 Sec. 7503.002. NATURE OF DISTRICT

7 Sec. 7503.003. LEGISLATIVE FINDINGS

8 Sec. 7503.004. DISTRICT TERRITORY

9 [Sections 7503.005-7503.050 reserved for expansion]

10 SUBCHAPTER B. POWERS

11 Sec. 7503.051. GENERAL POWERS

12 CHAPTER 7503. DELTA LAKE IRRIGATION DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 7503.001. DEFINITION. In this chapter, "district"
15 means the Delta Lake Irrigation District. (New.)

16 Sec. 7503.002. NATURE OF DISTRICT. The district is a
17 conservation and reclamation district in Willacy and Hidalgo
18 Counties, Texas, created under Section 59, Article XVI, Texas
19 Constitution. (Acts 41st Leg., R.S., 1929, Ch. 166, Secs. 1 (part),
20 2 (part); Acts 54th Leg., R.S., 1955, Ch. 40, Sec. 1.)

21 Sec. 7503.003. LEGISLATIVE FINDINGS. The legislature finds
22 that the district is essential to accomplish the purposes of
23 Section 59, Article XVI, Texas Constitution. (Acts 41st Leg.,
24 R.S., 1929, Ch. 166, Sec. 14 (part).)

25 Sec. 7503.004. DISTRICT TERRITORY. The district is
26 composed of the territory described by Section 1, Chapter 166, Acts
27 of the 41st Legislature, Regular Session, 1929, as that territory

1 may have been modified under:

2 (1) Chapter 25, General Laws, Acts of the 39th
3 Legislature, Regular Session, 1925 (Article 7880-1 et seq.,
4 Vernon's Texas Civil Statutes), before August 30, 1971;

5 (2) Chapter 3, General Laws, Acts of the 46th
6 Legislature, Regular Session, 1939 (Article 7775c-1, Vernon's
7 Texas Civil Statutes), before August 30, 1971;

8 (3) Subchapter O, Chapter 51, Water Code, before June
9 19, 1980;

10 (4) Subchapter J, Chapter 49, Water Code;

11 (5) Subchapter N, Chapter 58, Water Code; or

12 (6) other law. (New.)

13 [Sections 7503.005-7503.050 reserved for expansion]

14 SUBCHAPTER B. POWERS

15 Sec. 7503.051. GENERAL POWERS. The district has:

16 (1) the powers of a conservation and reclamation
17 district under Section 59, Article XVI, Texas Constitution, and the
18 general laws of this state; and

19 (2) the powers of government and the authority to
20 exercise the rights, privileges, and functions that are conferred
21 by this chapter and the general laws of this state. (Acts 41st
22 Leg., R.S., 1929, Ch. 166, Secs. 1 (part), 2 (part), 14 (part).)

23 SECTION 1.09. Subtitle E, Title 6, Special District Local
24 Laws Code, is amended by adding Chapter 7802 to read as follows:

25 CHAPTER 7802. DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 7802.001. DEFINITIONS

1 Sec. 7802.002. NATURE OF DISTRICT

2 Sec. 7802.003. FINDING OF PUBLIC PURPOSE

3 Sec. 7802.004. DISTRICT TERRITORY

4 Sec. 7802.005. APPLICABILITY OF OTHER LAW

5 [Sections 7802.006-7802.050 reserved for expansion]

6 SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

7 Sec. 7802.051. BOARD

8 Sec. 7802.052. TREASURER

9 [Sections 7802.053-7802.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 7802.101. GENERAL POWERS AND DUTIES OF DISTRICT

12 Sec. 7802.102. POWERS AND DUTIES OF BOARD

13 Sec. 7802.103. IMPOSITION OF TAXES

14 CHAPTER 7802. DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 7802.001. DEFINITIONS. In this chapter:

17 (1) "Board" means the board of directors of the
18 district.

19 (2) "Director" means a member of the board.

20 (3) "District" means the Dallas County Levee
21 Improvement District No. 14. (Acts 72nd Leg., R.S., Ch. 359, Sec.
22 1.)

23 Sec. 7802.002. NATURE OF DISTRICT. The district is a
24 conservation and reclamation district and a levee improvement
25 district created under Section 59, Article XVI, Texas Constitution.
26 (Acts 45th Leg., R.S., Ch. 306, Secs. 1 (part), 8 (part).)

27 Sec. 7802.003. FINDING OF PUBLIC PURPOSE. The district is

1 essential to accomplish the purposes of Section 59, Article XVI,
2 Texas Constitution. (Acts 45th Leg., R.S., Ch. 306, Sec. 8 (part).)

3 Sec. 7802.004. DISTRICT TERRITORY. The district is
4 composed of the territory in Dallas County described by Section 1,
5 Chapter 306, Acts of the 45th Legislature, Regular Session, 1937,
6 as that territory may have been modified under:

7 (1) Subchapter J, Chapter 49, Water Code; or

8 (2) other law. (Acts 45th Leg., R.S., Ch. 306, Sec. 1
9 (part); New.)

10 Sec. 7802.005. APPLICABILITY OF OTHER LAW. Except as
11 otherwise provided by this chapter, Chapter 57, Water Code, applies
12 to the district. (Acts 72nd Leg., R.S., Ch. 359, Sec. 5(a) (part).)

13 [Sections 7802.006-7802.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

15 Sec. 7802.051. BOARD. (a) The district is governed by a
16 board of five elected directors.

17 (b) An election shall be held on the uniform election date
18 in May of each even-numbered year to elect the appropriate number of
19 directors. Except as provided by Subsection (c), directors serve
20 four-year terms.

21 (c) The board shall revise each precinct used to elect a
22 director after each federal decennial census to reflect population
23 changes. At the first election after the precincts are revised, a
24 new director shall be elected from each precinct. The directors
25 shall draw lots to determine which two directors serve two-year
26 terms and which three directors serve four-year terms. (Acts 72nd
27 Leg., R.S., Ch. 359, Secs. 2(a) (part), (d); 7(c).)

1 Sec. 7802.052. TREASURER. (a) The board may provide for
2 the appointment of a treasurer for the district.

3 (b) In addition to the powers and duties provided by other
4 law, the treasurer has the powers and duties of the county treasurer
5 under Chapter 57, Water Code. (Acts 72nd Leg., R.S., Ch. 359, Sec.
6 3.)

7 [Sections 7802.053-7802.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 7802.101. GENERAL POWERS AND DUTIES OF DISTRICT. The
10 district has:

11 (1) the powers of government; and

12 (2) the rights, privileges, and functions conferred by
13 this chapter, by Section 59, Article XVI, Texas Constitution, and
14 by the general laws of this state relating to levee improvement
15 districts, including Chapters 49 and 57, Water Code. (Acts 45th
16 Leg., R.S., Ch. 306, Secs. 1 (part), 8 (part); New.)

17 Sec. 7802.102. POWERS AND DUTIES OF BOARD. The board has
18 the powers and duties delegated to the commissioners court and
19 county judge under Chapter 57, Water Code. (Acts 72nd Leg., R.S.,
20 Ch. 359, Sec. 5(a) (part).)

21 Sec. 7802.103. IMPOSITION OF TAXES. (a) The Tax Code
22 governs the imposition of district taxes.

23 (b) The board may provide for the appointment of a tax
24 assessor-collector or may contract for the imposition of taxes with
25 Dallas County or with another person as provided by the Tax Code.
26 (Acts 72nd Leg., R.S., Ch. 359, Sec. 4.)

27 SECTION 1.10. Subtitle F, Title 6, Special District Local

1 Laws Code, is amended by adding Chapters 8103, 8121, 8127, 8154,
2 8155, 8156, 8159, 8160, 8161, 8163, 8164, 8165, 8166, 8167, 8168,
3 8169, 8170, 8171, 8172, 8173, 8174, 8177, 8178, 8179, 8180, 8181,
4 8182, 8183, 8184, 8186, 8187, 8188, 8191, and 8192 to read as
5 follows:

6 CHAPTER 8103. EL DORADO UTILITY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8103.001. DEFINITION

9 Sec. 8103.002. NATURE OF DISTRICT

10 Sec. 8103.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

11 Sec. 8103.004. DISTRICT TERRITORY

12 [Sections 8103.005-8103.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8103.051. COMPOSITION OF BOARD

15 [Sections 8103.052-8103.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 8103.101. MUNICIPAL UTILITY DISTRICT POWERS

18 CHAPTER 8103. EL DORADO UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8103.001. DEFINITION. In this chapter, "district"
21 means the El Dorado Utility District. (V.A.C.S. Art. 8280-538,
22 Sec. 1 (part).)

23 Sec. 8103.002. NATURE OF DISTRICT. The district is a
24 conservation and reclamation district in Harris County created
25 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
26 8280-538, Sec. 1 (part).)

27 Sec. 8103.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

1 The district is created to serve a public use and benefit.

2 (b) All land and other property included in the boundaries
3 of the district will benefit from the works and projects
4 accomplished by the district under the powers conferred by Section
5 59, Article XVI, Texas Constitution.

6 (c) The creation of the district is essential to accomplish
7 the purposes of Section 59, Article XVI, Texas Constitution.
8 (V.A.C.S. Art. 8280-538, Secs. 1 (part), 3.)

9 Sec. 8103.004. DISTRICT TERRITORY. (a) The district is
10 composed of the territory described by Section 4, Chapter 648, Acts
11 of the 62nd Legislature, Regular Session, 1971 (Article 8280-538,
12 Vernon's Texas Civil Statutes), as that territory may have been
13 modified under:

- 14 (1) Subchapter H, Chapter 54, Water Code;
15 (2) Subchapter J, Chapter 49, Water Code; or
16 (3) other law.

17 (b) The boundaries and field notes of the district form a
18 closure. A mistake in the field notes or in copying the field notes
19 in the legislative process does not affect:

20 (1) the district's organization, existence, and
21 validity;

22 (2) the district's right to issue any type of bond for
23 a purpose for which the district is created or to pay the principal
24 of and interest on the bond;

25 (3) the district's right to impose a tax; or

26 (4) the legality or operation of the district or its
27 governing body. (V.A.C.S. Art. 8280-538, Sec. 2; New.)

1 [Sections 8103.005-8103.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8103.051. COMPOSITION OF BOARD. The board of
4 directors is composed of five elected directors. (V.A.C.S. Art.
5 8280-538, Sec. 6 (part).)

6 [Sections 8103.052-8103.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8103.101. MUNICIPAL UTILITY DISTRICT POWERS. The
9 district has the rights, powers, privileges, and functions provided
10 by general law applicable to a municipal utility district,
11 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-538,
12 Sec. 5 (part); New.)

13 CHAPTER 8121. BEVIL OAKS MUNICIPAL UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8121.001. DEFINITION

16 Sec. 8121.002. NATURE OF DISTRICT

17 Sec. 8121.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

18 Sec. 8121.004. DISTRICT TERRITORY

19 [Sections 8121.005-8121.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8121.051. COMPOSITION OF BOARD

22 [Sections 8121.052-8121.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 8121.101. MUNICIPAL UTILITY DISTRICT POWERS

25 Sec. 8121.102. HEARING NOT REQUIRED FOR EXCLUSION OF

26 TERRITORY

27 CHAPTER 8121. BEVIL OAKS MUNICIPAL UTILITY DISTRICT

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 8121.001. DEFINITION. In this chapter, "district"
3 means the Bevil Oaks Municipal Utility District. (Acts 63rd Leg.,
4 R.S., Ch. 621, Sec. 1 (part).)

5 Sec. 8121.002. NATURE OF DISTRICT. The district is a
6 conservation and reclamation district in Jefferson County, created
7 under Section 59, Article XVI, Texas Constitution. (Acts 63rd
8 Leg., R.S., Ch. 621, Sec. 1 (part).)

9 Sec. 8121.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
10 The district is created to serve a public use and benefit.

11 (b) All land and other property included in the boundaries
12 of the district will benefit from the works and projects
13 accomplished by the district under the powers conferred by Section
14 59, Article XVI, Texas Constitution.

15 (c) The creation of the district is essential to accomplish
16 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
17 63rd Leg., R.S., Ch. 621, Secs. 1 (part), 3.)

18 Sec. 8121.004. DISTRICT TERRITORY. (a) The district is
19 composed of the territory described by Section 6, Chapter 621, Acts
20 of the 63rd Legislature, Regular Session, 1973, as that territory
21 may have been modified under:

- 22 (1) Subchapter H, Chapter 54, Water Code;
23 (2) Subchapter J, Chapter 49, Water Code; or
24 (3) other law.

25 (b) The boundaries and field notes of the district form a
26 closure. A mistake in the field notes or in copying the field notes
27 in the legislative process does not affect:

1 (1) the district's organization, existence, and
2 validity;

3 (2) the district's right to issue any type of bond for
4 a purpose for which the district is created or to pay the principal
5 of and interest on the bond;

6 (3) the district's right to impose a tax; or

7 (4) the legality or operation of the district or its
8 governing body. (Acts 63rd Leg., R.S., Ch. 621, Sec. 2; New.)

9 [Sections 8121.005-8121.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 8121.051. COMPOSITION OF BOARD. The board of
12 directors is composed of five elected directors. (Acts 63rd Leg.,
13 R.S., Ch. 621, Sec. 8(b) (part).)

14 [Sections 8121.052-8121.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8121.101. MUNICIPAL UTILITY DISTRICT POWERS. The
17 district has the rights, powers, privileges, and functions provided
18 by general law applicable to a municipal utility district,
19 including Chapters 49 and 54, Water Code. (Acts 63rd Leg., R.S.,
20 Ch. 621, Sec. 7 (part).)

21 Sec. 8121.102. HEARING NOT REQUIRED FOR EXCLUSION OF
22 TERRITORY. The board is not required to call or hold a hearing on
23 the exclusion of land or other property from the district,
24 including a hearing on the petition of a landowner or other property
25 owner in the district. (Acts 63rd Leg., R.S., Ch. 621, Sec. 5
26 (part).)

1 CHAPTER 8127. BILMA PUBLIC UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8127.001. DEFINITION

4 Sec. 8127.002. NATURE OF DISTRICT

5 Sec. 8127.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8127.004. DISTRICT TERRITORY

7 [Sections 8127.005-8127.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8127.051. COMPOSITION OF BOARD

10 [Sections 8127.052-8127.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8127.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8127. BILMA PUBLIC UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8127.001. DEFINITION. In this chapter, "district"
16 means the Bilma Public Utility District. (V.A.C.S. Art. 8280-512,
17 Sec. 1 (part).)

18 Sec. 8127.002. NATURE OF DISTRICT. Notwithstanding
19 provisions of the general laws relating to consent by political
20 subdivisions for the creation of conservation and reclamation
21 districts, the district is a conservation and reclamation district
22 in Harris County created under Section 59, Article XVI, Texas
23 Constitution. (V.A.C.S. Art. 8280-512, Sec. 1 (part).)

24 Sec. 8127.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
25 The district is created to serve a public use and benefit.

26 (b) All land and other property included in the boundaries
27 of the district will benefit from the works and projects

1 accomplished by the district under the powers conferred by Section
2 59, Article XVI, Texas Constitution.

3 (c) The creation of the district is essential to accomplish
4 the purposes of Section 59, Article XVI, Texas Constitution.
5 (V.A.C.S. Art. 8280-512, Secs. 1 (part), 3.)

6 Sec. 8127.004. DISTRICT TERRITORY. (a) The district is
7 composed of the territory described by Section 4, Chapter 559, Acts
8 of the 62nd Legislature, Regular Session, 1971 (Article 8280-512,
9 Vernon's Texas Civil Statutes), as that territory may have been
10 modified under:

- 11 (1) Subchapter H, Chapter 54, Water Code;
12 (2) Subchapter J, Chapter 49, Water Code; or
13 (3) other law.

14 (b) The boundaries and field notes of the district form a
15 closure. A mistake in the field notes or in copying the field notes
16 in the legislative process does not affect:

- 17 (1) the district's organization, existence, and
18 validity;
19 (2) the district's right to issue any type of bond for
20 a purpose for which the district is created or to pay the principal
21 of and interest on the bond;
22 (3) the district's right to impose a tax; or
23 (4) the legality or operation of the district or its
24 governing body. (V.A.C.S. Art. 8280-512, Sec. 2; New.)

25 [Sections 8127.005-8127.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8127.051. COMPOSITION OF BOARD. The board of

1 directors is composed of five elected directors. (V.A.C.S. Art.
2 8280-512, Sec. 6 (part).)

3 [Sections 8127.052-8127.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8127.101. MUNICIPAL UTILITY DISTRICT POWERS. The
6 district has the rights, powers, privileges, and functions provided
7 by general law applicable to a municipal utility district,
8 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-512,
9 Sec. 5 (part); New.)

10 CHAPTER 8154. BLUE RIDGE WEST MUNICIPAL UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8154.001. DEFINITIONS

13 Sec. 8154.002. NATURE OF DISTRICT

14 Sec. 8154.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

15 Sec. 8154.004. DISTRICT TERRITORY

16 [Sections 8154.005-8154.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8154.051. COMPOSITION OF BOARD

19 Sec. 8154.052. QUALIFICATIONS FOR OFFICE

20 Sec. 8154.053. DIRECTOR'S BOND

21 Sec. 8154.054. ABSENCE OF PRESIDENT OR SECRETARY FROM

22 BOARD MEETING; DUTY OF SECRETARY

23 [Sections 8154.055-8154.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 8154.101. MUNICIPALITY UTILITY DISTRICT POWERS

26 AND DUTIES

27 Sec. 8154.102. ADDITIONAL POWERS

1 Sec. 8154.103. HEARINGS FOR EXCLUSION OF TERRITORY

2 Sec. 8154.104. EMINENT DOMAIN

3 Sec. 8154.105. COST OF RELOCATING OR ALTERING PROPERTY

4 Sec. 8154.106. NOTICE OF ELECTION

5 [Sections 8154.107-8154.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 8154.151. TAX METHOD

8 Sec. 8154.152. DEPOSITORY

9 Sec. 8154.153. PROCEDURE FOR PAYMENT

10 Sec. 8154.154. PROJECTS AND PURCHASES EXEMPT FROM

11 ASSESSMENT OR TAXATION

12 [Sections 8154.155-8154.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Sec. 8154.201. AUTHORITY TO ISSUE BONDS

15 Sec. 8154.202. EXCHANGING BONDS FOR PROPERTY OR WORK

16 Sec. 8154.203. BOND ELECTION

17 Sec. 8154.204. BONDS EXEMPT FROM TAXATION

18 CHAPTER 8154. BLUE RIDGE WEST MUNICIPAL UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8154.001. DEFINITIONS. In this chapter:

21 (1) "Board" means the board of directors of the
22 district.

23 (2) "District" means the Blue Ridge West Municipal
24 Utility District. (V.A.C.S. Art. 8280-379, Sec. 1 (part); New.)

25 Sec. 8154.002. NATURE OF DISTRICT. The district is a
26 municipal utility district and a conservation and reclamation
27 district in Fort Bend County created under Section 59, Article XVI,

1 Texas Constitution. (V.A.C.S. Art. 8280-379, Sec. 1 (part); New.)

2 Sec. 8154.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

3 The district is created to serve a public use and benefit.

4 (b) All land and other property included in the boundaries
5 of the district will benefit from the works and projects
6 accomplished by the district under the powers conferred by Section
7 59, Article XVI, Texas Constitution.

8 (c) The creation of the district is essential to accomplish
9 the purposes of Section 59, Article XVI, Texas Constitution.

10 (d) The accomplishment of the purposes stated in this
11 chapter is for the benefit of the people of this state and for the
12 improvement of their property and industries. The district, in
13 carrying out the purposes of this chapter, will be performing an
14 essential public function under the constitution. (V.A.C.S. Art.
15 8280-379, Secs. 1 (part), 4, 21 (part).)

16 Sec. 8154.004. DISTRICT TERRITORY. (a) The district is
17 composed of the territory described by Section 2, Chapter 633, Acts
18 of the 60th Legislature, Regular Session, 1967 (Article 8280-379,
19 Vernon's Texas Civil Statutes), as that territory may have been
20 modified under:

- 21 (1) Subchapter H, Chapter 54, Water Code;
22 (2) Subchapter J, Chapter 49, Water Code; or
23 (3) other law.

24 (b) The boundaries and field notes of the district form a
25 closure. A mistake in the field notes or in copying the field notes
26 in the legislative process does not affect:

- 27 (1) the district's organization, existence, and

1 validity;

2 (2) the district's right to issue any type of bond for
3 a purpose for which the district is created or to pay the principal
4 of and interest on the bond;

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or its
7 governing body. (V.A.C.S. Art. 8280-379, Sec. 3; New.)

8 [Sections 8154.005-8154.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8154.051. COMPOSITION OF BOARD. The board consists of
11 five directors. (V.A.C.S. Art. 8280-379, Sec. 9 (part).)

12 Sec. 8154.052. QUALIFICATIONS FOR OFFICE. (a) A person
13 must reside in this state to be elected or appointed as a director
14 of the board.

15 (b) A director is not required to reside in the district.
16 (V.A.C.S. Art. 8280-379, Sec. 9 (part).)

17 Sec. 8154.053. DIRECTOR'S BOND. (a) Each director shall
18 execute a bond in the amount of \$5,000 for the faithful performance
19 of the director's duties.

20 (b) The bond must be:

21 (1) approved by:

22 (A) the board; and

23 (B) the county judge or the commissioners court
24 of the county in which the district is located;

25 (2) filed for record in the office of the county clerk
26 of the county in which the district is located;

27 (3) filed for safekeeping in the district's

1 depository; and

2 (4) recorded in a record kept for that purpose in the
3 district office. (V.A.C.S. Art. 8280-379, Sec. 9 (part).)

4 Sec. 8154.054. ABSENCE OF PRESIDENT OR SECRETARY FROM BOARD
5 MEETING; DUTY OF SECRETARY. (a) If the board president is absent
6 from a board meeting at which an order is adopted or other action is
7 taken:

8 (1) the board vice president may sign the order or
9 action; or

10 (2) the board may authorize the president to sign the
11 order or action.

12 (b) The board secretary shall sign the minutes of each board
13 meeting.

14 (c) If the board secretary is absent from a board meeting,
15 the board:

16 (1) shall name a secretary pro tem for the meeting who:

17 (A) may exercise all powers and duties of the
18 secretary for the meeting;

19 (B) shall sign the minutes of the meeting; and

20 (C) may attest all orders passed or other action
21 taken at the meeting; or

22 (2) may authorize the secretary to attest all orders
23 passed or other action taken at the meeting. (V.A.C.S. Art.
24 8280-379, Sec. 9 (part).)

25 [Sections 8154.055-8154.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8154.101. MUNICIPALITY UTILITY DISTRICT POWERS AND

1 DUTIES. The district has all of the rights, powers, privileges, and
2 duties provided by general law applicable to a municipal utility
3 district created under Section 59, Article XVI, Texas Constitution,
4 including those conferred by Chapters 49 and 54, Water Code.
5 (V.A.C.S. Art. 8280-379, Sec. 5 (part); New.)

6 Sec. 8154.102. ADDITIONAL POWERS. (a) The district may:

7 (1) purchase, construct, or otherwise acquire a
8 waterworks system, sanitary sewer system, or storm sewer system and
9 drainage facility, or any part of those systems or facilities;

10 (2) make any necessary purchase, construction,
11 improvement, extension, or addition to a system or facility
12 described by Subdivision (1);

13 (3) purchase or acquire, operate, and maintain any
14 land, right-of-way, easement, site, equipment, building, plant,
15 structure, or facility necessary to a system or facility described
16 by Subdivision (1); and

17 (4) sell water and other services.

18 (b) The district may exercise any of the rights or powers
19 granted by this chapter inside or outside the district's
20 boundaries.

21 (c) The district may exercise any of its rights or powers to
22 provide water or sewerage services to an area inside or outside the
23 district's boundaries. (V.A.C.S. Art. 8280-379, Sec. 16 (part).)

24 Sec. 8154.103. HEARINGS FOR EXCLUSION OF TERRITORY. (a)
25 The board is not required to call or hold a hearing on the exclusion
26 of land or other property from the district.

27 (b) The board on its own motion may call and hold one or more

1 hearings on the exclusion of land or other property from the
2 district in the manner provided by general law. (V.A.C.S. Art.
3 8280-379, Sec. 7 (part).)

4 Sec. 8154.104. EMINENT DOMAIN. The district may exercise
5 the power of eminent domain only in a county in which the district
6 is located. (V.A.C.S. Art. 8280-379, Sec. 12 (part).)

7 Sec. 8154.105. COST OF RELOCATING OR ALTERING PROPERTY.

8 (a) In this section, "sole expense" means the actual cost of
9 relocating, raising, lowering, rerouting, or changing the grade of,
10 or altering the construction of a facility described by Subsection
11 (b) in providing a comparable replacement without enhancing the
12 facility, after deducting from that cost the net salvage value
13 derived from the old facility.

14 (b) If the district, in the exercise of the power of eminent
15 domain, the power of relocation, or any other power granted under
16 this chapter, makes necessary the relocation, raising, rerouting,
17 changing the grade of, or altering the construction of a highway, a
18 railroad, an electric transmission line, a pipeline, or a telegraph
19 or telephone property or facility, the necessary relocation,
20 raising, rerouting, changing the grade of, or alteration of
21 construction shall be accomplished at the sole expense of the
22 district. (V.A.C.S. Art. 8280-379, Sec. 12 (part).)

23 Sec. 8154.106. NOTICE OF ELECTION. The board president or
24 secretary may give notice of an election. (V.A.C.S. Art. 8280-379,
25 Sec. 19.)

1 [Sections 8154.107-8154.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 8154.151. TAX METHOD. (a) The district shall use the
4 ad valorem plan of taxation.

5 (b) The board is not required to hold a hearing on the
6 adoption of a plan of taxation. (V.A.C.S. Art. 8280-379, Sec. 8.)

7 Sec. 8154.152. DEPOSITORY. (a) The board shall select one
8 or more banks or trust companies in this state to act as a
9 depository of bond proceeds or of revenue derived from the
10 operation of district facilities.

11 (b) The depository shall, as determined by the board:

12 (1) furnish indemnity bonds;

13 (2) pledge securities; or

14 (3) meet any other requirement. (V.A.C.S. Art.
15 8280-379, Sec. 15.)

16 Sec. 8154.153. PROCEDURE FOR PAYMENT. An officer or
17 employee of the district, as designated by a standing order entered
18 in the board's minutes, may draw and sign a warrant to pay a current
19 expense, salary, or account of the district if the account has been
20 contracted and ordered paid by the board. (V.A.C.S. Art. 8280-379,
21 Sec. 9 (part).)

22 Sec. 8154.154. PROJECTS AND PURCHASES EXEMPT FROM
23 ASSESSMENT OR TAXATION. The district is not required to pay a tax
24 or assessment on:

25 (1) a district project or any part of the project; or

26 (2) a district purchase. (V.A.C.S. Art. 8280-379,
27 Sec. 21 (part).)

1 [Sections 8154.155-8154.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 8154.201. AUTHORITY TO ISSUE BONDS. The district may
4 vote and issue bonds of any kind, including refunding bonds, for
5 contiguous or noncontiguous areas for any district purpose.
6 (V.A.C.S. Art. 8280-379, Sec. 16 (part).)

7 Sec. 8154.202. EXCHANGING BONDS FOR PROPERTY OR WORK. The
8 district may exchange bonds, including refunding bonds:

9 (1) for property acquired by purchase; or

10 (2) in payment of the contract price of work done or
11 materials or services furnished for the use and benefit of the
12 district. (V.A.C.S. Art. 8280-379, Sec. 17 (part).)

13 Sec. 8154.203. BOND ELECTION. (a) On the failure of a bond
14 election:

15 (1) a general law that provides for calling a hearing
16 on the dissolution of the district after a district bond election
17 fails does not apply to the district; and

18 (2) the board may call a subsequent bond election
19 after the expiration of six months after the date of the election.

20 (b) The outcome of a bond election does not affect the
21 district's existence, function, or operation. (V.A.C.S. Art.
22 8280-379, Sec. 18.)

23 Sec. 8154.204. BONDS EXEMPT FROM TAXATION. A bond issued
24 under this subchapter, the transfer of the bond, and income from the
25 bond, including profits made on the sale of the bond, are exempt
26 from taxation in this state. (V.A.C.S. Art. 8280-379, Sec. 21
27 (part).)

CHAPTER 8155. BOIS D'ARC MUNICIPAL UTILITY DISTRICT
OF FANNIN COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8155.001. DEFINITION

Sec. 8155.002. NATURE OF DISTRICT

Sec. 8155.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 8155.004. DISTRICT TERRITORY

[Sections 8155.005-8155.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8155.051. COMPOSITION OF BOARD

Sec. 8155.052. VACANCIES

Sec. 8155.053. DIRECTOR'S BOND

[Sections 8155.054-8155.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8155.101. MUNICIPAL UTILITY DISTRICT POWERS

Sec. 8155.102. WATER AND SEWER SYSTEMS

Sec. 8155.103. TAXES

CHAPTER 8155. BOIS D'ARC MUNICIPAL UTILITY DISTRICT
OF FANNIN COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8155.001. DEFINITION. In this chapter, "district" means the Bois D'Arc Municipal Utility District of Fannin County, Texas. (Acts 66th Leg., R.S., Ch. 421, Sec. 1 (part).)

Sec. 8155.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution. (Acts 66th Leg., R.S., Ch. 421, Sec. 1 (part).)

1 Sec. 8155.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

2 The district is created to serve a public use and benefit.

3 (b) All land and other property included in the boundaries
4 of the district will benefit from the works and projects that are to
5 be accomplished by the district under the powers conferred by
6 Section 59, Article XVI, Texas Constitution.

7 (c) The creation of the district is essential to accomplish
8 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
9 66th Leg., R.S., Ch. 421, Secs. 1 (part), 4 (part).)

10 Sec. 8155.004. DISTRICT TERRITORY. (a) The district is
11 composed of the territory described by Section 2, Chapter 421, Acts
12 of the 66th Legislature, Regular Session, 1979, as that territory
13 may have been modified under:

14 (1) Subchapter H, Chapter 54, Water Code;

15 (2) Subchapter J, Chapter 49, Water Code; or

16 (3) other law.

17 (b) The boundaries and field notes of the district form a
18 closure. A mistake in the field notes or in copying the field notes
19 in the legislative process does not affect:

20 (1) the district's organization, existence, and
21 validity;

22 (2) the district's right to issue any type of bond for
23 a purpose for which the district is created or to pay the principal
24 of and interest on a bond;

25 (3) the district's right to impose taxes; or

26 (4) the legality or operation of the district or its
27 governing body. (Acts 66th Leg., R.S., Ch. 421, Sec. 3 (part);

1 New.)

2 [Sections 8155.005-8155.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 8155.051. COMPOSITION OF BOARD. The district is
5 governed by a board of seven directors. (Acts 66th Leg., R.S., Ch.
6 421, Sec. 7 (part).)

7 Sec. 8155.052. VACANCIES. The Commissioners Court of
8 Fannin County shall appoint directors to fill all vacancies on the
9 board when the number of qualified directors is fewer than four.
10 (Acts 66th Leg., R.S., Ch. 421, Sec. 7 (part).)

11 Sec. 8155.053. DIRECTOR'S BOND. A director is not required
12 to post a public official's bond. (Acts 66th Leg., R.S., Ch. 421,
13 Sec. 7 (part).)

14 [Sections 8155.054-8155.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8155.101. MUNICIPAL UTILITY DISTRICT POWERS. The
17 district has the rights, powers, privileges, and functions provided
18 by general law applicable to a municipal utility district created
19 under Section 59, Article XVI, Texas Constitution, including
20 Chapters 49 and 54, Water Code. (Acts 66th Leg., R.S., Ch. 421,
21 Sec. 5 (part).)

22 Sec. 8155.102. WATER AND SEWER SYSTEMS. (a) To serve the
23 inhabitants of the county in which the district is situated, the
24 district may:

25 (1) acquire, and may improve or extend, any existing
26 water or sewer system that serves all or part of the district
27 territory; or

1 (2) construct a water or sewer system.

2 (b) A contract to acquire an existing water or sewer
3 facility may be made on terms approved by the contracting parties.
4 (Acts 66th Leg., R.S., Ch. 421, Sec. 6 (part).)

5 Sec. 8155.103. TAXES. The district may not impose a tax
6 unless the tax has been approved by the voters at an election called
7 for that purpose. (Acts 66th Leg., R.S., Ch. 421, Sec. 6 (part).)

8 CHAPTER 8156. EL PASO COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8156.001. DEFINITION

11 Sec. 8156.002. NATURE OF DISTRICT

12 Sec. 8156.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8156.004. DISTRICT TERRITORY

14 Sec. 8156.005. EFFECT OF CHAPTER ON CITY OF EL PASO

15 [Sections 8156.006-8156.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 8156.051. COMPOSITION OF BOARD

18 [Sections 8156.052-8156.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8156.101. MUNICIPAL UTILITY DISTRICT POWERS

21 Sec. 8156.102. ANNEXATION OF DISTRICT TERRITORY BY

22 POLITICAL SUBDIVISION

23 Sec. 8156.103. AUTHORITY OF EL PASO WATER UTILITIES

24 PUBLIC SERVICE BOARD OVER DISTRICT

25 FACILITIES

1 CHAPTER 8156. EL PASO COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8156.001. DEFINITION. In this chapter, "district"
4 means El Paso County Municipal Utility District No. 2. (Acts 74th
5 Leg., R.S., Ch. 700, Sec. 2.)

6 Sec. 8156.002. NATURE OF DISTRICT. The district is a
7 conservation and reclamation district in El Paso County created
8 under Section 59, Article XVI, Texas Constitution. (Acts 74th
9 Leg., R.S., Ch. 700, Secs. 1(a) (part), (b).)

10 Sec. 8156.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
11 The district is created to serve a public use and benefit.

12 (b) All land and other property included in the district
13 will benefit from the works and projects accomplished by the
14 district under the powers conferred by Section 59, Article XVI,
15 Texas Constitution.

16 (c) The creation of the district is essential to accomplish
17 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
18 74th Leg., R.S., Ch. 700, Secs. 1(b) (part), 5.)

19 Sec. 8156.004. DISTRICT TERRITORY. (a) The district is
20 composed of the territory described by Section 3, Chapter 700, Acts
21 of the 74th Legislature, Regular Session, 1995, as that territory
22 may have been modified under:

- 23 (1) Subchapter H, Chapter 54, Water Code;
24 (2) Subchapter J, Chapter 49, Water Code; or
25 (3) other law.

26 (b) The boundaries and field notes of the district form a
27 closure. A mistake in the field notes or in copying the field notes

1 in the legislative process does not affect:

2 (1) the district's organization, existence, or
3 validity;

4 (2) the district's right to impose a tax; or

5 (3) the legality or operation of the district or its
6 governing body. (Acts 74th Leg., R.S., Ch. 700, Sec. 4; New.)

7 Sec. 8156.005. EFFECT OF CHAPTER ON CITY OF EL PASO. This
8 chapter does not diminish or affect the City of El Paso's
9 extraterritorial jurisdiction or its rights under the Local
10 Government Code. (Acts 74th Leg., R.S., Ch. 700, Sec. 6(e).)

11 [Sections 8156.006-8156.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8156.051. COMPOSITION OF BOARD. The district is
14 governed by a board of five directors. (Acts 74th Leg., R.S., Ch.
15 700, Sec. 7(a).)

16 [Sections 8156.052-8156.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8156.101. MUNICIPAL UTILITY DISTRICT POWERS. The
19 district has the rights, powers, privileges, functions, and duties
20 provided by general law applicable to a municipal utility district
21 created under Section 59, Article XVI, Texas Constitution,
22 including Chapters 49, 50, and 54, Water Code. (Acts 74th Leg.,
23 R.S., Ch. 700, Sec. 6(a) (part).)

24 Sec. 8156.102. ANNEXATION OF DISTRICT TERRITORY BY
25 POLITICAL SUBDIVISION. A political subdivision that annexes the
26 district territory included in Section 3, Chapter 700, Acts of the
27 74th Legislature, Regular Session, 1995, as provided by Chapter 43,

1 Local Government Code, assumes the district's powers, functions,
2 and duties and any outstanding bonded indebtedness of the district.
3 (Acts 74th Leg., R.S., Ch. 700, Sec. 6(c).)

4 Sec. 8156.103. AUTHORITY OF EL PASO WATER UTILITIES PUBLIC
5 SERVICE BOARD OVER DISTRICT FACILITIES. (a) In this section,
6 "Public Service Board" means the El Paso Water Utilities Public
7 Service Board.

8 (b) The plans and specifications for any facilities to be
9 constructed or acquired by the district must be approved by the
10 Public Service Board. The Public Service Board may not
11 unreasonably withhold or delay the approval.

12 (c) The Public Service Board is entitled to inspect or act
13 as the construction manager for district facilities to ensure that
14 the facilities meet the applicable standards of the Public Service
15 Board. The district shall pay the Public Service Board a reasonable
16 fee for those services consistent with fees charged for similar
17 services the Public Service Board provides on similar utility
18 construction contracts. (Acts 74th Leg., R.S., Ch. 700, Sec. 6(d);
19 New.)

20 CHAPTER 8159. EMERALD BAY MUNICIPAL UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8159.001. DEFINITION

23 Sec. 8159.002. NATURE OF DISTRICT

24 Sec. 8159.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8159.004. DISTRICT TERRITORY

26 [Sections 8159.005-8159.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8159.051. COMPOSITION OF BOARD

3 [Sections 8159.052-8159.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8159.101. MUNICIPAL UTILITY DISTRICT POWERS

6 Sec. 8159.102. GENERAL CONTRACT POWERS

7 Sec. 8159.103. CONTRACTS TO ACQUIRE EXISTING WATER OR

8 SEWER SYSTEMS

9 Sec. 8159.104. VOTER APPROVAL OF CERTAIN CONTRACTS

10 CHAPTER 8159. EMERALD BAY MUNICIPAL UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8159.001. DEFINITION. In this chapter, "district"
13 means Emerald Bay Municipal Utility District. (Acts 68th Leg.,
14 R.S., Ch. 722, Sec. 1 (part); New.)

15 Sec. 8159.002. NATURE OF DISTRICT. (a) The district is a
16 conservation and reclamation district in Smith County created under
17 Section 59, Article XVI, Texas Constitution.

18 (b) The district is a political subdivision of the state.
19 (Acts 68th Leg., R.S., Ch. 722, Sec. 1 (part).)

20 Sec. 8159.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
21 The district is created to serve a public use and benefit.

22 (b) All land and other property included in the district
23 will benefit from the works and projects accomplished by the
24 district under Section 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish
26 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
27 68th Leg., R.S., Ch. 722, Secs. 1 (part), 3.)

1 Sec. 8159.004. DISTRICT TERRITORY. (a) The district is
2 composed of the territory described by Section 2(a), Chapter 722,
3 Acts of the 68th Legislature, Regular Session, 1983, as that
4 territory may have been modified under:

- 5 (1) Subchapter H, Chapter 54, Water Code;
6 (2) Subchapter J, Chapter 49, Water Code; or
7 (3) other law.

8 (b) The boundaries of the district form a closure. A
9 mistake in the description of the boundaries under Section 2(a),
10 Chapter 722, Acts of the 68th Legislature, Regular Session, 1983,
11 does not affect:

- 12 (1) the district's organization, existence, and
13 validity;
14 (2) the district's right to issue bonds for a purpose
15 for which the district is created or to pay the principal of and
16 interest on the bonds; or
17 (3) the legality or operation of the district or its
18 governing body. (Acts 68th Leg., R.S., Ch. 722, Secs. 2(b), (c);
19 New.)

20 [Sections 8159.005-8159.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8159.051. COMPOSITION OF BOARD. The district is
23 governed by a board of five directors who serve staggered terms.
24 (Acts 68th Leg., R.S., Ch. 722, Secs. 8(a) (part), (e) (part).)

25 [Sections 8159.052-8159.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8159.101. MUNICIPAL UTILITY DISTRICT POWERS. The

1 district may exercise the rights, powers, privileges, and functions
2 provided by general law applicable to a municipal utility district
3 created under Section 59, Article XVI, Texas Constitution,
4 including Chapters 49 and 54, Water Code. (Acts 68th Leg., R.S.,
5 Ch. 722, Sec. 5(a).)

6 Sec. 8159.102. GENERAL CONTRACT POWERS. The district may
7 enter into a water supply, sewage treatment, solid waste, or
8 drainage contract, or any combination of those contracts, with a
9 municipal corporation, political subdivision, or private entity.
10 (Acts 68th Leg., R.S., Ch. 722, Sec. 7(a).)

11 Sec. 8159.103. CONTRACTS TO ACQUIRE EXISTING WATER OR SEWER
12 SYSTEMS. A contract for the acquisition of an existing water or
13 sewer facility may be made on terms approved by the contracting
14 parties. (Acts 68th Leg., R.S., Ch. 722, Sec. 6(c) (part).)

15 Sec. 8159.104. VOTER APPROVAL OF CERTAIN CONTRACTS. (a) A
16 contract that provides for the district to make payment from taxes
17 other than maintenance taxes must be approved by a majority of the
18 district voters voting on the question at an election held for that
19 purpose.

20 (b) The election shall be held in the same manner as an
21 election for the issuance of bonds payable from taxes by a municipal
22 utility district. (Acts 68th Leg., R.S., Ch. 722, Sec. 7(b)
23 (part).)

24 CHAPTER 8160. EMERALD FOREST UTILITY DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8160.001. DEFINITIONS

27 Sec. 8160.002. NATURE OF DISTRICT

1 Sec. 8160.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

2 Sec. 8160.004. DISTRICT TERRITORY

3 [Sections 8160.005-8160.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8160.051. COMPOSITION OF BOARD

6 [Sections 8160.052-8160.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8160.101. MUNICIPAL UTILITY DISTRICT POWERS

9 CHAPTER 8160. EMERALD FOREST UTILITY DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8160.001. DEFINITIONS. In this chapter, "district"
12 means Emerald Forest Utility District. (V.A.C.S. Art. 8280-519,
13 Sec. 1 (part).)

14 Sec. 8160.002. NATURE OF DISTRICT. The district is a
15 conservation and reclamation district in Harris County created
16 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
17 8280-519, Sec. 1 (part).)

18 Sec. 8160.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
19 The district is created to serve a public use and benefit.

20 (b) All land and other property included in the boundaries
21 of the district will benefit from the works and projects
22 accomplished by the district under the powers conferred by Section
23 59, Article XVI, Texas Constitution.

24 (c) The creation of the district is essential to accomplish
25 the purposes of Section 59, Article XVI, Texas Constitution.
26 (V.A.C.S. Art. 8280-519, Secs. 1 (part), 3.)

27 Sec. 8160.004. DISTRICT TERRITORY. (a) The district is

1 composed of the territory described by Section 4, Chapter 584, Acts
2 of the 62nd Legislature, Regular Session, 1971 (Article 8280-519,
3 Vernon's Texas Civil Statutes), as that territory may have been
4 modified under:

- 5 (1) Subchapter H, Chapter 54, Water Code;
- 6 (2) Subchapter J, Chapter 49, Water Code; or
- 7 (3) other law.

8 (b) The boundaries and field notes of the district form a
9 closure. A mistake in the field notes or in copying the field notes
10 in the legislative process does not affect:

- 11 (1) the district's organization, existence, and
12 validity;
- 13 (2) the district's right to issue any type of bond for
14 a purpose for which the district is created or to pay the principal
15 of and interest on the bond;
- 16 (3) the district's right to impose a tax; or
- 17 (4) the legality or operation of the district or its
18 governing body. (V.A.C.S. Art. 8280-519, Sec. 2; New.)

19 [Sections 8160.005-8160.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8160.051. COMPOSITION OF BOARD. The board of
22 directors is composed of five elected directors. (V.A.C.S. Art.
23 8280-519, Sec. 6 (part).)

24 [Sections 8160.052-8160.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 8160.101. MUNICIPAL UTILITY DISTRICT POWERS. The
27 district has the rights, powers, privileges, and functions provided

1 by general law applicable to a municipal utility district,
2 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-519,
3 Sec. 5 (part); New.)

4 CHAPTER 8161. ENCANTO REAL UTILITY DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 8161.001. DEFINITION

7 Sec. 8161.002. NATURE OF DISTRICT

8 Sec. 8161.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

9 Sec. 8161.004. DISTRICT TERRITORY

10 [Sections 8161.005-8161.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 8161.051. COMPOSITION OF BOARD

13 [Sections 8161.052-8161.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8161.101. MUNICIPAL UTILITY DISTRICT POWERS

16 CHAPTER 8161. ENCANTO REAL UTILITY DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 8161.001. DEFINITION. In this chapter, "district"
19 means the Encanto Real Utility District. (V.A.C.S. Art. 8280-584,
20 Sec. 1 (part).)

21 Sec. 8161.002. NATURE OF DISTRICT. The district is a
22 conservation and reclamation district in Harris County created
23 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
24 8280-584, Sec. 1 (part).)

25 Sec. 8161.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
26 The district is created to serve a public use and benefit.

27 (b) All land and other property included in the boundaries

1 of the district will benefit from the works and projects
2 accomplished by the district under the powers conferred by Section
3 59, Article XVI, Texas Constitution.

4 (c) The creation of the district is essential to accomplish
5 the purposes of Section 59, Article XVI, Texas Constitution.
6 (V.A.C.S. Art. 8280-584, Secs. 1 (part), 3.)

7 Sec. 8161.004. DISTRICT TERRITORY. (a) The district is
8 composed of the territory described by Section 4, Chapter 700, Acts
9 of the 62nd Legislature, Regular Session, 1971 (Article 8280-584,
10 Vernon's Texas Civil Statutes), as that territory may have been
11 modified under:

- 12 (1) Subchapter H, Chapter 54, Water Code;
13 (2) Subchapter J, Chapter 49, Water Code; or
14 (3) other law.

15 (b) The boundaries and field notes of the district form a
16 closure. A mistake in the field notes or in copying the field notes
17 in the legislative process does not affect:

- 18 (1) the district's organization, existence, and
19 validity;
20 (2) the district's right to issue any type of bond for
21 a purpose for which the district is created or to pay the principal
22 of and interest on the bond;
23 (3) the district's right to impose a tax; or
24 (4) the legality or operation of the district or its
25 governing body. (V.A.C.S. Art. 8280-584, Sec. 2; New.)

26 [Sections 8161.005-8161.050 reserved for expansion]

27 SUBCHAPTER B. BOARD OF DIRECTORS

1 Sec. 8161.051. COMPOSITION OF BOARD. The board of
2 directors is composed of five elected directors. (V.A.C.S. Art.
3 8280-584, Sec. 6 (part).)

4 [Sections 8161.052-8161.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 8161.101. MUNICIPAL UTILITY DISTRICT POWERS. The
7 district has the rights, powers, privileges, and functions provided
8 by general law applicable to a municipal utility district,
9 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-584,
10 Sec. 5 (part); New.)

11 CHAPTER 8163. BURLESON COUNTY MUNICIPAL UTILITY

12 DISTRICT NO. 1

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 8163.001. DEFINITION

15 Sec. 8163.002. NATURE OF DISTRICT

16 Sec. 8163.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

17 Sec. 8163.004. DISTRICT TERRITORY

18 [Sections 8163.005-8163.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Sec. 8163.051. COMPOSITION OF BOARD

21 [Sections 8163.052-8163.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8163.101. MUNICIPAL UTILITY DISTRICT POWERS

24 CHAPTER 8163. BURLESON COUNTY MUNICIPAL UTILITY

25 DISTRICT NO. 1

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 8163.001. DEFINITION. In this chapter, "district"

1 means the Burleson County Municipal Utility District No. 1.
2 (V.A.C.S. Art. 8280-587, Sec. 1 (part).)

3 Sec. 8163.002. NATURE OF DISTRICT. The district is a
4 conservation and reclamation district in Burleson County created
5 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
6 8280-587, Sec. 1 (part).)

7 Sec. 8163.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
8 The district is created to serve a public use and benefit.

9 (b) All land and other property included in the boundaries
10 of the district will benefit from the works and projects
11 accomplished by the district under the powers conferred by Section
12 59, Article XVI, Texas Constitution.

13 (c) The creation of the district is essential to accomplish
14 the purposes of Section 59, Article XVI, Texas Constitution.
15 (V.A.C.S. Art. 8280-587, Secs. 1 (part), 3.)

16 Sec. 8163.004. DISTRICT TERRITORY. (a) The district is
17 composed of the territory described by Section 4, Chapter 703, Acts
18 of the 62nd Legislature, Regular Session, 1971 (Article 8280-587,
19 Vernon's Texas Civil Statutes), as that territory may have been
20 modified under:

- 21 (1) Subchapter H, Chapter 54, Water Code;
22 (2) Subchapter J, Chapter 49, Water Code; or
23 (3) other law.

24 (b) The boundaries and field notes of the district form a
25 closure. A mistake in the field notes or in copying the field notes
26 in the legislative process does not affect:

- 27 (1) the district's organization, existence, and

1 validity;

2 (2) the district's right to issue any type of bond for
3 a purpose for which the district is created or to pay the principal
4 of and interest on the bond;

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or its
7 governing body. (V.A.C.S. Art. 8280-587, Sec. 2; New.)

8 [Sections 8163.005-8163.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8163.051. COMPOSITION OF BOARD. The board of
11 directors is composed of five elected directors. (V.A.C.S. Art.
12 8280-587, Sec. 6 (part).)

13 [Sections 8163.052-8163.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8163.101. MUNICIPAL UTILITY DISTRICT POWERS. The
16 district has the rights, powers, privileges, and functions provided
17 by general law applicable to a municipal utility district,
18 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-587,
19 Sec. 5 (part).)

20 CHAPTER 8164. CAPE ROYALE UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8164.001. DEFINITIONS

23 Sec. 8164.002. NATURE OF DISTRICT

24 Sec. 8164.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8164.004. DISTRICT TERRITORY

26 [Sections 8164.005-8164.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Sec. 8164.051. COMPOSITION OF BOARD

3 Sec. 8164.052. DIRECTOR'S BOND

4 Sec. 8164.053. BOARD VACANCY

5 Sec. 8164.054. DISTRICT OFFICE

6 Sec. 8164.055. ABSENCE OF PRESIDENT FROM BOARD MEETING

7 [Sections 8164.056-8164.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 8164.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES

10 Sec. 8164.102. ADDITIONAL POWERS AND DUTIES

11 Sec. 8164.103. EMINENT DOMAIN

12 Sec. 8164.104. COST OF RELOCATING OR ALTERING PROPERTY

13 Sec. 8164.105. CONTRACT FOR PURCHASE OF WATER, SEWER,

14 OR DRAINAGE SERVICES; ELECTION NOT

15 REQUIRED

16 Sec. 8164.106. NOTICE OF ELECTION

17 Sec. 8164.107. DISTRICT RULES

18 [Sections 8164.108-8164.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 8164.151. TAX METHOD

21 Sec. 8164.152. DISTRICT ACCOUNTS

22 Sec. 8164.153. COPY OF AUDIT REPORT

23 Sec. 8164.154. PAYMENT OF TAX OR ASSESSMENT NOT

24 REQUIRED

25 Sec. 8164.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY

26 [Sections 8164.156-8164.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8164.201. USE OF BOND PROCEEDS DURING
CONSTRUCTION

CHAPTER 8164. CAPE ROYALE UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8164.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Cape Royale Utility District.
(V.A.C.S. Art. 8280-424, Sec. 1 (part); New.)

Sec. 8164.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in San Jacinto County, created under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-424, Sec. 1 (part); New.)

Sec. 8164.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in

1 carrying out the purposes of this chapter will be performing an
2 essential public function under the Texas Constitution. (V.A.C.S.
3 Art. 8280-424, Secs. 1 (part), 4, 24 (part).)

4 Sec. 8164.004. DISTRICT TERRITORY. (a) The district is
5 composed of the territory described by Section 2, Chapter 270, Acts
6 of the 61st Legislature, Regular Session, 1969 (Article 8280-424,
7 Vernon's Texas Civil Statutes), as that territory may have been
8 modified under:

- 9 (1) Subchapter H, Chapter 54, Water Code;
10 (2) Subchapter J, Chapter 49, Water Code;
11 (3) former Section 9, Chapter 270, Acts of the 61st
12 Legislature, Regular Session, 1969 (Article 8280-424, Vernon's
13 Texas Civil Statutes); or
14 (4) other law.

15 (b) The boundaries and field notes of the district form a
16 closure. If a mistake is made in the field notes or in copying the
17 field notes in the legislative process, the mistake does not
18 affect:

- 19 (1) the district's organization, existence, and
20 validity;
21 (2) the district's right to issue any type of bond for
22 a purpose for which the district is created or to pay the principal
23 of and interest on the bond;
24 (3) the district's right to impose a tax; or
25 (4) the legality or operation of the district or the
26 board. (V.A.C.S. Art. 8280-424, Sec. 3; New.)

27 [Sections 8164.005-8164.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT ADMINISTRATION

2 Sec. 8164.051. COMPOSITION OF BOARD. The board consists of
3 five directors. (V.A.C.S. Art. 8280-424, Sec. 10 (part).)

4 Sec. 8164.052. DIRECTOR'S BOND. (a) Each director shall
5 give a bond in the amount of \$5,000 for the faithful performance of
6 the director's duties.

7 (b) The bond must be:

8 (1) approved by the county judge and the board;

9 (2) filed in the office of the county clerk of the
10 county or counties in which the district is located; and

11 (3) recorded in a record book kept for that purpose in
12 the district office. (V.A.C.S. Art. 8280-424, Sec. 10 (part).)

13 Sec. 8164.053. BOARD VACANCY. (a) Except as provided by
14 Subsection (b), a vacancy in the office of director shall be filled
15 in the manner provided by Section 49.105, Water Code.

16 (b) The county judge of the county in which the district is
17 located shall appoint directors to fill all vacancies on the board
18 whenever the number of qualified directors is fewer than three.
19 (V.A.C.S. Art. 8280-424, Sec. 10 (part).)

20 Sec. 8164.054. DISTRICT OFFICE. (a) Except as provided by
21 this section, the board shall designate, establish, and maintain a
22 district office as provided by Section 49.062, Water Code.

23 (b) The board may establish a second district office outside
24 the district. If the board establishes a second district office,
25 the board shall give notice of the location of that office by:

26 (1) filing a copy of the board resolution that
27 establishes the location of the office:

1 (A) with the Texas Commission on Environmental
2 Quality; and

3 (B) in the municipal utility district records of
4 each county in which the district is located; and

5 (2) publishing notice of the location of the office in
6 a newspaper of general circulation in each county in which the
7 district is located.

8 (c) A district office that is a private residence, office,
9 or dwelling is a public place for matters relating to district
10 business.

11 (d) The board shall provide notice of any change in the
12 location of the district office outside the district in the manner
13 required by Subsection (b). (V.A.C.S. Art. 8280-424, Sec. 15.)

14 Sec. 8164.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If
15 the board president is absent from a board meeting:

16 (1) the board vice president may:

17 (A) sign an order adopted at the meeting; or

18 (B) implement any other action taken at the
19 meeting; or

20 (2) the board may authorize the president to sign the
21 order or implement the action. (V.A.C.S. Art. 8280-424, Sec. 10
22 (part).)

23 [Sections 8164.056-8164.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 8164.101. MUNICIPAL UTILITY DISTRICT POWERS AND
26 DUTIES. The district has all of the rights, powers, privileges,
27 authority, and functions conferred by the general laws of this

1 state relating to municipal utility districts created under Section
2 59, Article XVI, Texas Constitution, including those conferred by
3 Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-424, Sec. 5
4 (part).)

5 Sec. 8164.102. ADDITIONAL POWERS AND DUTIES. (a) The
6 district may:

7 (1) make, purchase, construct, lease, or otherwise
8 acquire property, works, facilities, existing improvements, or
9 improvements to be made, constructed, or acquired that are:

10 (A) inside or outside the district's boundaries;
11 and

12 (B) necessary to carry out the powers granted by
13 this chapter or general law; or

14 (2) enter into a contract with a person on terms the
15 board considers desirable, fair, and advantageous for:

16 (A) the purchase or sale of water;

17 (B) the transportation, treatment, and disposal
18 of the domestic, industrial, or communal wastes of the district or
19 others;

20 (C) the continuing and orderly development of
21 land and property in the district through the purchase,
22 construction, or installation of facilities, works, or
23 improvements that the district is otherwise authorized to do or
24 perform so that, to the greatest extent reasonably possible,
25 considering sound engineering and economic practices, all of the
26 land and property may ultimately receive the services of the
27 facilities, works, or improvements; and

1 (D) the performance of any of the powers granted
2 by this chapter or general law.

3 (b) A contract under Subsection (a)(2) may not have a
4 duration of more than 40 years. (V.A.C.S. Art. 8280-424, Sec. 5
5 (part).)

6 Sec. 8164.103. EMINENT DOMAIN. The district may exercise
7 the power of eminent domain only:

8 (1) in a county in which the district is located; and

9 (2) when necessary to carry out the purposes for which
10 the district was created. (V.A.C.S. Art. 8280-424, Sec. 13
11 (part).)

12 Sec. 8164.104. COST OF RELOCATING OR ALTERING PROPERTY.

13 (a) In this section, "sole expense" means the actual cost of
14 relocating, raising, lowering, rerouting, changing the grade of, or
15 altering the construction of a facility described by Subsection (b)
16 in providing comparable replacement without enhancement of the
17 facility, after deducting from that cost the net salvage value of
18 the old facility.

19 (b) If the district's exercise of the power of eminent
20 domain, the power of relocation, or any other power granted by this
21 chapter makes necessary the relocating, raising, rerouting or
22 changing the grade of, or alteration of the construction of a
23 highway, a railroad, an electric transmission line, a telegraph or
24 telephone property or facility, or a pipeline, the necessary action
25 shall be accomplished at the sole expense of the district.
26 (V.A.C.S. Art. 8280-424, Sec. 13 (part).)

27 Sec. 8164.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR

1 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may
2 enter into a contract with a political subdivision for water,
3 sewer, or drainage services or any combination of those services
4 without the necessity of an election by any contracting party.

5 (b) The district may pay for an obligation incurred by such
6 a contract by issuing bonds that, if otherwise necessary, have been
7 approved by the voters in the manner provided by this chapter.

8 (c) The district may deliver the district's bonds to any of
9 the following parties that enters into such a contract with the
10 district:

- 11 (1) the United States;
- 12 (2) an agency or instrumentality of the United States;
- 13 (3) this state; or
- 14 (4) an agency or instrumentality of this state.

15 (V.A.C.S. Art. 8280-424, Sec. 5 (part).)

16 Sec. 8164.106. NOTICE OF ELECTION. The board president or
17 secretary may give notice of an election. (V.A.C.S. Art. 8280-424,
18 Sec. 19.)

19 Sec. 8164.107. DISTRICT RULES. The district shall adopt
20 and enforce reasonable and effective rules to secure and maintain
21 safe, sanitary, and adequate plumbing installations, connections,
22 and appurtenances as subsidiary parts of the district's sewerage
23 system to preserve the quality of water within or controlled by the
24 district. (V.A.C.S. Art. 8280-424, Sec. 16.)

25 [Sections 8164.108-8164.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 8164.151. TAX METHOD. (a) The district shall use the

1 ad valorem plan of taxation.

2 (b) The board is not required to hold a hearing on the
3 adoption of a plan of taxation. (V.A.C.S. Art. 8280-424, Sec. 8.)

4 Sec. 8164.152. DISTRICT ACCOUNTS. The district shall keep
5 a complete system of the district's accounts. (V.A.C.S. Art.
6 8280-424, Sec. 14 (part).)

7 Sec. 8164.153. COPY OF AUDIT REPORT. A copy of the audit
8 report prepared under Subchapter G, Chapter 49, Water Code, shall
9 be delivered:

10 (1) to each director; and

11 (2) on request to a holder of at least 25 percent of
12 the outstanding bonds of the district. (V.A.C.S. Art. 8280-424,
13 Sec. 14 (part).)

14 Sec. 8164.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.
15 The district is not required to pay a tax or assessment on:

16 (1) district property; or

17 (2) a purchase made by the district. (V.A.C.S. Art.
18 8280-424, Sec. 24 (part).)

19 Sec. 8164.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A
20 director may be a shareholder in a depository of district funds.
21 (V.A.C.S. Art. 8280-424, Sec. 14 (part).)

22 [Sections 8164.156-8164.200 reserved for expansion]

23 SUBCHAPTER E. BONDS

24 Sec. 8164.201. USE OF BOND PROCEEDS DURING CONSTRUCTION.

25 (a) The district may appropriate or set aside out of the proceeds
26 from the sale of any bonds issued under this chapter an amount for
27 the payment of interest, administrative, and operating expenses

1 expected to accrue during a period of construction, as may be
2 provided in the bond orders or resolutions.

3 (b) For purposes of this section, the period of construction
4 may not exceed three years. (V.A.C.S. Art. 8280-424, Sec. 12
5 (part).)

6 CHAPTER 8165. CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8165.001. DEFINITIONS

9 Sec. 8165.002. NATURE OF DISTRICT

10 Sec. 8165.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

11 Sec. 8165.004. DISTRICT TERRITORY

12 [Sections 8165.005-8165.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8165.051. COMPOSITION OF BOARD; TERMS

15 Sec. 8165.052. QUALIFICATIONS FOR OFFICE

16 Sec. 8165.053. VACANCIES

17 [Sections 8165.054-8165.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 8165.101. MUNICIPAL UTILITY DISTRICT POWERS

20 CHAPTER 8165. CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8165.001. DEFINITIONS. In this chapter:

23 (1) "Board" means the board of directors of the
24 district.

25 (2) "City" means the city of Chateau Woods.

26 (3) "District" means the Chateau Woods Municipal
27 Utility District. (Acts 73rd Leg., R.S., Ch. 744, Sec. 2; New.)

1 Sec. 8165.002. NATURE OF DISTRICT. The district is a
2 conservation and reclamation district in Montgomery County created
3 under Section 59, Article XVI, Texas Constitution. (Acts 73rd
4 Leg., R.S., Ch. 744, Secs. 1(a), (b) (part).)

5 Sec. 8165.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
6 The district is created to serve a public use and benefit.

7 (b) All land and other property included in the district
8 will benefit from the works and projects accomplished by the
9 district under the powers conferred by Section 59, Article XVI,
10 Texas Constitution.

11 (c) The district is essential to accomplish the purposes of
12 Section 59, Article XVI, Texas Constitution. (Acts 73rd Leg.,
13 R.S., Ch. 744, Secs. 1(b) (part), 4.)

14 Sec. 8165.004. DISTRICT TERRITORY. The district is
15 composed of the territory described by Section 3, Chapter 744, Acts
16 of the 73rd Legislature, Regular Session, 1993, as that territory
17 may have been modified under:

- 18 (1) Subchapter H, Chapter 54, Water Code;
19 (2) Subchapter J, Chapter 49, Water Code; or
20 (3) other law. (New.)

21 [Sections 8165.005-8165.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 8165.051. COMPOSITION OF BOARD; TERMS. (a) The
24 district is governed by a board of five directors.

25 (b) Directors serve staggered four-year terms. (Acts 73rd
26 Leg., R.S., Ch. 744, Secs. 6(a), 7(c).)

27 Sec. 8165.052. QUALIFICATIONS FOR OFFICE. To be eligible

1 to serve as director, a person must:

2 (1) be a registered voter; and

3 (2) reside in the district. (Acts 73rd Leg., R.S., Ch.
4 744, Sec. 6(c).)

5 Sec. 8165.053. VACANCIES. A vacancy in the office of
6 director shall be filled by appointment of the board until the next
7 election for directors. If the position is not scheduled to be
8 filled at the election, the person elected to fill the position
9 shall serve only for the remainder of the unexpired term. (Acts
10 73rd Leg., R.S., Ch. 744, Sec. 6(b).)

11 [Sections 8165.054-8165.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 8165.101. MUNICIPAL UTILITY DISTRICT POWERS. The
14 district has the rights, powers, privileges, functions, and duties
15 provided by general law applicable to a municipal utility district
16 created under Section 59, Article XVI, Texas Constitution,
17 including those conferred by Chapters 49, 50, and 54, Water Code.
18 (Acts 73rd Leg., R.S., Ch. 744, Sec. 5(a) (part); New.)

19 CHAPTER 8166. CIBOLO CREEK MUNICIPAL AUTHORITY

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8166.001. DEFINITION

22 Sec. 8166.002. NATURE OF DISTRICT

23 Sec. 8166.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

24 Sec. 8166.004. DISTRICT TERRITORY

25 [Sections 8166.005-8166.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8166.051. COMPOSITION OF BOARD

1 [Sections 8166.052-8166.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8166.101. MUNICIPAL UTILITY DISTRICT AND WASTE

4 DISPOSAL POWERS

5 Sec. 8166.102. WATER SUPPLY IN AND TO MUNICIPALITY

6 [Sections 8166.103-8166.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 8166.151. LIMITATION ON USE OF SEWAGE SYSTEM

9 REVENUE

10 CHAPTER 8166. CIBOLO CREEK MUNICIPAL AUTHORITY

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8166.001. DEFINITION. In this chapter, "district"
13 means the Cibolo Creek Municipal Authority. (V.A.C.S. Art.
14 8280-487, Sec. 1 (part).)

15 Sec. 8166.002. NATURE OF DISTRICT. The district is a
16 conservation and reclamation district in Bexar, Comal, and
17 Guadalupe Counties created under Section 59, Article XVI, Texas
18 Constitution. (V.A.C.S. Art. 8280-487, Sec. 1 (part).)

19 Sec. 8166.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the boundaries
22 of the district will benefit from the works and projects
23 accomplished by the district under the powers conferred by Section
24 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish
26 the purposes of Section 59, Article XVI, Texas Constitution.
27 (V.A.C.S. Art. 8280-487, Secs. 1 (part), 3 (part).)

1 Sec. 8166.004. DISTRICT TERRITORY. (a) The district is
2 composed of the territory described by Section 4, Chapter 347, Acts
3 of the 62nd Legislature, Regular Session, 1971 (Article 8280-487,
4 Vernon's Texas Civil Statutes), as that territory may have been
5 modified under:

- 6 (1) Subchapter H, Chapter 54, Water Code;
7 (2) Subchapter J, Chapter 49, Water Code; or
8 (3) other law.

9 (b) The boundaries and field notes of the district form a
10 closure. A mistake in the field notes or in copying the field notes
11 in the legislative process does not affect:

- 12 (1) the district's organization, existence, and
13 validity;
14 (2) the district's right to issue any type of bond for
15 a purpose for which the district is created or to pay the principal
16 of and interest on the bond;
17 (3) the district's right to impose a tax; or
18 (4) the legality or operation of the district or its
19 governing body. (V.A.C.S. Art. 8280-487, Sec. 2; New.)

20 [Sections 8166.005-8166.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8166.051. COMPOSITION OF BOARD. The board of
23 directors is composed of five elected directors. (V.A.C.S. Art.
24 8280-487, Sec. 6(a) (part).)

25 [Sections 8166.052-8166.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8166.101. MUNICIPAL UTILITY DISTRICT AND WASTE

1 DISPOSAL POWERS. The district has the rights, powers, privileges,
2 and functions provided by general law applicable to a municipal
3 utility district, including Chapters 49 and 54, Water Code, and
4 applicable to a river authority under Chapter 30, Water Code.
5 (V.A.C.S. Art. 8280-487, Sec. 5 (part); New.)

6 Sec. 8166.102. WATER SUPPLY IN AND TO MUNICIPALITY. (a)
7 The powers granted by Section 8166.101 do not include the power to
8 supply water for municipal uses, domestic uses, or commercial
9 purposes, on a retail basis in the municipal limits or
10 extraterritorial jurisdiction of a municipality that lies wholly or
11 partly in the district.

12 (b) A municipality described by Subsection (a) may contract
13 with the district to supply surface water to the municipality for
14 resale. The municipality shall bear the full cost of the
15 development, transportation, distribution, and treatment of the
16 water. (V.A.C.S. Art. 8280-487, Sec. 5 (part).)

17 [Sections 8166.103-8166.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 8166.151. LIMITATION ON USE OF SEWAGE SYSTEM REVENUE.
20 The district may not use revenue received from the district sewage
21 system, including from the collection, transportation, treatment,
22 or disposal of sewage, and from other purposes pertaining to the
23 system, to pay for surface water development, transportation,
24 distribution, or treatment. (V.A.C.S. Art. 8280-487, Sec. 5
25 (part).)

1 CHAPTER 8167. CINCO MUNICIPAL UTILITY DISTRICT NO. 1

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8167.001. DEFINITION

4 Sec. 8167.002. NATURE OF DISTRICT

5 Sec. 8167.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8167.004. DISTRICT TERRITORY

7 [Sections 8167.005-8167.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8167.051. COMPOSITION OF BOARD

10 [Sections 8167.052-8167.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8167.101. MUNICIPAL UTILITY DISTRICT POWERS

13 Sec. 8167.102. WATER CONSERVATION PROGRAM

14 CHAPTER 8167. CINCO MUNICIPAL UTILITY DISTRICT NO. 1

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8167.001. DEFINITION. In this chapter, "district"
17 means Cinco Municipal Utility District No. 1. (Acts 69th Leg.,
18 R.S., Ch. 184, Secs. 1(a) (part), 2.)

19 Sec. 8167.002. NATURE OF DISTRICT. The district is a
20 conservation and reclamation district in Fort Bend County created
21 under Section 59, Article XVI, Texas Constitution. (Acts 69th
22 Leg., R.S., Ch. 184, Sec. 1(a) (part).)

23 Sec. 8167.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
24 The district is created to serve a public use and benefit.

25 (b) All land and other property included in the boundaries
26 of the district will benefit from the works and projects
27 accomplished by the district under the powers conferred by Section

1 59, Article XVI, Texas Constitution.

2 (c) The creation of the district is essential to accomplish
3 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
4 69th Leg., R.S., Ch. 184, Secs. 1(b), 5.)

5 Sec. 8167.004. DISTRICT TERRITORY. (a) The district is
6 composed of the territory described by Section 3, Chapter 184, Acts
7 of the 69th Legislature, Regular Session, 1985, as that territory
8 may have been modified under:

- 9 (1) Subchapter H, Chapter 54, Water Code;
10 (2) Subchapter J, Chapter 49, Water Code; or
11 (3) other law.

12 (b) The boundaries and field notes of the district form a
13 closure. A mistake in the field notes or in copying the field notes
14 in the legislative process does not affect:

15 (1) the district's organization, existence, and
16 validity;

17 (2) the district's right to issue any type of bond for
18 a purpose for which the district is created or to pay the principal
19 of and interest on the bond;

20 (3) the district's right to impose a tax; or

21 (4) the legality or operation of the district or its
22 governing body. (Acts 69th Leg., R.S., Ch. 184, Sec. 4; New.)

23 [Sections 8167.005-8167.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8167.051. COMPOSITION OF BOARD. The district is
26 governed by a board of five elected directors. (Acts 69th Leg.,
27 R.S., Ch. 184, Secs. 8(a), (b) (part).)

1 [Sections 8167.052-8167.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8167.101. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions provided
5 by general law applicable to a municipal utility district created
6 under Section 59, Article XVI, Texas Constitution, including
7 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 184,
8 Sec. 6(a) (part).)

9 Sec. 8167.102. WATER CONSERVATION PROGRAM. (a) In this
10 section, "program of water conservation" means the practices,
11 techniques, and technologies that will reduce water consumption,
12 reduce water loss or waste, improve efficiency in water use, or
13 increase water recycling and reuse so that a water supply is
14 available for future or alternative uses.

15 (b) The district shall adopt and implement a program of
16 water conservation consistent with rules and criteria adopted and
17 enforceable by the Texas Commission on Environmental Quality for
18 similarly situated districts in the region. (Acts 69th Leg., R.S.,
19 Ch. 184, Sec. 7.)

20 CHAPTER 8168. CINCO MUNICIPAL UTILITY DISTRICT NO. 2

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8168.001. DEFINITION

23 Sec. 8168.002. NATURE OF DISTRICT

24 Sec. 8168.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8168.004. DISTRICT TERRITORY

26 [Sections 8168.005-8168.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8168.051. COMPOSITION OF BOARD

3 [Sections 8168.052-8168.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8168.101. MUNICIPAL UTILITY DISTRICT POWERS

6 Sec. 8168.102. WATER CONSERVATION PROGRAM

7 CHAPTER 8168. CINCO MUNICIPAL UTILITY DISTRICT NO. 2

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 8168.001. DEFINITION. In this chapter, "district"
10 means Cinco Municipal Utility District No. 2. (Acts 69th Leg.,
11 R.S., Ch. 185, Secs. 1(a) (part), 2.)

12 Sec. 8168.002. NATURE OF DISTRICT. The district is a
13 conservation and reclamation district in Fort Bend and Harris
14 Counties created under Section 59, Article XVI, Texas Constitution.
15 (Acts 69th Leg., R.S., Ch. 185, Sec. 1(a) (part).)

16 Sec. 8168.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
17 The district is created to serve a public use and benefit.

18 (b) All land and other property included in the boundaries
19 of the district will benefit from the works and projects
20 accomplished by the district under the powers conferred by Section
21 59, Article XVI, Texas Constitution.

22 (c) The creation of the district is essential to accomplish
23 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
24 69th Leg., R.S., Ch. 185, Secs. 1(b), 5.)

25 Sec. 8168.004. DISTRICT TERRITORY. (a) The district is
26 composed of the territory described by Section 3, Chapter 185, Acts
27 of the 69th Legislature, Regular Session, 1985, as that territory

1 may have been modified under:

- 2 (1) Subchapter H, Chapter 54, Water Code;
3 (2) Subchapter J, Chapter 49, Water Code; or
4 (3) other law.

5 (b) The boundaries and field notes of the district form a
6 closure. A mistake in the field notes or in copying the field notes
7 in the legislative process does not affect:

8 (1) the district's organization, existence, and
9 validity;

10 (2) the district's right to issue any type of bond for
11 a purpose for which the district is created or to pay the principal
12 of and interest on the bond;

13 (3) the district's right to impose a tax; or

14 (4) the legality or operation of the district or its
15 governing body. (Acts 69th Leg., R.S., Ch. 185, Sec. 4; New.)

16 [Sections 8168.005-8168.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8168.051. COMPOSITION OF BOARD. The district is
19 governed by a board of five elected directors. (Acts 69th Leg.,
20 R.S., Ch. 185, Secs. 8(a), (b) (part).)

21 [Sections 8168.052-8168.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8168.101. MUNICIPAL UTILITY DISTRICT POWERS. The
24 district has the rights, powers, privileges, and functions provided
25 by general law applicable to a municipal utility district created
26 under Section 59, Article XVI, Texas Constitution, including
27 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 185,

1 Sec. 6(a) (part).)

2 Sec. 8168.102. WATER CONSERVATION PROGRAM. (a) In this
3 section, "program of water conservation" means the practices,
4 techniques, and technologies that will reduce water consumption,
5 reduce water loss or waste, improve efficiency in water use, or
6 increase water recycling and reuse so that a water supply is
7 available for future or alternative uses.

8 (b) The district shall adopt and implement a program of
9 water conservation consistent with rules and criteria adopted and
10 enforceable by the Texas Commission on Environmental Quality for
11 similarly situated districts in the region. (Acts 69th Leg., R.S.,
12 Ch. 185, Sec. 7.)

13 CHAPTER 8169. CINCO MUNICIPAL UTILITY DISTRICT NO. 3

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8169.001. DEFINITION

16 Sec. 8169.002. NATURE OF DISTRICT

17 Sec. 8169.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

18 Sec. 8169.004. DISTRICT TERRITORY

19 [Sections 8169.005-8169.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8169.051. COMPOSITION OF BOARD

22 [Sections 8169.052-8169.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 8169.101. MUNICIPAL UTILITY DISTRICT POWERS

25 Sec. 8169.102. WATER CONSERVATION PROGRAM

26 CHAPTER 8169. CINCO MUNICIPAL UTILITY DISTRICT NO. 3

27 SUBCHAPTER A. GENERAL PROVISIONS

1 Sec. 8169.001. DEFINITION. In this chapter, "district"
2 means Cinco Municipal Utility District No. 3. (Acts 69th Leg.,
3 R.S., Ch. 186, Secs. 1(a) (part), 2.)

4 Sec. 8169.002. NATURE OF DISTRICT. The district is a
5 conservation and reclamation district in Fort Bend and Harris
6 Counties created under Section 59, Article XVI, Texas Constitution.
7 (Acts 69th Leg., R.S., Ch. 186, Sec. 1(a) (part).)

8 Sec. 8169.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
9 The district is created to serve a public use and benefit.

10 (b) All land and other property included in the boundaries
11 of the district will benefit from the works and projects
12 accomplished by the district under the powers conferred by Section
13 59, Article XVI, Texas Constitution.

14 (c) The creation of the district is essential to accomplish
15 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
16 69th Leg., R.S., Ch. 186, Secs. 1(b), 5.)

17 Sec. 8169.004. DISTRICT TERRITORY. (a) The district is
18 composed of the territory described by Section 3, Chapter 186, Acts
19 of the 69th Legislature, Regular Session, 1985, as that territory
20 may have been modified under:

- 21 (1) Subchapter H, Chapter 54, Water Code;
22 (2) Subchapter J, Chapter 49, Water Code; or
23 (3) other law.

24 (b) The boundaries and field notes of the district form a
25 closure. A mistake in the field notes or in copying the field notes
26 in the legislative process does not affect:

- 27 (1) the district's organization, existence, and

1 validity;

2 (2) the district's right to issue any type of bond for
3 a purpose for which the district is created or to pay the principal
4 of and interest on the bond;

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or its
7 governing body. (Acts 69th Leg., R.S., Ch. 186, Sec. 4; New.)

8 [Sections 8169.005-8169.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8169.051. COMPOSITION OF BOARD. The district is
11 governed by a board of five elected directors. (Acts 69th Leg.,
12 R.S., Ch. 186, Secs. 8(a), (b) (part).)

13 [Sections 8169.052-8169.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8169.101. MUNICIPAL UTILITY DISTRICT POWERS. The
16 district has the rights, powers, privileges, and functions provided
17 by general law applicable to a municipal utility district created
18 under Section 59, Article XVI, Texas Constitution, including
19 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 186,
20 Sec. 6(a) (part).)

21 Sec. 8169.102. WATER CONSERVATION PROGRAM. (a) In this
22 section, "program of water conservation" means the practices,
23 techniques, and technologies that will reduce water consumption,
24 reduce water loss or waste, improve efficiency in water use, or
25 increase water recycling and reuse so that a water supply is
26 available for future or alternative uses.

27 (b) The district shall adopt and implement a program of

1 water conservation consistent with rules and criteria adopted and
2 enforceable by the Texas Commission on Environmental Quality for
3 similarly situated districts in the region. (Acts 69th Leg., R.S.,
4 Ch. 186, Sec. 7.)

5 CHAPTER 8170. CINCO MUNICIPAL UTILITY DISTRICT NO. 5

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 8170.001. DEFINITION

8 Sec. 8170.002. NATURE OF DISTRICT

9 Sec. 8170.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

10 Sec. 8170.004. DISTRICT TERRITORY

11 [Sections 8170.005-8170.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8170.051. COMPOSITION OF BOARD

14 [Sections 8170.052-8170.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8170.101. MUNICIPAL UTILITY DISTRICT POWERS

17 Sec. 8170.102. WATER CONSERVATION PROGRAM

18 CHAPTER 8170. CINCO MUNICIPAL UTILITY DISTRICT NO. 5

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8170.001. DEFINITION. In this chapter, "district"
21 means Cinco Municipal Utility District No. 5. (Acts 69th Leg.,
22 R.S., Ch. 188, Secs. 1(a) (part), 2.)

23 Sec. 8170.002. NATURE OF DISTRICT. The district is a
24 conservation and reclamation district in Fort Bend and Harris
25 Counties created under Section 59, Article XVI, Texas Constitution.
26 (Acts 69th Leg., R.S., Ch. 188, Sec. 1(a) (part).)

27 Sec. 8170.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

1 The district is created to serve a public use and benefit.

2 (b) All land and other property included in the boundaries
3 of the district will benefit from the works and projects
4 accomplished by the district under the powers conferred by Section
5 59, Article XVI, Texas Constitution.

6 (c) The creation of the district is essential to accomplish
7 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
8 69th Leg., R.S., Ch. 188, Secs. 1(b), 5.)

9 Sec. 8170.004. DISTRICT TERRITORY. (a) The district is
10 composed of the territory described by Section 3, Chapter 188, Acts
11 of the 69th Legislature, Regular Session, 1985, as that territory
12 may have been modified under:

- 13 (1) Subchapter H, Chapter 54, Water Code;
14 (2) Subchapter J, Chapter 49, Water Code; or
15 (3) other law.

16 (b) The boundaries and field notes of the district form a
17 closure. A mistake in the field notes or in copying the field notes
18 in the legislative process does not affect:

- 19 (1) the district's organization, existence, and
20 validity;
21 (2) the district's right to issue any type of bond for
22 a purpose for which the district is created or to pay the principal
23 of and interest on the bond;
24 (3) the district's right to impose a tax; or
25 (4) the legality or operation of the district or its
26 governing body. (Acts 69th Leg., R.S., Ch. 188, Sec. 4; New.)

27 [Sections 8170.005-8170.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8170.051. COMPOSITION OF BOARD. The district is
3 governed by a board of five elected directors. (Acts 69th Leg.,
4 R.S., Ch. 188, Secs. 8(a), (b) (part).)

5 [Sections 8170.052-8170.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 8170.101. MUNICIPAL UTILITY DISTRICT POWERS. The
8 district has the rights, powers, privileges, and functions provided
9 by general law applicable to a municipal utility district created
10 under Section 59, Article XVI, Texas Constitution, including
11 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 188,
12 Sec. 6(a) (part).)

13 Sec. 8170.102. WATER CONSERVATION PROGRAM. (a) In this
14 section, "program of water conservation" means the practices,
15 techniques, and technologies that will reduce water consumption,
16 reduce water loss or waste, improve efficiency in water use, or
17 increase water recycling and reuse so that a water supply is
18 available for future or alternative uses.

19 (b) The district shall adopt and implement a program of
20 water conservation consistent with rules and criteria adopted and
21 enforceable by the Texas Commission on Environmental Quality for
22 similarly situated districts in the region. (Acts 69th Leg., R.S.,
23 Ch. 188, Sec. 7.)

24 CHAPTER 8171. CINCO MUNICIPAL UTILITY DISTRICT NO. 6

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8171.001. DEFINITION

27 Sec. 8171.002. NATURE OF DISTRICT

1 Sec. 8171.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

2 Sec. 8171.004. DISTRICT TERRITORY

3 [Sections 8171.005-8171.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8171.051. COMPOSITION OF BOARD

6 [Sections 8171.052-8171.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8171.101. MUNICIPAL UTILITY DISTRICT POWERS

9 Sec. 8171.102. WATER CONSERVATION PROGRAM

10 CHAPTER 8171. CINCO MUNICIPAL UTILITY DISTRICT NO. 6

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8171.001. DEFINITION. In this chapter, "district"
13 means Cinco Municipal Utility District No. 6. (Acts 69th Leg.,
14 R.S., Ch. 189, Secs. 1(a) (part), 2.)

15 Sec. 8171.002. NATURE OF DISTRICT. The district is a
16 conservation and reclamation district in Fort Bend County created
17 under Section 59, Article XVI, Texas Constitution. (Acts 69th
18 Leg., R.S., Ch. 189, Sec. 1(a) (part).)

19 Sec. 8171.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the boundaries
22 of the district will benefit from the works and projects
23 accomplished by the district under the powers conferred by Section
24 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish
26 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
27 69th Leg., R.S., Ch. 189, Secs. 1(b), 5.)

1 Sec. 8171.004. DISTRICT TERRITORY. (a) The district is
2 composed of the territory described by Section 3, Chapter 189, Acts
3 of the 69th Legislature, Regular Session, 1985, as that territory
4 may have been modified under:

- 5 (1) Subchapter H, Chapter 54, Water Code;
6 (2) Subchapter J, Chapter 49, Water Code; or
7 (3) other law.

8 (b) The boundaries and field notes of the district form a
9 closure. A mistake in the field notes or in copying the field notes
10 in the legislative process does not affect:

- 11 (1) the district's organization, existence, and
12 validity;
13 (2) the district's right to issue any type of bond for
14 a purpose for which the district is created or to pay the principal
15 of and interest on the bond;
16 (3) the district's right to impose a tax; or
17 (4) the legality or operation of the district or its
18 governing body. (Acts 69th Leg., R.S., Ch. 189, Sec. 4; New.)

19 [Sections 8171.005-8171.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8171.051. COMPOSITION OF BOARD. The district is
22 governed by a board of five elected directors. (Acts 69th Leg.,
23 R.S., Ch. 189, Secs. 8(a), (b) (part).)

24 [Sections 8171.052-8171.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 8171.101. MUNICIPAL UTILITY DISTRICT POWERS. The
27 district has the rights, powers, privileges, and functions provided

1 by general law applicable to a municipal utility district created
2 under Section 59, Article XVI, Texas Constitution, including
3 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 189,
4 Sec. 6(a) (part).)

5 Sec. 8171.102. WATER CONSERVATION PROGRAM. (a) In this
6 section, "program of water conservation" means the practices,
7 techniques, and technologies that will reduce water consumption,
8 reduce water loss or waste, improve efficiency in water use, or
9 increase water recycling and reuse so that a water supply is
10 available for future or alternative uses.

11 (b) The district shall adopt and implement a program of
12 water conservation consistent with rules and criteria adopted and
13 enforceable by the Texas Commission on Environmental Quality for
14 similarly situated districts in the region. (Acts 69th Leg., R.S.,
15 Ch. 189, Sec. 7.)

16 CHAPTER 8172. CINCO MUNICIPAL UTILITY DISTRICT NO. 7

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 8172.001. DEFINITION

19 Sec. 8172.002. NATURE OF DISTRICT

20 Sec. 8172.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

21 Sec. 8172.004. DISTRICT TERRITORY

22 [Sections 8172.005-8172.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Sec. 8172.051. COMPOSITION OF BOARD

25 [Sections 8172.052-8172.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8172.101. MUNICIPAL UTILITY DISTRICT POWERS

1 Sec. 8172.102. WATER CONSERVATION PROGRAM

2 CHAPTER 8172. CINCO MUNICIPAL UTILITY DISTRICT NO. 7

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 8172.001. DEFINITION. In this chapter, "district"
5 means Cinco Municipal Utility District No. 7. (Acts 69th Leg.,
6 R.S., Ch. 190, Secs. 1(a) (part), 2.)

7 Sec. 8172.002. NATURE OF DISTRICT. The district is a
8 conservation and reclamation district in Fort Bend County created
9 under Section 59, Article XVI, Texas Constitution. (Acts 69th
10 Leg., R.S., Ch. 190, Sec. 1(a) (part).)

11 Sec. 8172.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
12 The district is created to serve a public use and benefit.

13 (b) All land and other property included in the boundaries
14 of the district will benefit from the works and projects
15 accomplished by the district under the powers conferred by Section
16 59, Article XVI, Texas Constitution.

17 (c) The creation of the district is essential to accomplish
18 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
19 69th Leg., R.S., Ch. 190, Secs. 1(b), 5.)

20 Sec. 8172.004. DISTRICT TERRITORY. (a) The district is
21 composed of the territory described by Section 3, Chapter 190, Acts
22 of the 69th Legislature, Regular Session, 1985, as that territory
23 may have been modified under:

- 24 (1) Subchapter H, Chapter 54, Water Code;
25 (2) Subchapter J, Chapter 49, Water Code; or
26 (3) other law.

27 (b) The boundaries and field notes of the district form a

1 closure. A mistake in the field notes or in copying the field notes
2 in the legislative process does not affect:

3 (1) the district's organization, existence, and
4 validity;

5 (2) the district's right to issue any type of bond for
6 a purpose for which the district is created or to pay the principal
7 of and interest on the bond;

8 (3) the district's right to impose a tax; or

9 (4) the legality or operation of the district or its
10 governing body. (Acts 69th Leg., R.S., Ch. 190, Sec. 4; New.)

11 [Sections 8172.005-8172.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8172.051. COMPOSITION OF BOARD. The district is
14 governed by a board of five elected directors. (Acts 69th Leg.,
15 R.S., Ch. 190, Secs. 8(a), (b) (part).)

16 [Sections 8172.052-8172.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8172.101. MUNICIPAL UTILITY DISTRICT POWERS. The
19 district has the rights, powers, privileges, and functions provided
20 by general law applicable to a municipal utility district created
21 under Section 59, Article XVI, Texas Constitution, including
22 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 190,
23 Sec. 6(a) (part).)

24 Sec. 8172.102. WATER CONSERVATION PROGRAM. (a) In this
25 section, "program of water conservation" means the practices,
26 techniques, and technologies that will reduce water consumption,
27 reduce water loss or waste, improve efficiency in water use, or

1 increase water recycling and reuse so that a water supply is
2 available for future or alternative uses.

3 (b) The district shall adopt and implement a program of
4 water conservation consistent with rules and criteria adopted and
5 enforceable by the Texas Commission on Environmental Quality for
6 similarly situated districts in the region. (Acts 69th Leg., R.S.,
7 Ch. 190, Sec. 7.)

8 CHAPTER 8173. CINCO MUNICIPAL UTILITY DISTRICT NO. 8

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8173.001. DEFINITION

11 Sec. 8173.002. NATURE OF DISTRICT

12 Sec. 8173.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8173.004. DISTRICT TERRITORY

14 [Sections 8173.005-8173.050 reserved for expansion]

15 SUBCHAPTER B. BOARD OF DIRECTORS

16 Sec. 8173.051. COMPOSITION OF BOARD

17 [Sections 8173.052-8173.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 8173.101. MUNICIPAL UTILITY DISTRICT POWERS

20 Sec. 8173.102. WATER CONSERVATION PROGRAM

21 CHAPTER 8173. CINCO MUNICIPAL UTILITY DISTRICT NO. 8

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 8173.001. DEFINITION. In this chapter, "district"
24 means Cinco Municipal Utility District No. 8. (Acts 69th Leg.,
25 R.S., Ch. 191, Secs. 1(a) (part), 2.)

26 Sec. 8173.002. NATURE OF DISTRICT. The district is a
27 conservation and reclamation district in Fort Bend County created

1 under Section 59, Article XVI, Texas Constitution. (Acts 69th
2 Leg., R.S., Ch. 191, Sec. 1(a) (part).)

3 Sec. 8173.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
4 The district is created to serve a public use and benefit.

5 (b) All land and other property included in the boundaries
6 of the district will benefit from the works and projects
7 accomplished by the district under the powers conferred by Section
8 59, Article XVI, Texas Constitution.

9 (c) The creation of the district is essential to accomplish
10 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
11 69th Leg., R.S., Ch. 191, Secs. 1(b), 5.)

12 Sec. 8173.004. DISTRICT TERRITORY. (a) The district is
13 composed of the territory described by Section 3, Chapter 191, Acts
14 of the 69th Legislature, Regular Session, 1985, as that territory
15 may have been modified under:

- 16 (1) Subchapter H, Chapter 54, Water Code;
17 (2) Subchapter J, Chapter 49, Water Code; or
18 (3) other law.

19 (b) The boundaries and field notes of the district form a
20 closure. A mistake in the field notes or in copying the field notes
21 in the legislative process does not affect:

22 (1) the district's organization, existence, and
23 validity;

24 (2) the district's right to issue any type of bond for
25 a purpose for which the district is created or to pay the principal
26 of and interest on the bond;

27 (3) the district's right to impose a tax; or

1 (4) the legality or operation of the district or its
2 governing body. (Acts 69th Leg., R.S., Ch. 191, Sec. 4; New.)

3 [Sections 8173.005-8173.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8173.051. COMPOSITION OF BOARD. The district is
6 governed by a board of five elected directors. (Acts 69th Leg.,
7 R.S., Ch. 191, Secs. 8(a), (b) (part).)

8 [Sections 8173.052-8173.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8173.101. MUNICIPAL UTILITY DISTRICT POWERS. The
11 district has the rights, powers, privileges, and functions provided
12 by general law applicable to a municipal utility district created
13 under Section 59, Article XVI, Texas Constitution, including
14 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 191,
15 Sec. 6(a) (part).)

16 Sec. 8173.102. WATER CONSERVATION PROGRAM. (a) In this
17 section, "program of water conservation" means the practices,
18 techniques, and technologies that will reduce water consumption,
19 reduce water loss or waste, improve efficiency in water use, or
20 increase water recycling and reuse so that a water supply is
21 available for future or alternative uses.

22 (b) The district shall adopt and implement a program of
23 water conservation consistent with rules and criteria adopted and
24 enforceable by the Texas Commission on Environmental Quality for
25 similarly situated districts in the region. (Acts 69th Leg., R.S.,
26 Ch. 191, Sec. 7.)

1 CHAPTER 8174. CINCO MUNICIPAL UTILITY DISTRICT NO. 9

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8174.001. DEFINITION

4 Sec. 8174.002. NATURE OF DISTRICT

5 Sec. 8174.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8174.004. DISTRICT TERRITORY

7 [Sections 8174.005-8174.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8174.051. COMPOSITION OF BOARD

10 [Sections 8174.052-8174.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8174.101. MUNICIPAL UTILITY DISTRICT POWERS

13 Sec. 8174.102. WATER CONSERVATION PROGRAM

14 CHAPTER 8174. CINCO MUNICIPAL UTILITY DISTRICT NO. 9

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8174.001. DEFINITION. In this chapter, "district"
17 means Cinco Municipal Utility District No. 9. (Acts 69th Leg.,
18 R.S., Ch. 192, Secs. 1(a) (part), 2.)

19 Sec. 8174.002. NATURE OF DISTRICT. The district is a
20 conservation and reclamation district in Fort Bend and Harris
21 Counties created under Section 59, Article XVI, Texas Constitution.
22 (Acts 69th Leg., R.S., Ch. 192, Sec. 1(a) (part).)

23 Sec. 8174.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
24 The district is created to serve a public use and benefit.

25 (b) All land and other property included in the boundaries
26 of the district will benefit from the works and projects
27 accomplished by the district under the powers conferred by Section

1 59, Article XVI, Texas Constitution.

2 (c) The creation of the district is essential to accomplish
3 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
4 69th Leg., R.S., Ch. 192, Secs. 1(b), 5.)

5 Sec. 8174.004. DISTRICT TERRITORY. (a) The district is
6 composed of the territory described by Section 3, Chapter 192, Acts
7 of the 69th Legislature, Regular Session, 1985, as that territory
8 may have been modified under:

- 9 (1) Subchapter H, Chapter 54, Water Code;
10 (2) Subchapter J, Chapter 49, Water Code; or
11 (3) other law.

12 (b) The boundaries and field notes of the district form a
13 closure. A mistake in the field notes or in copying the field notes
14 in the legislative process does not affect:

15 (1) the district's organization, existence, and
16 validity;

17 (2) the district's right to issue any type of bond for
18 a purpose for which the district is created or to pay the principal
19 of and interest on the bond;

20 (3) the district's right to impose a tax; or

21 (4) the legality or operation of the district or its
22 governing body. (Acts 69th Leg., R.S., Ch. 192, Sec. 4; New.)

23 [Sections 8174.005-8174.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8174.051. COMPOSITION OF BOARD. The district is
26 governed by a board of five elected directors. (Acts 69th Leg.,
27 R.S., Ch. 192, Secs. 8(a), (b) (part).)

1 [Sections 8174.052-8174.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8174.101. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions provided
5 by general law applicable to a municipal utility district created
6 under Section 59, Article XVI, Texas Constitution, including
7 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 192,
8 Sec. 6(a) (part).)

9 Sec. 8174.102. WATER CONSERVATION PROGRAM. (a) In this
10 section, "program of water conservation" means the practices,
11 techniques, and technologies that will reduce water consumption,
12 reduce water loss or waste, improve efficiency in water use, or
13 increase water recycling and reuse so that a water supply is
14 available for future or alternative uses.

15 (b) The district shall adopt and implement a program of
16 water conservation consistent with rules and criteria adopted and
17 enforceable by the Texas Commission on Environmental Quality for
18 similarly situated districts in the region. (Acts 69th Leg., R.S.,
19 Ch. 192, Sec. 7.)

20 CHAPTER 8177. FLYING "L" PUBLIC UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8177.001. DEFINITION

23 Sec. 8177.002. NATURE OF DISTRICT

24 Sec. 8177.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8177.004. DISTRICT TERRITORY

26 [Sections 8177.005-8177.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8177.051. COMPOSITION OF BOARD

3 [Sections 8177.052-8177.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8177.101. MUNICIPAL UTILITY DISTRICT POWERS

6 CHAPTER 8177. FLYING "L" PUBLIC UTILITY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8177.001. DEFINITION. In this chapter, "district"
9 means the Flying "L" Public Utility District. (V.A.C.S. Art.
10 8280-508, Sec. 1 (part).)

11 Sec. 8177.002. NATURE OF DISTRICT. The district is a
12 conservation and reclamation district in Bandera County, created
13 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
14 8280-508, Sec. 1 (part).)

15 Sec. 8177.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
16 The district is created to serve a public use and benefit.

17 (b) All land and other property included in the boundaries
18 of the district will benefit from the works and projects
19 accomplished by the district under the powers conferred by Section
20 59, Article XVI, Texas Constitution.

21 (c) The creation of the district is essential to accomplish
22 the purposes of Section 59, Article XVI, Texas Constitution.
23 (V.A.C.S. Art. 8280-508, Secs. 1 (part), 3.)

24 Sec. 8177.004. DISTRICT TERRITORY. (a) The district is
25 composed of the territory described by Section 4, Chapter 505, Acts
26 of the 62nd Legislature, Regular Session, 1971 (Article 8280-508,
27 Vernon's Texas Civil Statutes), as that territory may have been

1 modified under:

- 2 (1) Subchapter H, Chapter 54, Water Code;
3 (2) Subchapter J, Chapter 49, Water Code; or
4 (3) other law.

5 (b) The boundaries and field notes of the district form a
6 closure. A mistake in the field notes or in copying the field notes
7 in the legislative process does not affect:

8 (1) the district's organization, existence, and
9 validity;

10 (2) the district's right to issue any type of bond for
11 a purpose for which the district is created or to pay the principal
12 of and interest on the bond;

13 (3) the district's right to impose a tax; or

14 (4) the legality or operation of the district or its
15 governing body. (V.A.C.S. Art. 8280-508, Sec. 2; New.)

16 [Sections 8177.005-8177.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8177.051. COMPOSITION OF BOARD. The board of
19 directors is composed of five elected directors. (V.A.C.S. Art.
20 8280-508, Sec. 6 (part).)

21 [Sections 8177.052-8177.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8177.101. MUNICIPAL UTILITY DISTRICT POWERS. The
24 district has the rights, powers, privileges, and functions provided
25 by general law applicable to a municipal utility district,
26 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-508,
27 Sec. 5 (part).)

1 CHAPTER 8178. CY-CHAMP PUBLIC UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8178.001. DEFINITIONS

4 Sec. 8178.002. NATURE OF DISTRICT

5 Sec. 8178.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8178.004. DISTRICT TERRITORY

7 [Sections 8178.005-8178.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8178.051. COMPOSITION OF BOARD

10 [Sections 8178.052-8178.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8178.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8178. CY-CHAMP PUBLIC UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8178.001. DEFINITIONS. In this chapter, "district"
16 means the Cy-Champ Public Utility District. (V.A.C.S. Art.
17 8280-573, Sec. 1 (part).)

18 Sec. 8178.002. NATURE OF DISTRICT. The district is a
19 conservation and reclamation district in Harris County created
20 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
21 8280-573, Sec. 1 (part).)

22 Sec. 8178.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
23 The district is created to serve a public use and benefit.

24 (b) All land and other property included in the boundaries
25 of the district will benefit from the works and projects
26 accomplished by the district under the powers conferred by Section
27 59, Article XVI, Texas Constitution.

1 (c) The creation of the district is essential to accomplish
2 the purposes of Section 59, Article XVI, Texas Constitution.
3 (V.A.C.S. Art. 8280-573, Secs. 1 (part), 3.)

4 Sec. 8178.004. DISTRICT TERRITORY. (a) The district is
5 composed of the territory described by Section 4, Chapter 686, Acts
6 of the 62nd Legislature, Regular Session, 1971 (Article 8280-573,
7 Vernon's Texas Civil Statutes), as that territory may have been
8 modified under:

9 (1) Subchapter H, Chapter 54, Water Code;

10 (2) Subchapter J, Chapter 49, Water Code; or

11 (3) other law.

12 (b) The boundaries and field notes of the district form a
13 closure. A mistake in the field notes or in copying the field notes
14 in the legislative process does not affect:

15 (1) the district's organization, existence, and
16 validity;

17 (2) the district's right to issue any type of bond for
18 a purpose for which the district is created or to pay the principal
19 of and interest on the bond;

20 (3) the district's right to impose a tax; or

21 (4) the legality or operation of the district or its
22 governing body. (V.A.C.S. Art. 8280-573, Sec. 2; New.)

23 [Sections 8178.005-8178.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8178.051. COMPOSITION OF BOARD. The board of
26 directors is composed of five elected directors. (V.A.C.S. Art.
27 8280-573, Sec. 6 (part).)

1 [Sections 8178.052-8178.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8178.101. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions provided
5 by general law applicable to a municipal utility district,
6 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-573,
7 Sec. 5 (part); New.)

8 CHAPTER 8179. CYPRESS CREEK UTILITY DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8179.001. DEFINITIONS

11 Sec. 8179.002. NATURE OF DISTRICT

12 Sec. 8179.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8179.004. DISTRICT TERRITORY

14 [Sections 8179.005-8179.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 8179.051. COMPOSITION OF BOARD

17 Sec. 8179.052. DIRECTOR'S BOND

18 Sec. 8179.053. BOARD VACANCY

19 Sec. 8179.054. DISTRICT OFFICE

20 Sec. 8179.055. ABSENCE OF PRESIDENT FROM BOARD MEETING

21 [Sections 8179.056-8179.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8179.101. GENERAL POWERS AND DUTIES

24 Sec. 8179.102. ADDITIONAL POWERS AND DUTIES

25 Sec. 8179.103. EMINENT DOMAIN

26 Sec. 8179.104. COST OF RELOCATING OR ALTERING PROPERTY

1 Sec. 8179.105. CONTRACT FOR PURCHASE OF WATER, SEWER,
2 OR DRAINAGE SERVICES; ELECTION NOT
3 REQUIRED

4 Sec. 8179.106. NOTICE OF ELECTION

5 Sec. 8179.107. DISTRICT RULES

6 [Sections 8179.108-8179.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 8179.151. TAX METHOD

9 Sec. 8179.152. DISTRICT ACCOUNTS

10 Sec. 8179.153. COPY OF AUDIT REPORT

11 Sec. 8179.154. PAYMENT OF TAX OR ASSESSMENT NOT
12 REQUIRED

13 Sec. 8179.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY

14 [Sections 8179.156-8179.200 reserved for expansion]

15 SUBCHAPTER E. BONDS

16 Sec. 8179.201. USE OF BOND PROCEEDS DURING
17 CONSTRUCTION

18 CHAPTER 8179. CYPRESS CREEK UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8179.001. DEFINITIONS. In this chapter:

21 (1) "Board" means the board of directors of the
22 district.

23 (2) "Director" means a member of the board.

24 (3) "District" means the Cypress Creek Utility
25 District. (V.A.C.S. Art. 8280-403, Sec. 1 (part); New.)

26 Sec. 8179.002. NATURE OF DISTRICT. The district is a
27 municipal utility district and a conservation and reclamation

1 district in Harris County, created under Section 59, Article XVI,
2 Texas Constitution. (V.A.C.S. Art. 8280-403, Sec. 1 (part); New.)

3 Sec. 8179.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
4 The district is created to serve a public use and benefit.

5 (b) All land and other property included in the boundaries
6 of the district will benefit from the works and projects
7 accomplished by the district under the powers conferred by Section
8 59, Article XVI, Texas Constitution.

9 (c) The creation of the district is essential to accomplish
10 the purposes of Section 59, Article XVI, Texas Constitution.

11 (d) The accomplishment of the purposes stated in this
12 chapter is for the benefit of the people of this state and for the
13 improvement of their property and industries. The district in
14 carrying out the purposes of this chapter will be performing an
15 essential public function under the Texas Constitution. (V.A.C.S.
16 Art. 8280-403, Secs. 1 (part), 4, 24 (part).)

17 Sec. 8179.004. DISTRICT TERRITORY. (a) The district is
18 composed of the territory described by Section 2, Chapter 146, Acts
19 of the 61st Legislature, Regular Session, 1969 (Article 8280-403,
20 Vernon's Texas Civil Statutes), as that territory may have been
21 modified under:

22 (1) Subchapter H, Chapter 54, Water Code;

23 (2) Subchapter J, Chapter 49, Water Code;

24 (3) former Section 9, Chapter 146, Acts of the 61st
25 Legislature, Regular Session, 1969 (Article 8280-403, Vernon's
26 Texas Civil Statutes); or

27 (4) other law.

1 (b) The boundaries and field notes of the district form a
2 closure. If a mistake is made in the field notes or in copying the
3 field notes in the legislative process, the mistake does not
4 affect:

5 (1) the district's organization, existence, and
6 validity;

7 (2) the district's right to issue any type of bond for
8 a purpose for which the district is created or to pay the principal
9 of and interest on the bond;

10 (3) the district's right to impose a tax; or

11 (4) the legality or operation of the district or the
12 board. (V.A.C.S. Art. 8280-403, Sec. 3; New.)

13 [Sections 8179.005-8179.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 8179.051. COMPOSITION OF BOARD. The board consists of
16 five directors. (V.A.C.S. Art. 8280-403, Sec. 10 (part).)

17 Sec. 8179.052. DIRECTOR'S BOND. (a) Each director shall
18 execute a bond in the amount of \$5,000 for the faithful performance
19 of the director's duties.

20 (b) The bond must be:

21 (1) approved by the county judge and the board;

22 (2) filed in the office of the county clerk of the
23 county or counties in which the district is located; and

24 (3) recorded in a record book kept for that purpose in
25 the district office. (V.A.C.S. Art. 8280-403, Sec. 10 (part).)

26 Sec. 8179.053. BOARD VACANCY. (a) Except as provided by
27 Subsection (b), a vacancy in the office of director shall be filled

1 in the manner provided by Section 49.105, Water Code.

2 (b) The county judge of the county in which the district is
3 located shall appoint directors to fill all vacancies on the board
4 whenever the number of qualified directors is fewer than three.
5 (V.A.C.S. Art. 8280-403, Sec. 10 (part).)

6 Sec. 8179.054. DISTRICT OFFICE. (a) Except as provided by
7 this section, the board shall designate, establish, and maintain a
8 district office as provided by Section 49.062, Water Code.

9 (b) The board may establish a second district office outside
10 the district. If the board establishes a second district office,
11 the board shall give notice of the location of that office by:

12 (1) filing a copy of the board resolution that
13 establishes the location of the office:

14 (A) with the Texas Commission on Environmental
15 Quality; and

16 (B) in the municipal utility district records of
17 each county in which the district is located; and

18 (2) publishing notice of the location of the office in
19 a newspaper of general circulation in each county in which the
20 district is located.

21 (c) A district office that is a private residence, office,
22 or dwelling is a public place for matters relating to district
23 business.

24 (d) The board shall provide notice of any change in the
25 location of the district office outside the district in the manner
26 required by Subsection (b). (V.A.C.S. Art. 8280-403, Sec. 15.)

27 Sec. 8179.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If

1 the board president is absent from a board meeting:

2 (1) the board vice president may:

3 (A) sign an order adopted at the meeting; or

4 (B) implement any other action taken at the
5 meeting; or

6 (2) the board may authorize the president to sign the
7 order or implement the action. (V.A.C.S. Art. 8280-403, Sec. 10
8 (part).)

9 [Sections 8179.056-8179.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 8179.101. GENERAL POWERS AND DUTIES. The district has
12 all of the rights, powers, privileges, authority, and functions
13 conferred by the general laws of this state relating to municipal
14 utility districts created under Section 59, Article XVI, Texas
15 Constitution, including those conferred by Chapters 49 and 54,
16 Water Code. (V.A.C.S. Art. 8280-403, Sec. 5 (part).)

17 Sec. 8179.102. ADDITIONAL POWERS AND DUTIES. (a) The
18 district may:

19 (1) make, purchase, construct, lease, or otherwise
20 acquire property, works, facilities, existing improvements, or
21 improvements to be made, constructed, or acquired that are:

22 (A) inside or outside the district's boundaries;
23 and

24 (B) necessary to carry out the powers granted by
25 this chapter or general law; or

26 (2) enter into a contract with a person on terms the
27 board considers desirable, fair, and advantageous for:

1 (A) the purchase or sale of water;

2 (B) the transportation, treatment, and disposal
3 of the domestic, industrial, or communal wastes of the district or
4 others;

5 (C) the continuing and orderly development of
6 land and property in the district through the purchase,
7 construction, or installation of facilities, works, or
8 improvements that the district is otherwise authorized to do or
9 perform so that, to the greatest extent reasonably possible,
10 considering sound engineering and economic practices, all of the
11 land and property may ultimately receive the services of the
12 facilities, works, or improvements; and

13 (D) the performance of any of the powers granted
14 by this chapter or general law.

15 (b) A contract under Subsection (a)(2) may not have a
16 duration of more than 40 years. (V.A.C.S. Art. 8280-403, Sec. 5
17 (part).)

18 Sec. 8179.103. EMINENT DOMAIN. The district may exercise
19 the power of eminent domain only:

20 (1) in a county in which the district is located; and

21 (2) when necessary to carry out the purposes for which
22 the district was created. (V.A.C.S. Art. 8280-403, Sec. 13
23 (part).)

24 Sec. 8179.104. COST OF RELOCATING OR ALTERING PROPERTY.

25 (a) In this section, "sole expense" means the actual cost of
26 relocating, raising, lowering, rerouting, or changing the grade of
27 or altering the construction of a facility described by Subsection

1 (b) in providing comparable replacement without enhancement of the
2 facility, after deducting from that cost the net salvage value of
3 the old facility.

4 (b) If the district's exercise of the power of eminent
5 domain, the power of relocation, or any other power conferred by
6 this chapter makes necessary the relocation, raising, rerouting,
7 changing the grade, or alteration of the construction of a highway,
8 a railroad, an electric transmission line, a telegraph or telephone
9 property or facility, or a pipeline, the necessary action shall be
10 accomplished at the sole expense of the district. (V.A.C.S. Art.
11 8280-403, Sec. 13 (part).)

12 Sec. 8179.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR
13 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may
14 enter into a contract with a political subdivision for water,
15 sewer, or drainage services or any combination of those services
16 without the necessity of an election by any contracting party.

17 (b) The district may pay for an obligation incurred by such
18 a contract by issuing bonds that, if otherwise necessary, have been
19 approved by the voters in the manner provided by this chapter.

20 (c) The district may deliver the district's bonds to any of
21 the following parties that enters into such a contract with the
22 district:

- 23 (1) the United States;
- 24 (2) an agency or instrumentality of the United States;
- 25 (3) this state; or
- 26 (4) an agency or instrumentality of this state.

27 (V.A.C.S. Art. 8280-403, Sec. 5 (part).)

1 Sec. 8179.106. NOTICE OF ELECTION. The board president or
2 secretary may give notice of an election. (V.A.C.S. Art. 8280-403,
3 Sec. 19.)

4 Sec. 8179.107. DISTRICT RULES. The district shall adopt
5 and enforce reasonable and effective rules to secure and maintain
6 safe, sanitary, and adequate plumbing installations, connections,
7 and appurtenances as subsidiary parts of the district's sewerage
8 system to preserve the quality of water within or controlled by the
9 district. (V.A.C.S. Art. 8280-403, Sec. 16.)

10 [Sections 8179.108-8179.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 8179.151. TAX METHOD. (a) The district shall use the
13 ad valorem plan of taxation.

14 (b) The board is not required to hold a hearing on the
15 adoption of a plan of taxation. (V.A.C.S. Art. 8280-403, Sec. 8.)

16 Sec. 8179.152. DISTRICT ACCOUNTS. The district shall keep
17 a complete system of the district's accounts. (V.A.C.S. Art.
18 8280-403, Sec. 14 (part).)

19 Sec. 8179.153. COPY OF AUDIT REPORT. A copy of the audit
20 report prepared under Subchapter G, Chapter 49, Water Code, shall
21 be delivered:

22 (1) to each director; and

23 (2) on request to a holder of at least 25 percent of
24 the outstanding bonds of the district. (V.A.C.S. Art. 8280-403,
25 Sec. 14 (part).)

26 Sec. 8179.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.
27 The district is not required to pay a tax or assessment on:

1 (1) district property; or

2 (2) a purchase made by the district. (V.A.C.S. Art.
3 8280-403, Sec. 24 (part).)

4 Sec. 8179.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A
5 director may be a shareholder in a depository of district funds.
6 (V.A.C.S. Art. 8280-403, Sec. 14 (part).)

7 [Sections 8179.156-8179.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Sec. 8179.201. USE OF BOND PROCEEDS DURING CONSTRUCTION.

10 (a) The district may appropriate or set aside out of the proceeds
11 from the sale of any bonds issued under this chapter an amount for
12 the payment of interest, administrative, and operating expenses
13 expected to accrue during a period of construction, as may be
14 provided in the bond orders or resolutions.

15 (b) For purposes of this section, the period of construction
16 may not exceed three years. (V.A.C.S. Art. 8280-403, Sec. 12
17 (part).)

18 CHAPTER 8180. CYPRESS FOREST PUBLIC UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8180.001. DEFINITION

21 Sec. 8180.002. NATURE OF DISTRICT

22 Sec. 8180.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

23 Sec. 8180.004. DISTRICT TERRITORY

24 [Sections 8180.005-8180.050 reserved for expansion]

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 8180.051. COMPOSITION OF BOARD

27 [Sections 8180.052-8180.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8180.101. MUNICIPAL UTILITY DISTRICT POWERS

3 CHAPTER 8180. CYPRESS FOREST PUBLIC UTILITY DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 8180.001. DEFINITION. In this chapter, "district"
6 means Cypress Forest Public Utility District. (V.A.C.S. Art.
7 8280-479, Sec. 1 (part).)

8 Sec. 8180.002. NATURE OF DISTRICT. The district is a
9 conservation and reclamation district in Harris County created
10 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
11 8280-479, Sec. 1 (part).)

12 Sec. 8180.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
13 The district is created to serve a public use and benefit.

14 (b) All land and other property included in the boundaries
15 of the district will benefit from the works and projects
16 accomplished by the district under the powers conferred by Section
17 59, Article XVI, Texas Constitution.

18 (c) The creation of the district is essential to accomplish
19 the purposes of Section 59, Article XVI, Texas Constitution.
20 (V.A.C.S. Art. 8280-479, Secs. 1 (part), 3.)

21 Sec. 8180.004. DISTRICT TERRITORY. (a) The district is
22 composed of the territory described by Section 4, Chapter 195, Acts
23 of the 62nd Legislature, Regular Session, 1971 (Article 8280-479,
24 Vernon's Texas Civil Statutes), as that territory may have been
25 modified under:

26 (1) Subchapter H, Chapter 54, Water Code;

27 (2) Subchapter J, Chapter 49, Water Code; or

1 (3) other law.

2 (b) The boundaries and field notes of the district form a
3 closure. A mistake in the field notes or in copying the field notes
4 in the legislative process does not affect:

5 (1) the district's organization, existence, and
6 validity;

7 (2) the district's right to issue any type of bond for
8 a purpose for which the district is created or to pay the principal
9 of and interest on the bond;

10 (3) the district's right to impose a tax; or

11 (4) the legality or operation of the district or its
12 governing body. (V.A.C.S. Art. 8280-479, Sec. 2; New.)

13 [Sections 8180.005-8180.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS

15 Sec. 8180.051. COMPOSITION OF BOARD. The board of
16 directors is composed of five elected directors. (V.A.C.S. Art.
17 8280-479, Sec. 6 (part).)

18 [Sections 8180.052-8180.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8180.101. MUNICIPAL UTILITY DISTRICT POWERS. The
21 district has the rights, powers, privileges, and functions provided
22 by general law applicable to a municipal utility district,
23 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-479,
24 Sec. 5 (part); New.)

25 CHAPTER 8181. CYPRESS-KLEIN UTILITY DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 8181.001. DEFINITION

1 Sec. 8181.002. NATURE OF DISTRICT

2 Sec. 8181.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

3 Sec. 8181.004. DISTRICT TERRITORY

4 [Sections 8181.005-8181.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Sec. 8181.051. COMPOSITION OF BOARD

7 [Sections 8181.052-8181.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 8181.101. MUNICIPAL UTILITY DISTRICT POWERS

10 CHAPTER 8181. CYPRESS-KLEIN UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8181.001. DEFINITION. In this chapter, "district"
13 means the Cypress-Klein Utility District. (V.A.C.S. Art. 8280-542,
14 Sec. 1 (part).)

15 Sec. 8181.002. NATURE OF DISTRICT. The district is a
16 conservation and reclamation district in Harris County created
17 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
18 8280-542, Sec. 1 (part).)

19 Sec. 8181.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the boundaries
22 of the district will benefit from the works and projects
23 accomplished by the district under the powers conferred by Section
24 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish
26 the purposes of Section 59, Article XVI, Texas Constitution.
27 (V.A.C.S. Art. 8280-542, Secs. 1 (part), 3.)

1 Sec. 8181.004. DISTRICT TERRITORY. (a) The district is
2 composed of the territory described by Section 4, Chapter 654, Acts
3 of the 62nd Legislature, Regular Session, 1971 (Article 8280-542,
4 Vernon's Texas Civil Statutes), as that territory may have been
5 modified under:

- 6 (1) Subchapter H, Chapter 54, Water Code;
7 (2) Subchapter J, Chapter 49, Water Code; or
8 (3) other law.

9 (b) The boundaries and field notes of the district form a
10 closure. A mistake in the field notes or in copying the field notes
11 in the legislative process does not affect:

- 12 (1) the district's organization, existence, and
13 validity;
14 (2) the district's right to issue any type of bond for
15 a purpose for which the district is created or to pay the principal
16 of and interest on the bond;
17 (3) the district's right to impose a tax; or
18 (4) the legality or operation of the district or its
19 governing body. (V.A.C.S. Art. 8280-542, Sec. 2; New.)

20 [Sections 8181.005-8181.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8181.051. COMPOSITION OF BOARD. The board of
23 directors is composed of five elected directors. (V.A.C.S. Art.
24 8280-542, Sec. 6 (part).)

25 [Sections 8181.052-8181.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8181.101. MUNICIPAL UTILITY DISTRICT POWERS. The

1 district has the rights, powers, privileges, and functions provided
2 by general law applicable to a municipal utility district,
3 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-542,
4 Sec. 5 (part); New.)

5 CHAPTER 8182. CYPRESSWOOD UTILITY DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 8182.001. DEFINITION

8 Sec. 8182.002. NATURE OF DISTRICT

9 Sec. 8182.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

10 Sec. 8182.004. DISTRICT TERRITORY

11 [Sections 8182.005-8182.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8182.051. COMPOSITION OF BOARD

14 [Sections 8182.052-8182.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8182.101. MUNICIPAL UTILITY DISTRICT POWERS

17 CHAPTER 8182. CYPRESSWOOD UTILITY DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 8182.001. DEFINITION. In this chapter, "district"
20 means the Cypresswood Utility District. (V.A.C.S. Art. 8280-515,
21 Sec. 1 (part).)

22 Sec. 8182.002. NATURE OF DISTRICT. The district is a
23 conservation and reclamation district in Harris County created
24 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
25 8280-515, Sec. 1 (part).)

26 Sec. 8182.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
27 The district is created to serve a public use and benefit.

1 (b) All land and other property included in the boundaries
2 of the district will benefit from the works and projects
3 accomplished by the district under the powers conferred by Section
4 59, Article XVI, Texas Constitution.

5 (c) The creation of the district is essential to accomplish
6 the purposes of Section 59, Article XVI, Texas Constitution.
7 (V.A.C.S. Art. 8280-515, Secs. 1 (part), 3.)

8 Sec. 8182.004. DISTRICT TERRITORY. (a) The district is
9 composed of the territory described by Section 4, Chapter 576, Acts
10 of the 62nd Legislature, Regular Session, 1971 (Article 8280-515,
11 Vernon's Texas Civil Statutes), as that territory may have been
12 modified under:

- 13 (1) Subchapter H, Chapter 54, Water Code;
14 (2) Subchapter J, Chapter 49, Water Code; or
15 (3) other law.

16 (b) The boundaries and field notes of the district form a
17 closure. A mistake in the field notes or in copying the field notes
18 in the legislative process does not affect:

19 (1) the district's organization, existence, and
20 validity;

21 (2) the district's right to issue any type of bond for
22 a purpose for which the district is created or to pay the principal
23 of and interest on the bond;

24 (3) the district's right to impose a tax; or

25 (4) the legality or operation of the district or its
26 governing body. (V.A.C.S. Art. 8280-515, Sec. 2; New.)

27 [Sections 8182.005-8182.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8182.051. COMPOSITION OF BOARD. The board of
3 directors is composed of five elected directors. (V.A.C.S. Art.
4 8280-515, Sec. 6 (part).)

5 [Sections 8182.052-8182.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 8182.101. MUNICIPAL UTILITY DISTRICT POWERS. The
8 district has the rights, powers, privileges, and functions provided
9 by general law applicable to a municipal utility district,
10 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-515,
11 Sec. 5 (part); New.)

12 CHAPTER 8183. DELTA COUNTY MUNICIPAL UTILITY DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 8183.001. DEFINITIONS

15 Sec. 8183.002. NATURE OF DISTRICT

16 Sec. 8183.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

17 [Sections 8183.004-8183.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

19 TO DISTRICT TERRITORY

20 Sec. 8183.051. DISTRICT TERRITORY

21 Sec. 8183.052. ANNEXATION OF TERRITORY

22 Sec. 8183.053. RESTRICTION ON ANNEXATION OF RAILROAD

23 RIGHT-OF-WAY

24 [Sections 8183.054-8183.100 reserved for expansion]

25 SUBCHAPTER C. BOARD OF DIRECTORS

26 Sec. 8183.101. QUALIFICATIONS FOR OFFICE

27 Sec. 8183.102. APPOINTMENT OF SECRETARY AND TREASURER

- 1 Sec. 8183.103. VOTE BY BOARD PRESIDENT
2 Sec. 8183.104. DIRECTOR'S AND TREASURER'S BOND
3 Sec. 8183.105. COMPENSATION
4 [Sections 8183.106-8183.150 reserved for expansion]
5 SUBCHAPTER D. GENERAL POWERS AND DUTIES
6 Sec. 8183.151. CONTRACTS TO SUPPLY WATER OR SEWAGE
7 SERVICES
8 Sec. 8183.152. ACQUISITION OF LAND AND OTHER PROPERTY
9 Sec. 8183.153. CONSTRUCTION CONTRACTS
10 Sec. 8183.154. SURPLUS PROPERTY
11 Sec. 8183.155. EMINENT DOMAIN
12 Sec. 8183.156. COST OF RELOCATING PROPERTY
13 [Sections 8183.157-8183.200 reserved for expansion]
14 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
15 Sec. 8183.201. DEPOSITORY
16 Sec. 8183.202. TAX ASSESSOR AND COLLECTOR
17 Sec. 8183.203. PROJECTS EXEMPT FROM ASSESSMENT OR
18 TAXATION
19 [Sections 8183.204-8183.250 reserved for expansion]
20 SUBCHAPTER F. BONDS
21 Sec. 8183.251. AUTHORITY TO ISSUE BONDS
22 Sec. 8183.252. FORM OF BONDS
23 Sec. 8183.253. MATURITY
24 Sec. 8183.254. ELECTION FOR BONDS PAYABLE FROM AD
25 VALOREM TAX
26 Sec. 8183.255. BONDS PAYABLE FROM REVENUE
27 Sec. 8183.256. BONDS PAYABLE FROM AD VALOREM TAXES

1 Sec. 8183.257. TAX AND RATE REQUIREMENTS

2 Sec. 8183.258. ADDITIONAL SECURITY

3 Sec. 8183.259. TRUST INDENTURE

4 Sec. 8183.260. USE OF BOND PROCEEDS

5 Sec. 8183.261. APPOINTMENT OF RECEIVER

6 Sec. 8183.262. REFUNDING BONDS

7 Sec. 8183.263. LIMITATION ON RIGHTS OF HOLDERS

8 Sec. 8183.264. BONDS EXEMPT FROM TAXATION

9 Sec. 8183.265. DETACHMENT OF TERRITORY AFTER ISSUANCE

10 OF BONDS

11 CHAPTER 8183. DELTA COUNTY MUNICIPAL UTILITY DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 8183.001. DEFINITIONS. In this chapter:

14 (1) "Board" means the board of directors of the
15 district.

16 (2) "Commissioners court" means the Commissioners
17 Court of Delta County.

18 (3) "Director" means a member of the board.

19 (4) "District" means the Delta County Municipal
20 Utility District. (V.A.C.S. Art. 8280-589, Sec. 1 (part); New.)

21 Sec. 8183.002. NATURE OF DISTRICT. The district is a
22 municipal utility district and a conservation and reclamation
23 district created under Section 59, Article XVI, Texas Constitution.
24 (V.A.C.S. Art. 8280-589, Sec. 1 (part); New.)

25 Sec. 8183.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
26 All territory in the district will benefit from the works and
27 improvements of the district.

1 (b) The accomplishment of the purposes stated in this
2 chapter is for the benefit of the people of this state for the
3 improvement of their property and industries. In carrying out the
4 purposes of this chapter, the district will be performing an
5 essential public function under the constitution. (V.A.C.S. Art.
6 8280-589, Secs. 2 (part), 17 (part).)

7 [Sections 8183.004-8183.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

9 TO DISTRICT TERRITORY

10 Sec. 8183.051. DISTRICT TERRITORY. The boundaries of the
11 district are coextensive with the boundaries of Delta County unless
12 the district territory has been modified under this subchapter or
13 other law. (V.A.C.S. Art. 8280-589, Sec. 2 (part); New.)

14 Sec. 8183.052. ANNEXATION OF TERRITORY. (a) The board may
15 annex territory if a petition requesting annexation is signed by a
16 majority of the registered voters of the territory who own taxable
17 property in the territory and is filed with the board. The petition
18 must describe the territory to be annexed by metes and bounds, or
19 otherwise, except that if the territory is the same as that
20 contained in the boundaries of a municipality, the petition is
21 sufficient if it states that the territory to be annexed is the
22 territory contained in the municipal boundaries.

23 (b) If the board determines that the petition complies with
24 Subsection (a), the board shall:

25 (1) adopt a resolution stating the conditions, if any,
26 under which the territory may be annexed to the district; and

27 (2) set a time and place to hold a hearing on the

1 question of whether the territory to be annexed will benefit from
2 the improvements, works, or facilities owned or operated or
3 contemplated to be owned or operated by the district.

4 (c) At least 10 days before the date of the hearing, notice
5 of the adoption of the resolution stating the time and place of the
6 hearing and addressed to the citizens and owners of property in the
7 territory to be annexed shall be published one time in a newspaper
8 designated by the board that is of general circulation in the
9 territory to be annexed. The notice must describe the territory in
10 the same manner in which Subsection (a) requires the petition to
11 describe the territory.

12 (d) Any interested person may appear at the hearing and
13 offer evidence for or against the annexation.

14 (e) The hearing may proceed in the order and under the rules
15 prescribed by the board and may be recessed from time to time.

16 (f) If, at the conclusion of the hearing, the board finds
17 that the land in the territory will benefit from the present or
18 contemplated improvements, works, or facilities of the district,
19 the board may adopt a resolution annexing the territory to the
20 district. (V.A.C.S. Art. 8280-589, Secs. 5(a), (b) (part), (c),
21 (d).)

22 Sec. 8183.053. RESTRICTION ON ANNEXATION OF RAILROAD
23 RIGHT-OF-WAY. (a) A railroad right-of-way may not be annexed to
24 the district unless the right-of-way is contained in the limits of a
25 municipality annexed at the same time or previously annexed to the
26 district.

27 (b) A railroad right-of-way that is not in the limits of a

1 municipality will not benefit from improvements, works, and
2 facilities the district is authorized to construct. (V.A.C.S. Art.
3 8280-589, Sec. 5(b) (part).)

4 [Sections 8183.054-8183.100 reserved for expansion]

5 SUBCHAPTER C. BOARD OF DIRECTORS

6 Sec. 8183.101. QUALIFICATIONS FOR OFFICE. (a) A person may
7 not be appointed a director unless the person resides in Delta
8 County or in a county all or a portion of which is contained in the
9 district.

10 (b) A person may not be appointed a director unless the
11 person resides in and owns taxable property in the district.
12 (V.A.C.S. Art. 8280-589, Secs. 3(c) (part), 4 (part).)

13 Sec. 8183.102. APPOINTMENT OF SECRETARY AND TREASURER. The
14 board shall appoint a secretary and a treasurer, who are not
15 required to be directors. The board may combine the offices of
16 secretary and treasurer. (V.A.C.S. Art. 8280-589, Sec. 4 (part).)

17 Sec. 8183.103. VOTE BY BOARD PRESIDENT. The president has
18 the same right to vote as any other director. The vice president
19 may not exercise the president's right to vote. (V.A.C.S. Art.
20 8280-589, Sec. 4 (part).)

21 Sec. 8183.104. DIRECTOR'S AND TREASURER'S BOND. (a) Each
22 director shall give bond in the amount of \$5,000 conditioned on the
23 faithful performance of the director's duties.

24 (b) The treasurer shall give bond in the amount required by
25 the board. The treasurer's bond shall be conditioned on the
26 treasurer's faithful accounting for all money that comes into the
27 treasurer's custody as treasurer of the district. (V.A.C.S. Art.

1 8280-589, Secs. 3(c) (part), 4 (part).)

2 Sec. 8183.105. COMPENSATION. Unless the board by
3 resolution increases the fee to an amount authorized by Section
4 49.060, Water Code, each director:

5 (1) shall receive a fee for attending each meeting of
6 the board not to exceed \$20 for a meeting or \$40 in one calendar
7 month; and

8 (2) is entitled to an additional amount not to exceed
9 \$20 for each day that the director devotes to serving the business
10 of the district if the service is expressly approved by the board.
11 (V.A.C.S. Art. 8280-589, Sec. 3(d) (part).)

12 [Sections 8183.106-8183.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL POWERS AND DUTIES

14 Sec. 8183.151. CONTRACTS TO SUPPLY WATER OR SEWAGE
15 SERVICES. (a) The district may contract with a municipality or
16 other entity to supply to the entity water or sewage
17 transportation, treatment, or disposal services.

18 (b) The district may contract with a municipality for the
19 rental or leasing of or for the operation of the municipality's
20 water production, water supply, water filtration or purification,
21 or water supply facilities or the municipality's sewage collection,
22 treatment, and disposal system on the consideration agreed to by
23 the district and the municipality.

24 (c) The contract may be on terms and for the time agreed to
25 by the parties.

26 (d) The contract may provide that it will continue in effect
27 until bonds specified in it and refunding bonds issued in lieu of

1 the bonds are paid.

2 (e) The district may contract with a municipality for the
3 operation of the district's water and sewer system by the
4 municipality. (V.A.C.S. Art. 8280-589, Sec. 14.)

5 Sec. 8183.152. ACQUISITION OF LAND AND OTHER PROPERTY. The
6 district may acquire the fee simple title to land and other property
7 or easements inside or outside the district and may construct,
8 lease, or otherwise acquire all works, plants, and other facilities
9 necessary or useful to:

10 (1) divert, impound, store, or treat water for, or
11 transport water to, municipalities and others inside or outside the
12 district for municipal, domestic, industrial, or mining purposes;
13 or

14 (2) provide sewage collection, transportation,
15 treatment, or disposal services to municipalities and others inside
16 or outside the district. (V.A.C.S. Art. 8280-589, Sec. 6 (part).)

17 Sec. 8183.153. CONSTRUCTION CONTRACTS. (a) The district
18 may award a construction contract that requires an expenditure of
19 more than \$5,000 only after publication of notice to bidders once
20 each week for two weeks in a newspaper of general circulation in the
21 district that is designated or approved by the board.

22 (b) The notice is sufficient if it states:

23 (1) the time and place for opening the bids;

24 (2) the general nature of the work to be done or the
25 material, equipment, or supplies to be purchased; and

26 (3) the place where and the terms on which copies of
27 the plans and specifications may be obtained. (V.A.C.S. Art.

1 8280-589, Sec. 8.)

2 Sec. 8183.154. SURPLUS PROPERTY. Subject to the terms of a
3 deed of trust issued by the district, the district may sell, trade,
4 or otherwise dispose of property the board considers not needed for
5 district purposes. (V.A.C.S. Art. 8280-589, Sec. 6 (part).)

6 Sec. 8183.155. EMINENT DOMAIN. (a) To carry out a power
7 provided by this chapter, the district may exercise the power of
8 eminent domain to acquire the fee simple title to land and other
9 property and easements, inside or outside the district, including
10 land needed for a reservoir, dam, or flood easement above the
11 probable high-water line around a reservoir.

12 (b) The district must exercise the power of eminent domain
13 in the manner provided by Chapter 21, Property Code.

14 (c) The district is a municipal corporation for the purposes
15 of Chapter 21, Property Code.

16 (d) The district may not exercise the power of eminent
17 domain to acquire property owned by any other political
18 subdivision.

19 (e) In exercising the power of eminent domain against a
20 person that has the power of eminent domain or a receiver or trustee
21 for that person, the district may acquire an easement only and not
22 the fee title.

23 (f) The board shall determine the amount of and the type of
24 interest in land, other property, or easements to be acquired under
25 this section. (V.A.C.S. Art. 8280-589, Sec. 7 (part).)

26 Sec. 8183.156. COST OF RELOCATING PROPERTY. If the
27 district's exercise of any power granted under this chapter makes

1 necessary relocating, raising, rerouting or changing the grade of,
2 or altering the construction of any highway, railroad, electric
3 transmission line, telephone or telegraph property and facility, or
4 pipeline, the action shall be accomplished at the sole expense of
5 the district. (V.A.C.S. Art. 8280-589, Sec. 6 (part).)

6 [Sections 8183.157-8183.200 reserved for expansion]

7 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

8 Sec. 8183.201. DEPOSITORY. (a) The board shall designate
9 one or more banks inside or outside the district to serve as
10 depository for district money.

11 (b) All district money shall be deposited in a designated
12 depository, except that:

13 (1) bond proceeds and money pledged to pay bonds, to
14 the extent provided in the indenture, may be deposited with the
15 trustee bank named in the trust indenture; and

16 (2) money shall be remitted to the bank of payment for
17 the payment of principal of and interest on the bonds.

18 (c) To the extent that money in a depository bank or the
19 trustee bank is not insured by the Federal Deposit Insurance
20 Corporation, the money must be secured in the manner provided by law
21 for the security of county funds.

22 (d) The board shall prescribe the terms of service for
23 depositories.

24 (e) Before designating a depository bank, the board shall:

25 (1) publish notice one time in a newspaper of general
26 circulation in the district that is specified by the board; or

27 (2) mail a copy of the notice to each bank in the

1 district.

2 (f) The notice must:

3 (1) state the time and place at which the board will
4 meet to designate a depository bank or banks; and

5 (2) invite each bank in the district to submit an
6 application to be designated as a depository.

7 (g) At the time stated in the notice, the board shall:

8 (1) consider the applications and the management and
9 condition of each bank; and

10 (2) designate as a depository the bank or banks:

11 (A) that offer the most favorable terms for the
12 handling of the money; and

13 (B) that the board finds have proper management
14 and are in condition to handle the money.

15 (h) Membership on the board of an officer or director of a
16 bank does not disqualify the bank from being designated as a
17 depository.

18 (i) If the board does not receive any applications before
19 the time stated in the notice, the board shall designate one or more
20 banks inside or outside the district on terms that the board finds
21 advantageous to the district. (V.A.C.S. Art. 8280-589, Sec. 15.)

22 Sec. 8183.202. TAX ASSESSOR AND COLLECTOR. Before the sale
23 and delivery of district bonds payable wholly or partly from ad
24 valorem taxes, the board may appoint a tax assessor and collector.
25 (V.A.C.S. Art. 8280-589, Sec. 18(b) (part).)

26 Sec. 8183.203. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.
27 The district is not required to pay a tax or assessment on a project

1 or any part of a project. (V.A.C.S. Art. 8280-589, Sec. 17 (part).)

2 [Sections 8183.204-8183.250 reserved for expansion]

3 SUBCHAPTER F. BONDS

4 Sec. 8183.251. AUTHORITY TO ISSUE BONDS. The district may
5 issue bonds to carry out any power conferred by this chapter. The
6 bonds must be authorized by a board resolution. (V.A.C.S. Art.
7 8280-589, Secs. 9(a) (part), (b) (part), (c) (part).)

8 Sec. 8183.252. FORM OF BONDS. A district bond must be:

- 9 (1) issued in the district's name;
10 (2) signed by the president or vice president; and
11 (3) attested by the secretary. (V.A.C.S. Art.
12 8280-589, Sec. 9(b) (part).)

13 Sec. 8183.253. MATURITY. District bonds must mature not
14 later than 40 years after their date of issuance. (V.A.C.S. Art.
15 8280-589, Sec. 9(b) (part).)

16 Sec. 8183.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM
17 TAX. (a) Bonds, other than refunding bonds, payable wholly or
18 partly from ad valorem taxes may not be issued unless authorized by
19 a majority of the district voters voting at an election.

20 (b) The board may order an election under this section
21 without a petition. The order must specify:

22 (1) the time and places at which the election will be
23 held;

24 (2) the purpose for which the bonds will be issued;

25 (3) the maximum amount of the bonds;

26 (4) the maximum maturity of the bonds;

27 (5) the form of the ballot; and

1 (6) the presiding judge for each voting place.

2 (c) Notice of the election must be given by publishing a
3 substantial copy of the order calling the election in a newspaper of
4 general circulation in each municipality located in the district.
5 The notice must be published once a week for two consecutive weeks.
6 The first publication must be not later than the 21st day before the
7 date of the election. (V.A.C.S. Art. 8280-589, Secs. 12(a) (part),
8 (b) (part).)

9 Sec. 8183.255. BONDS PAYABLE FROM REVENUE. (a) Bonds
10 issued under this subchapter may be secured under board resolution
11 by a pledge of:

12 (1) all or part of the net revenue of the district;

13 (2) the net revenue of one or more contracts made
14 before or after the issuance of the bonds; or

15 (3) other revenue or income specified by resolution of
16 the board or in the trust indenture.

17 (b) The pledge may reserve the right to issue additional
18 bonds on a parity with, or subordinate to, the bond being issued,
19 subject to conditions specified in the pledge.

20 (c) Bonds not payable wholly or partly from ad valorem taxes
21 may be issued without an election. (V.A.C.S. Art. 8280-589, Secs.
22 9(a) (part), (d), 12(a) (part).)

23 Sec. 8183.256. BONDS PAYABLE FROM AD VALOREM TAXES. The
24 district may issue bonds payable, as pledged by board resolution,
25 from:

26 (1) ad valorem taxes imposed on taxable property in
27 the district; or

1 (2) ad valorem taxes and revenue of the district.
2 (V.A.C.S. Art. 8280-589, Secs. 9(a) (part), (e) (part).)

3 Sec. 8183.257. TAX AND RATE REQUIREMENTS. (a) If the
4 district issues bonds payable wholly or partly from ad valorem
5 taxes, the board shall impose a tax sufficient to pay the bonds and
6 the interest on the bonds as the bonds and interest become due. The
7 board may adopt the rate of the tax after considering the money
8 received from the other pledged revenue available for payment of
9 principal and interest to the extent and in the manner permitted by
10 the resolution authorizing the issuance of the bonds.

11 (b) If the district issues bonds payable wholly or partly
12 from revenue, the board shall set and revise the rates of
13 compensation for water sold and services rendered by the district.

14 (c) For bonds payable wholly from revenue, the rates of
15 compensation must be sufficient to:

16 (1) pay the expense of operating and maintaining the
17 facilities of the district;

18 (2) pay the bonds as they mature and the interest as it
19 accrues; and

20 (3) maintain the reserve and other funds as provided
21 in the resolution authorizing the issuance of the bonds.

22 (d) For bonds payable partly from revenue, the rates of
23 compensation must be sufficient to assure compliance with the
24 resolution authorizing the issuance of the bonds or the trust
25 indenture securing the bonds. (V.A.C.S. Art. 8280-589, Secs. 9(e)
26 (part), (f).)

27 Sec. 8183.258. ADDITIONAL SECURITY. (a) Bonds not payable

1 wholly from ad valorem taxes may be additionally secured, at the
2 discretion of the board, by a deed of trust or mortgage lien on
3 physical property of the district, franchises, easements, water
4 rights and appropriation permits, leases, contracts, and all rights
5 appurtenant to the property, vesting in the trustee the power to:

- 6 (1) sell the property for the payment of the debt;
- 7 (2) operate the property; and
- 8 (3) take other action to further secure the bonds.

9 (b) A purchaser under a sale under the deed of trust lien, if
10 one is given:

11 (1) is the absolute owner of property, facilities, and
12 rights purchased; and

13 (2) is entitled to maintain and operate the property,
14 facilities, and rights. (V.A.C.S. Art. 8280-589, Sec. 11 (part).)

15 Sec. 8183.259. TRUST INDENTURE. (a) A bond issued under
16 this subchapter, including a refunding bond, that is not payable
17 wholly from ad valorem taxes may be additionally secured by a trust
18 indenture. The trustee may be a bank with trust powers located
19 inside or outside this state.

20 (b) A trust indenture, regardless of the existence of the
21 deed of trust or mortgage lien on the property, may:

22 (1) provide for the security of the bonds and the
23 preservation of the trust estate in the manner prescribed by the
24 board;

25 (2) provide for amendment or modification of the trust
26 indenture;

27 (3) provide for the issuance of bonds to replace lost

1 or mutilated bonds;

2 (4) condition the right to spend district money or
3 sell district property on the approval of a licensed engineer
4 selected as provided by the trust indenture; and

5 (5) provide for the investment of district money.
6 (V.A.C.S. Art. 8280-589, Sec. 11 (part).)

7 Sec. 8183.260. USE OF BOND PROCEEDS. (a) The district may
8 set aside an amount of proceeds from the sale of bonds issued under
9 this subchapter for:

10 (1) payment of interest expected to accrue during
11 construction;

12 (2) a reserve interest and sinking fund; and

13 (3) any other fund provided for in the resolution
14 authorizing the bonds or in the trust indenture.

15 (b) The district may use proceeds from the sale of the bonds
16 to pay any expense necessarily incurred in accomplishing the
17 purpose of the district, including any expense of issuing and
18 selling the bonds.

19 (c) The district may temporarily invest proceeds from the
20 sale of the bonds and other district funds in securities that are
21 specified in the bond resolution or the trust indenture. (V.A.C.S.
22 Art. 8280-589, Sec. 9(g).)

23 Sec. 8183.261. APPOINTMENT OF RECEIVER. (a) On default or
24 threatened default in the payment of principal of or interest on
25 bonds issued under this subchapter that are payable wholly or
26 partly from revenue, a court may, on petition of the holders of
27 outstanding bonds, appoint a receiver for the district.

1 (b) The receiver may collect and receive all district income
2 except taxes, employ and discharge district agents and employees,
3 take charge of money on hand except money received from taxes,
4 unless commingled, and manage the proprietary affairs of the
5 district without consent or hindrance by the board.

6 (c) The receiver may be authorized to sell or contract for
7 the sale of water or to renew those contracts with the approval of
8 the court that appointed the receiver.

9 (d) The court may vest the receiver with any other power or
10 duty the court finds necessary to protect the bondholders.
11 (V.A.C.S. Art. 8280-589, Sec. 9(h) (part).)

12 Sec. 8183.262. REFUNDING BONDS. (a) The district may issue
13 refunding bonds to refund outstanding bonds issued under this
14 subchapter and interest on those bonds.

15 (b) Refunding bonds may:

16 (1) be issued to refund bonds of more than one series;

17 (2) combine the pledges for the outstanding bonds for
18 the security of the refunding bonds; or

19 (3) be secured by a pledge of other or additional
20 revenue or mortgage liens.

21 (c) The provisions of this subchapter regarding the
22 issuance of other bonds, their security, and the remedies of the
23 holders apply to refunding bonds.

24 (d) The comptroller shall register the refunding bonds on
25 surrender and cancellation of the bonds to be refunded.

26 (e) Instead of issuing bonds to be registered on the
27 surrender and cancellation of the bonds to be refunded, the

1 district, in the resolution authorizing the issuance of the
2 refunding bonds, may provide for the sale of the refunding bonds and
3 the deposit of the proceeds in a bank at which the bonds to be
4 refunded are payable. In that case, the refunding bonds may be
5 issued in an amount sufficient to pay the principal of and interest
6 on the bonds to be refunded to their option date or maturity date,
7 and the comptroller shall register the refunding bonds without the
8 concurrent surrender and cancellation of the bonds to be refunded.

9 (f) An election is not required for refunding bonds.
10 (V.A.C.S. Art. 8280-589, Sec. 10.)

11 Sec. 8183.263. LIMITATION ON RIGHTS OF HOLDERS. The
12 resolution authorizing the bonds or the trust indenture securing
13 the bonds may limit or qualify the rights of the holders of less
14 than all of the outstanding bonds payable from the same source to
15 institute or prosecute litigation affecting the district's
16 property or income. (V.A.C.S. Art. 8280-589, Sec. 9(h) (part).)

17 Sec. 8183.264. BONDS EXEMPT FROM TAXATION. A bond issued
18 under this subchapter, the transfer of the bond, and income from the
19 bond, including profits made on the sale of the bond, are exempt
20 from taxation in this state. (V.A.C.S. Art. 8280-589, Sec. 17
21 (part).)

22 Sec. 8183.265. DETACHMENT OF TERRITORY AFTER ISSUANCE OF
23 BONDS. Territory may not be detached from the district after the
24 issuance of bonds payable from revenue or taxes. (V.A.C.S. Art.
25 8280-589, Sec. 12(a) (part).)

1 CHAPTER 8184. DOWDELL PUBLIC UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8184.001. DEFINITION

4 Sec. 8184.002. NATURE OF DISTRICT

5 Sec. 8184.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8184.004. DISTRICT TERRITORY

7 [Sections 8184.005-8184.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8184.051. COMPOSITION OF BOARD

10 [Sections 8184.052-8184.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8184.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8184. DOWDELL PUBLIC UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8184.001. DEFINITION. In this chapter, "district"
16 means the Dowdell Public Utility District. (V.A.C.S. Art.
17 8280-581, Sec. 1 (part).)

18 Sec. 8184.002. NATURE OF DISTRICT. The district is a
19 conservation and reclamation district in Harris County created
20 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
21 8280-581, Sec. 1 (part).)

22 Sec. 8184.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
23 The district is created to serve a public use and benefit.

24 (b) All land and other property included in the boundaries
25 of the district will benefit from the works and projects
26 accomplished by the district under the powers conferred by Section
27 59, Article XVI, Texas Constitution.

1 (c) The creation of the district is essential to accomplish
2 the purposes of Section 59, Article XVI, Texas Constitution.
3 (V.A.C.S. Art. 8280-581, Secs. 1 (part), 3.)

4 Sec. 8184.004. DISTRICT TERRITORY. (a) The district is
5 composed of the territory described by Section 4, Chapter 697, Acts
6 of the 62nd Legislature, Regular Session, 1971 (Article 8280-581,
7 Vernon's Texas Civil Statutes), as that territory may have been
8 modified under:

9 (1) Subchapter H, Chapter 54, Water Code;

10 (2) Subchapter J, Chapter 49, Water Code; or

11 (3) other law.

12 (b) The boundaries and field notes of the district form a
13 closure. A mistake in the field notes or in copying the field notes
14 in the legislative process does not affect:

15 (1) the district's organization, existence, and
16 validity;

17 (2) the district's right to issue any type of bond for
18 a purpose for which the district is created or to pay the principal
19 of and interest on the bond;

20 (3) the district's right to impose a tax; or

21 (4) the legality or operation of the district or its
22 governing body. (V.A.C.S. Art. 8280-581, Sec. 2; New.)

23 [Sections 8184.005-8184.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8184.051. COMPOSITION OF BOARD. The board of
26 directors is composed of five elected directors. (V.A.C.S. Art.
27 8280-581, Sec. 6 (part).)

1 [Sections 8184.052-8184.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8184.101. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions provided
5 by general law applicable to a municipal utility district,
6 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-581,
7 Sec. 5 (part); New.)

8 CHAPTER 8186. EAST MONTGOMERY COUNTY MUNICIPAL

9 UTILITY DISTRICT NO. 3

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8186.001. DEFINITION

12 Sec. 8186.002. NATURE OF DISTRICT

13 Sec. 8186.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

14 Sec. 8186.004. DISTRICT TERRITORY

15 [Sections 8186.005-8186.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 8186.051. COMPOSITION OF BOARD; TERMS

18 [Sections 8186.052-8186.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8186.101. MUNICIPAL UTILITY DISTRICT POWERS

21 Sec. 8186.102. COMPLIANCE WITH MUNICIPAL CONSENT

22 ORDINANCES OR RESOLUTIONS

23 CHAPTER 8186. EAST MONTGOMERY COUNTY MUNICIPAL

24 UTILITY DISTRICT NO. 3

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8186.001. DEFINITION. In this chapter, "district"
27 means the East Montgomery County Municipal Utility District No. 3.

1 (Acts 77th Leg., R.S., Ch. 1385, Sec. 2.)

2 Sec. 8186.002. NATURE OF DISTRICT. The district is a
3 conservation and reclamation district in Montgomery County,
4 created under Section 59, Article XVI, Texas Constitution. (Acts
5 77th Leg., R.S., Ch. 1385, Secs. 1(a) (part), (b) (part).)

6 Sec. 8186.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
7 The district is created to serve a public use and benefit.

8 (b) All land and other property included in the district
9 will benefit from the works and projects accomplished by the
10 district under the powers conferred by Section 59, Article XVI,
11 Texas Constitution.

12 (c) The creation of the district is essential to accomplish
13 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
14 77th Leg., R.S., Ch. 1385, Secs. 1(b) (part), 5.)

15 Sec. 8186.004. DISTRICT TERRITORY. (a) The district is
16 composed of the territory described by Section 3, Chapter 1385,
17 Acts of the 77th Legislature, Regular Session, 2001, as that
18 territory may have been modified under:

- 19 (1) Subchapter H, Chapter 54, Water Code;
20 (2) Subchapter J, Chapter 49, Water Code; or
21 (3) other law.

22 (b) The boundaries and field notes of the district form a
23 closure. A mistake in the field notes or in copying the field notes
24 in the legislative process does not affect:

- 25 (1) the district's organization, existence, or
26 validity;
27 (2) the validity of district bonds, notes, or other

1 indebtedness;

2 (3) the district's right to impose a tax; or

3 (4) the legality or operation of the district or its
4 governing body. (Acts 77th Leg., R.S., Ch. 1385, Sec. 4; New.)

5 [Sections 8186.005-8186.050 reserved for expansion]

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Sec. 8186.051. COMPOSITION OF BOARD; TERMS. (a) The
8 district is governed by a board of five directors.

9 (b) Directors serve staggered four-year terms. (Acts 77th
10 Leg., R.S., Ch. 1385, Secs. 7(a), (d).)

11 [Sections 8186.052-8186.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 8186.101. MUNICIPAL UTILITY DISTRICT POWERS. The
14 district has the rights, powers, privileges, functions, and duties
15 provided by general law applicable to a municipal utility district
16 created under Section 59, Article XVI, Texas Constitution,
17 including Chapters 49, 50, and 54, Water Code. (Acts 77th Leg.,
18 R.S., Ch. 1385, Sec. 6(a) (part).)

19 Sec. 8186.102. COMPLIANCE WITH MUNICIPAL CONSENT
20 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section
21 54.016, Water Code, the district shall comply with all applicable
22 requirements of any ordinance or resolution adopted by any
23 municipality in whose corporate limits or extraterritorial
24 jurisdiction the district is located, including an ordinance or
25 resolution adopted before September 1, 2001, that consents to the
26 creation of the district or to the inclusion of lands in the
27 district. (Acts 77th Leg., R.S., Ch. 1385, Sec. 11.)

1 CHAPTER 8187. GOBER MUNICIPAL UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8187.001. DEFINITIONS

4 Sec. 8187.002. NATURE OF DISTRICT

5 Sec. 8187.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8187.004. DISTRICT TERRITORY

7 [Sections 8187.005-8187.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8187.051. COMPOSITION OF BOARD; TERMS

10 [Sections 8187.052-8187.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8187.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8187. GOBER MUNICIPAL UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8187.001. DEFINITIONS. In this chapter:

16 (1) "Director" means a member of the district's board
17 of directors.

18 (2) "District" means the Gober Municipal Utility
19 District. (Acts 75th Leg., R.S., Ch. 756, Sec. 2; New.)

20 Sec. 8187.002. NATURE OF DISTRICT. The district is a
21 conservation and reclamation district in Fannin County created
22 under Section 59, Article XVI, Texas Constitution. (Acts 75th
23 Leg., R.S., Ch. 756, Secs. 1(a) (part), (b) (part).)

24 Sec. 8187.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
25 The district is created to serve a public use and benefit.

26 (b) All land and other property in the district will benefit
27 from the works and projects to be accomplished by the district under

1 powers conferred by Section 59, Article XVI, Texas Constitution.

2 (c) The creation of the district is essential to accomplish
3 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
4 75th Leg., R.S., Ch. 756, Secs. 1(b) (part), 5.)

5 Sec. 8187.004. DISTRICT TERRITORY. (a) The district is
6 composed of the territory described by Section 3, Chapter 756, Acts
7 of the 75th Legislature, Regular Session, 1997, as that territory
8 may have been modified under:

- 9 (1) Subchapter J, Chapter 49, Water Code;
10 (2) Subchapter H, Chapter 54, Water Code; or
11 (3) other law.

12 (b) The boundaries and field notes of the district form a
13 closure. A mistake in the field notes or in copying the field notes
14 in the legislative process does not affect:

- 15 (1) the district's organization, existence, or
16 validity;
17 (2) the district's right to impose a tax; or
18 (3) the legality or operation of the district or its
19 governing body. (New; Acts 75th Leg., R.S., Ch. 756, Sec. 4.)

20 [Sections 8187.005-8187.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8187.051. COMPOSITION OF BOARD; TERMS. (a) The
23 district is governed by a board of five directors.

24 (b) Directors serve staggered terms of four years. (Acts
25 75th Leg., R.S., Ch. 756, Secs. 7(a), (d).)

26 [Sections 8187.052-8187.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8187.101. MUNICIPAL UTILITY DISTRICT POWERS. The
3 district has the rights, powers, privileges, functions, and duties
4 provided by general law applicable to a municipal utility district
5 created under Section 59, Article XVI, Texas Constitution,
6 including Chapters 49 and 54, Water Code. (Acts 75th Leg., R.S.,
7 Ch. 756, Sec. 6(a) (part).)

8 CHAPTER 8188. GRANT ROAD PUBLIC UTILITY DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8188.001. DEFINITION

11 Sec. 8188.002. NATURE OF DISTRICT

12 Sec. 8188.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8188.004. DISTRICT TERRITORY

14 [Sections 8188.005-8188.050 reserved for expansion]

15 SUBCHAPTER B. BOARD OF DIRECTORS

16 Sec. 8188.051. COMPOSITION OF BOARD

17 [Sections 8188.052-8188.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 8188.101. MUNICIPAL UTILITY DISTRICT POWERS

20 CHAPTER 8188. GRANT ROAD PUBLIC UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8188.001. DEFINITION. In this chapter, "district"
23 means the Grant Road Public Utility District. (V.A.C.S. Art.
24 8280-504, Sec. 1 (part).)

25 Sec. 8188.002. NATURE OF DISTRICT. The district is a
26 conservation and reclamation district in Harris County, created
27 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.

1 8280-504, Sec. 1 (part).)

2 Sec. 8188.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
3 The district is created to serve a public use and benefit.

4 (b) All land and other property included in the boundaries
5 of the district will benefit from the works and projects
6 accomplished by the district under the powers conferred by Section
7 59, Article XVI, Texas Constitution.

8 (c) The creation of the district is essential to accomplish
9 the purposes of Section 59, Article XVI, Texas Constitution.
10 (V.A.C.S. Art. 8280-504, Secs. 1 (part), 3.)

11 Sec. 8188.004. DISTRICT TERRITORY. (a) The district is
12 composed of the territory described by Section 4, Chapter 474, Acts
13 of the 62nd Legislature, Regular Session, 1971 (Article 8280-504,
14 Vernon's Texas Civil Statutes), as that territory may have been
15 modified under:

- 16 (1) Subchapter H, Chapter 54, Water Code;
17 (2) Subchapter J, Chapter 49, Water Code; or
18 (3) other law.

19 (b) The boundaries and field notes of the district form a
20 closure. A mistake in the field notes or in copying the field notes
21 in the legislative process does not affect:

22 (1) the district's organization, existence, and
23 validity;

24 (2) the district's right to issue any type of bond for
25 a purpose for which the district is created or to pay the principal
26 of and interest on the bond;

27 (3) the district's right to impose a tax; or

1 (4) the legality or operation of the district or its
2 governing body. (V.A.C.S. Art. 8280-504, Sec. 2; New.)

3 [Sections 8188.005-8188.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8188.051. COMPOSITION OF BOARD. The board of
6 directors is composed of five elected directors. (V.A.C.S. Art.
7 8280-504, Sec. 6 (part).)

8 [Sections 8188.052-8188.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8188.101. MUNICIPAL UTILITY DISTRICT POWERS. The
11 district has the rights, powers, privileges, and functions provided
12 by general law applicable to a municipal utility district,
13 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-504,
14 Sec. 5 (part).)

15 CHAPTER 8191. HACIENDAS DEL NORTE WATER IMPROVEMENT DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 8191.001. DEFINITION

18 Sec. 8191.002. NATURE OF DISTRICT

19 Sec. 8191.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

20 Sec. 8191.004. DISTRICT TERRITORY

21 [Sections 8191.005-8191.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 8191.051. COMPOSITION OF BOARD

24 [Sections 8191.052-8191.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 8191.101. MUNICIPAL UTILITY DISTRICT POWERS

27 CHAPTER 8191. HACIENDAS DEL NORTE WATER IMPROVEMENT DISTRICT

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 8191.001. DEFINITION. In this chapter, "district"
3 means the Haciendas Del Norte Water Improvement District. (Acts
4 67th Leg., R.S., Ch. 104, Sec. 1 (part).)

5 Sec. 8191.002. NATURE OF DISTRICT. The district is a
6 conservation and reclamation district in El Paso County, created
7 under Section 59, Article XVI, Texas Constitution. (Acts 67th
8 Leg., R.S., Ch. 104, Sec. 1 (part).)

9 Sec. 8191.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
10 The district is created to serve a public use and benefit.

11 (b) All land and other property included in the boundaries
12 of the district will benefit from the works and projects
13 accomplished by the district under the powers conferred by Section
14 59, Article XVI, Texas Constitution.

15 (c) The creation of the district is essential to accomplish
16 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
17 67th Leg., R.S., Ch. 104, Secs. 1 (part), 3.)

18 Sec. 8191.004. DISTRICT TERRITORY. (a) The district is
19 composed of the territory described by Section 4, Chapter 104, Acts
20 of the 67th Legislature, Regular Session, 1981, as that territory
21 may have been modified under:

- 22 (1) Subchapter H, Chapter 54, Water Code;
23 (2) Subchapter J, Chapter 49, Water Code; or
24 (3) other law.

25 (b) The boundaries and field notes of the district form a
26 closure. A mistake in the field notes or in copying the field notes
27 in the legislative process does not affect:

1 (1) the district's organization, existence, and
2 validity;

3 (2) the district's right to issue any type of bond for
4 a purpose for which the district is created or to pay the principal
5 of and interest on the bond;

6 (3) the district's right to impose a tax; or

7 (4) the legality or operation of the district or its
8 governing body. (Acts 67th Leg., R.S., Ch. 104, Sec. 2; New.)

9 [Sections 8191.005-8191.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 8191.051. COMPOSITION OF BOARD. The board of
12 directors is composed of five elected directors. (Acts 67th Leg.,
13 R.S., Ch. 104, Sec. 6 (part).)

14 [Sections 8191.052-8191.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8191.101. MUNICIPAL UTILITY DISTRICT POWERS. The
17 district has the rights, powers, privileges, and functions provided
18 by general law applicable to a municipal utility district,
19 including Chapters 49 and 54, Water Code. (Acts 67th Leg., R.S.,
20 Ch. 104, Sec. 5 (part).)

21 CHAPTER 8192. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 233

22 OF HARRIS COUNTY, TEXAS

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 8192.001. DEFINITION

25 Sec. 8192.002. NATURE OF DISTRICT

26 Sec. 8192.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

27 Sec. 8192.004. DISTRICT TERRITORY

1 [Sections 8192.005-8192.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8192.051. COMPOSITION OF BOARD; TERMS

4 Sec. 8192.052. BOARD VACANCY

5 [Sections 8192.053-8192.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 8192.101. MUNICIPAL UTILITY DISTRICT POWERS

8 Sec. 8192.102. COMPLIANCE WITH MUNICIPAL CONSENT

9 ORDINANCES OR RESOLUTIONS

10 CHAPTER 8192. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 233

11 OF HARRIS COUNTY, TEXAS

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 8192.001. DEFINITION. In this chapter, "district"
14 means the Harris County Municipal Utility District No. 233 of
15 Harris County, Texas. (Acts 68th Leg., R.S., Ch. 704, Sec. 1
16 (part).)

17 Sec. 8192.002. NATURE OF DISTRICT. The district is a
18 conservation and reclamation district in Harris County, created
19 under Section 59, Article XVI, Texas Constitution. (Acts 68th
20 Leg., R.S., Ch. 704, Sec. 1 (part).)

21 Sec. 8192.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
22 The district is created to serve a public use and benefit.

23 (b) All land and other property included in the boundaries
24 of the district will benefit from the works and projects
25 accomplished by the district under the powers conferred by Section
26 59, Article XVI, Texas Constitution.

27 (c) The creation of the district is essential to accomplish

1 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
2 68th Leg., R.S., Ch. 704, Secs. 1 (part), 4.)

3 Sec. 8192.004. DISTRICT TERRITORY. (a) The district is
4 composed of the territory described by Section 2, Chapter 704, Acts
5 of the 68th Legislature, Regular Session, 1983, as that territory
6 may have been modified under:

7 (1) Subchapter H, Chapter 54, Water Code;

8 (2) Subchapter J, Chapter 49, Water Code; or

9 (3) other law.

10 (b) The boundaries and field notes of the district form a
11 closure. A mistake in the field notes or in copying the field notes
12 in the legislative process does not affect:

13 (1) the district's organization, existence, and
14 validity;

15 (2) the district's right to issue bonds for a purpose
16 for which the district is created or to pay the principal of and
17 interest on the bonds;

18 (3) the district's right to impose a tax; or

19 (4) the legality or operation of the district or its
20 governing body. (Acts 68th Leg., R.S., Ch. 704, Sec. 3; New.)

21 [Sections 8192.005-8192.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 8192.051. COMPOSITION OF BOARD; TERMS. (a) The board
24 of directors is composed of five elected directors.

25 (b) Directors serve staggered four-year terms, with two or
26 three directors elected at each election. (Acts 68th Leg., R.S.,
27 Ch. 704, Sec. 6 (part).)

1 Sec. 8192.052. BOARD VACANCY. If at any time there are fewer
2 than three qualified directors for any reason, on petition of a
3 landowner in the district, the Texas Commission on Environmental
4 Quality shall appoint the necessary number of directors to fill all
5 vacancies on the board. (Acts 68th Leg., R.S., Ch. 704, Sec. 6
6 (part).)

7 [Sections 8192.053-8192.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 8192.101. MUNICIPAL UTILITY DISTRICT POWERS. The
10 district has the rights, powers, privileges, and functions provided
11 by general law applicable to a municipal utility district,
12 including Chapters 49 and 54, Water Code. (Acts 68th Leg., R.S.,
13 Ch. 704, Sec. 5 (part).)

14 Sec. 8192.102. COMPLIANCE WITH MUNICIPAL CONSENT
15 ORDINANCES OR RESOLUTIONS. The district shall comply with all
16 applicable requirements of a Houston City Council ordinance or
17 resolution that consented to the creation of the district or the
18 inclusion of land in the district. (Acts 68th Leg., R.S., Ch. 704,
19 Sec. 7 (part).)

20 SECTION 1.11. Subtitle H, Title 6, Special District Local
21 Laws Code, is amended by adding Chapter 8806 to read as follows:

22 CHAPTER 8806. COKE COUNTY UNDERGROUND WATER

23 CONSERVATION DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 8806.001. DEFINITIONS

26 Sec. 8806.002. NATURE OF DISTRICT

27 Sec. 8806.003. FINDINGS OF PUBLIC USE AND BENEFIT

- 1 Sec. 8806.004. DISTRICT TERRITORY
- 2 Sec. 8806.005. ADMINISTRATIVE PROCEDURES
- 3 Sec. 8806.006. CONFLICT OF LAW
- 4 [Sections 8806.007-8806.050 reserved for expansion]
- 5 SUBCHAPTER B. BOARD OF DIRECTORS
- 6 Sec. 8806.051. COMPOSITION OF BOARD; TERMS
- 7 Sec. 8806.052. METHOD OF ELECTING DIRECTORS
- 8 Sec. 8806.053. ELECTION DATE
- 9 Sec. 8806.054. QUALIFICATIONS FOR ELECTION
- 10 [Sections 8806.055-8806.100 reserved for expansion]
- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 8806.101. GENERAL RIGHTS, POWERS, DUTIES,
- 13 PRIVILEGES, AND FUNCTIONS
- 14 Sec. 8806.102. WELL PERMITS
- 15 Sec. 8806.103. WELL SPACING AND PRODUCTION
- 16 Sec. 8806.104. RECORDS, REPORTS, AND LOGS
- 17 Sec. 8806.105. ACQUISITION OF LAND
- 18 Sec. 8806.106. RECHARGE OF RESERVOIR
- 19 Sec. 8806.107. SURVEYS
- 20 Sec. 8806.108. DISTRICT PLANS
- 21 Sec. 8806.109. RESEARCH PROJECTS
- 22 Sec. 8806.110. COLLECTION AND PRESERVATION OF
- 23 INFORMATION
- 24 Sec. 8806.111. DISSEMINATION OF PLANS AND INFORMATION
- 25 Sec. 8806.112. CONTRACT FOR AND SALE AND DISTRIBUTION
- 26 OF WATER
- 27 Sec. 8806.113. ANNEXATION

1 Sec. 8806.114. DISSOLUTION

2 CHAPTER 8806. COKE COUNTY UNDERGROUND WATER

3 CONSERVATION DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 8806.001. DEFINITIONS. In this chapter:

6 (1) "Board" means the board of directors of the
7 district.

8 (2) "Director" means a member of the board.

9 (3) "District" means the Coke County Underground Water
10 Conservation District. (Acts 69th Leg., R.S., Ch. 950, Sec. 2;
11 New.)

12 Sec. 8806.002. NATURE OF DISTRICT. The district is created
13 under Section 59, Article XVI, Texas Constitution, to provide for
14 the conservation, preservation, protection, recharge, and
15 prevention of waste of the groundwater reservoirs located under
16 district land, consistent with the objectives of Section 59,
17 Article XVI, Texas Constitution, and Chapters 36 and 51, Water
18 Code. (Acts 69th Leg., R.S., Ch. 950, Secs. 1 (part), 4.)

19 Sec. 8806.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
20 district is created to serve a public use and benefit.

21 (b) Land included in the boundaries of the district will
22 benefit. (Acts 69th Leg., R.S., Ch. 950, Sec. 8(a).)

23 Sec. 8806.004. DISTRICT TERRITORY. The boundaries of the
24 district are coextensive with the boundaries of Coke County, Texas.
25 (Acts 69th Leg., R.S., Ch. 950, Sec. 3.)

26 Sec. 8806.005. ADMINISTRATIVE PROCEDURES. The
27 administrative and procedural provisions of Chapters 36 and 51,

1 Water Code, apply to the district. (Acts 69th Leg., R.S., Ch. 950,
2 Sec. 6 (part).)

3 Sec. 8806.006. CONFLICT OF LAW. If there is a conflict
4 between Chapters 36 and 51, Water Code, Chapter 36 controls. (Acts
5 69th Leg., R.S., Ch. 950, Sec. 13 (part).)

6 [Sections 8806.007-8806.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Sec. 8806.051. COMPOSITION OF BOARD; TERMS. (a) The
9 district is governed by a board of five directors.

10 (b) Directors serve staggered four-year terms. (Acts 69th
11 Leg., R.S., Ch. 950, Secs. 12(a), (f); Acts 72nd Leg., R.S., Ch.
12 197, Sec. 3(b) (part).)

13 Sec. 8806.052. METHOD OF ELECTING DIRECTORS. One director
14 is elected from each county commissioners precinct in Coke County
15 and one director is elected at large. (Acts 69th Leg., R.S., Ch.
16 950, Sec. 12(c).)

17 Sec. 8806.053. ELECTION DATE. The district shall hold an
18 election in the district to elect directors on the uniform election
19 date in May of each odd-numbered year. (Acts 69th Leg., R.S., Ch.
20 950, Sec. 12(e).)

21 Sec. 8806.054. QUALIFICATIONS FOR ELECTION. (a) To be
22 qualified for election as a director, a person must be:

23 (1) a resident of the district; and

24 (2) at least 21 years of age.

25 (b) To be qualified for election as a director from a
26 precinct, a person must reside in that precinct. (Acts 69th Leg.,
27 R.S., Ch. 950, Secs. 12(b), (d).)

1 [Sections 8806.055-8806.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8806.101. GENERAL RIGHTS, POWERS, DUTIES, PRIVILEGES,
4 AND FUNCTIONS. The district has:

5 (1) the powers essential to accomplish the purposes of
6 Section 59, Article XVI, Texas Constitution; and

7 (2) the rights, powers, duties, privileges, and
8 functions provided by this chapter, Chapters 36 and 51, Water Code,
9 and other laws of this state relating to groundwater conservation
10 districts. (Acts 69th Leg., R.S., Ch. 950, Secs. 1 (part), 5(a).)

11 Sec. 8806.102. WELL PERMITS. (a) The board may:

12 (1) require a permit for drilling, equipping, or
13 completing a well in the groundwater reservoir; and

14 (2) issue a permit subject to terms and provisions
15 relating to drilling, equipping, or completing a well that are
16 necessary to prevent waste or conserve, preserve, and protect
17 groundwater.

18 (b) The board may not deny an owner of land, or the owner's
19 heirs, assigns, and lessees, a permit to drill a well on that land
20 or the right to produce groundwater from that well subject to rules
21 adopted under this chapter. (Acts 69th Leg., R.S., Ch. 950, Secs.
22 5(c), (d) (part).)

23 Sec. 8806.103. WELL SPACING AND PRODUCTION. The board may:

24 (1) provide for the spacing of wells producing from
25 groundwater reservoirs; and

26 (2) regulate the production from those wells to
27 minimize as far as practicable the drawdown of the water table or

1 the reduction of the artesian pressure. (Acts 69th Leg., R.S., Ch.
2 950, Sec. 5(d) (part).)

3 Sec. 8806.104. RECORDS, REPORTS, AND LOGS. (a) The board
4 may require that records be kept and reports be made of:

5 (1) the drilling, equipping, and completing of a well
6 into a groundwater reservoir; and

7 (2) the taking and use of groundwater from that
8 reservoir.

9 (b) The board may require accurate driller's logs to be kept
10 of a well described by Subsection (a)(1).

11 (c) The board may require that a copy of a driller's log and
12 of any electric log that may be made of a well be filed with the
13 district. (Acts 69th Leg., R.S., Ch. 950, Sec. 5(e).)

14 Sec. 8806.105. ACQUISITION OF LAND. The district may
15 acquire land to erect a dam or drain a lake, depression, or draw.
16 (Acts 69th Leg., R.S., Ch. 950, Sec. 5(f) (part).)

17 Sec. 8806.106. RECHARGE OF RESERVOIR. The district may
18 construct dams, drain lakes, depressions, draws, or creeks, and
19 install pumps and other equipment necessary to recharge a
20 groundwater reservoir. (Acts 69th Leg., R.S., Ch. 950, Sec. 5(f)
21 (part).)

22 Sec. 8806.107. SURVEYS. The district may have a licensed
23 engineer survey the groundwater of a groundwater reservoir and the
24 facilities for the development, production, and use of that
25 groundwater and determine the quantity of the groundwater available
26 for production and use and the improvements, developments, and
27 recharges needed for the groundwater reservoir. (Acts 69th Leg.,

1 R.S., Ch. 950, Sec. 5(g).)

2 Sec. 8806.108. DISTRICT PLANS. (a) The district may
3 develop comprehensive plans for the most efficient use of the
4 groundwater of a groundwater reservoir and for the control and
5 prevention of waste of that groundwater.

6 (b) The plans must specify in the amount of detail that may
7 be practicable any act, procedure, performance, or avoidance
8 necessary to effect those plans. (Acts 69th Leg., R.S., Ch. 950,
9 Sec. 5(h).)

10 Sec. 8806.109. RESEARCH PROJECTS. The district may carry
11 out research projects, develop information, and determine
12 limitations, if any, that should be made on the withdrawal of
13 groundwater from a groundwater reservoir. (Acts 69th Leg., R.S.,
14 Ch. 950, Sec. 5(i).)

15 Sec. 8806.110. COLLECTION AND PRESERVATION OF INFORMATION.
16 The district may collect and preserve information regarding the use
17 of groundwater and the practicability of recharge of a groundwater
18 reservoir. (Acts 69th Leg., R.S., Ch. 950, Sec. 5(j).)

19 Sec. 8806.111. DISSEMINATION OF PLANS AND INFORMATION. The
20 board may:

21 (1) publish plans and information;

22 (2) notify the users of groundwater in the district of
23 the plans and information; and

24 (3) encourage the adoption and execution of the plans.
25 (Acts 69th Leg., R.S., Ch. 950, Sec. 5(k).)

26 Sec. 8806.112. CONTRACT FOR AND SALE AND DISTRIBUTION OF
27 WATER. The district may contract for, sell, and distribute water

1 from a water import authority or other agency. (Acts 69th Leg.,
2 R.S., Ch. 950, Sec. 5(1).)

3 Sec. 8806.113. ANNEXATION. Territory may be added to the
4 district under Subchapter J, Chapter 49, Water Code. The board
5 shall determine to which precinct the annexed land is added for the
6 purpose of electing directors. (Acts 69th Leg., R.S., Ch. 950, Sec.
7 11.)

8 Sec. 8806.114. DISSOLUTION. Chapter 36, Water Code,
9 applies to the dissolution of the district. (Acts 69th Leg., R.S.,
10 Ch. 950, Sec. 10.)

11 SECTION 1.12. Subtitle I, Title 6, Special District Local
12 Laws Code, is amended by adding Chapters 9009, 9011, 9012, and 9013
13 to read as follows:

14 CHAPTER 9009. ALICE WATER AUTHORITY

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 9009.001. DEFINITIONS

17 Sec. 9009.002. NATURE OF AUTHORITY

18 Sec. 9009.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

19 Sec. 9009.004. CONSTRUCTION OF CHAPTER

20 [Sections 9009.005-9009.050 reserved for expansion]

21 SUBCHAPTER B. AUTHORITY TERRITORY AND ANNEXATIONS TO AUTHORITY

22 TERRITORY

23 Sec. 9009.051. AUTHORITY TERRITORY

24 Sec. 9009.052. ANNEXATION OF CITY TERRITORY

25 [Sections 9009.053-9009.100 reserved for expansion]

26 SUBCHAPTER C. BOARD OF DIRECTORS

27 Sec. 9009.101. COMPOSITION OF BOARD; TERMS

- 1 Sec. 9009.102. APPOINTMENT OF DIRECTORS
- 2 Sec. 9009.103. QUALIFICATIONS FOR OFFICE
- 3 Sec. 9009.104. VACANCY
- 4 Sec. 9009.105. APPOINTMENT OF SECRETARY AND TREASURER
- 5 Sec. 9009.106. VOTE BY BOARD PRESIDENT
- 6 Sec. 9009.107. DIRECTOR'S AND TREASURER'S BOND
- 7 Sec. 9009.108. COMPENSATION
- 8 Sec. 9009.109. MANAGER

9 [Sections 9009.110-9009.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL POWERS AND DUTIES

- 11 Sec. 9009.151. ACQUISITION AND USE OF WATER FROM
- 12 CORPUS CHRISTI
- 13 Sec. 9009.152. WATER FACILITIES
- 14 Sec. 9009.153. REGIONAL WASTE DISPOSAL
- 15 Sec. 9009.154. APPROPRIATION PERMITS
- 16 Sec. 9009.155. ACQUISITION OF PROPERTY
- 17 Sec. 9009.156. GENERAL CONTRACT POWERS
- 18 Sec. 9009.157. AWARD OF CERTAIN CONSTRUCTION CONTRACTS
- 19 Sec. 9009.158. ASSIGNMENT OF CONTRACT RIGHTS

20 [Sections 9009.159-9009.200 reserved for expansion]

21 SUBCHAPTER E. EMINENT DOMAIN AND RELATED POWERS

- 22 Sec. 9009.201. EMINENT DOMAIN IN JIM WELLS COUNTY
- 23 Sec. 9009.202. EMINENT DOMAIN IN NUECES COUNTY
- 24 Sec. 9009.203. DETERMINATION OF INTEREST TO BE
- 25 ACQUIRED
- 26 Sec. 9009.204. SURVEYS
- 27 Sec. 9009.205. COST OF RELOCATING OR ALTERING PROPERTY

1 [Sections 9009.206-9009.250 reserved for expansion]

2 SUBCHAPTER F. REGULATORY POWERS

3 Sec. 9009.251. ADOPTION OF RULES

4 Sec. 9009.252. ENFORCEMENT OF RULES; PENALTY

5 Sec. 9009.253. NOTICE OF RULE PROVIDING PENALTY

6 Sec. 9009.254. JUDICIAL NOTICE OF RULES

7 Sec. 9009.255. ENFORCEMENT BY PEACE OFFICERS

8 [Sections 9009.256-9009.300 reserved for expansion]

9 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

10 Sec. 9009.301. DEPOSITORY

11 Sec. 9009.302. TAX ASSESSOR AND COLLECTOR

12 Sec. 9009.303. PROJECTS EXEMPT FROM ASSESSMENT OR

13 TAXATION

14 [Sections 9009.304-9009.350 reserved for expansion]

15 SUBCHAPTER H. BONDS

16 Sec. 9009.351. AUTHORITY TO ISSUE BONDS

17 Sec. 9009.352. FORM OF BONDS

18 Sec. 9009.353. MATURITY

19 Sec. 9009.354. ELECTION FOR BONDS PAYABLE FROM AD

20 VALOREM TAXES

21 Sec. 9009.355. BONDS PAYABLE FROM REVENUE

22 Sec. 9009.356. BONDS PAYABLE FROM AD VALOREM TAXES

23 Sec. 9009.357. TAX AND RATE REQUIREMENTS

24 Sec. 9009.358. ADDITIONAL SECURITY

25 Sec. 9009.359. TRUST INDENTURE

26 Sec. 9009.360. INTERIM BONDS OR NOTES

27 Sec. 9009.361. USE OF BOND PROCEEDS

1 Sec. 9009.362. APPOINTMENT OF RECEIVER

2 Sec. 9009.363. REFUNDING BONDS

3 Sec. 9009.364. LIMITATION ON RIGHTS OF HOLDERS

4 Sec. 9009.365. BONDS EXEMPT FROM TAXATION

5 CHAPTER 9009. ALICE WATER AUTHORITY

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 9009.001. DEFINITIONS. In this chapter:

8 (1) "Authority" means the Alice Water Authority.

9 (2) "Board" means the board of directors of the
10 authority.

11 (3) "City" means the City of Alice.

12 (4) "Corpus Christi" means the City of Corpus Christi.

13 (5) "Director" means a member of the board.

14 (6) "Nueces district" means the Lower Nueces Water
15 Supply District. (V.A.C.S. Art. 8280-270, Secs. 1 (part), 3(a)
16 (part), 6 (part); New.)

17 Sec. 9009.002. NATURE OF AUTHORITY. (a) The authority is a
18 conservation and reclamation district created under Section 59,
19 Article XVI, Texas Constitution.

20 (b) The authority is an agency of this state. (V.A.C.S.
21 Art. 8280-270, Sec. 1 (part).)

22 Sec. 9009.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
23 All territory and taxable property in the authority will benefit
24 from the works and improvements of the authority.

25 (b) The accomplishment of the purposes stated in this
26 chapter, including the use, for municipal and industrial purposes,
27 of stored water that otherwise would be wasted into the Gulf, is for

1 the benefit of the people of this state and for the improvement of
2 their property and industries.

3 (c) In carrying out the purposes of this chapter, the
4 authority will be performing an essential public function under the
5 constitution. (V.A.C.S. Art. 8280-270, Secs. 2 (part), 20 (part).)

6 Sec. 9009.004. CONSTRUCTION OF CHAPTER. This chapter may
7 not be interpreted as amending or repealing Section 11.024, Water
8 Code, which provides for priorities for the use of water. (V.A.C.S.
9 Art. 8280-270, Sec. 23.)

10 [Sections 9009.005-9009.050 reserved for expansion]

11 SUBCHAPTER B. AUTHORITY TERRITORY AND ANNEXATIONS TO AUTHORITY
12 TERRITORY

13 Sec. 9009.051. AUTHORITY TERRITORY. The authority is
14 composed of the territory that was contained in the city on January
15 1, 1981, as that territory may have been modified under:

- 16 (1) Subchapter J, Chapter 49, Water Code;
17 (2) Section 5, Chapter 12, Acts of the 57th
18 Legislature, 3rd Called Session, 1962 (Article 8280-270, Vernon's
19 Texas Civil Statutes);
20 (3) Section 9009.052; or
21 (4) other law. (V.A.C.S. Art. 8280-270, Sec. 2
22 (part); New.)

23 Sec. 9009.052. ANNEXATION OF CITY TERRITORY. (a)
24 Territory annexed to the city may be annexed to the authority as
25 provided by this section.

26 (b) At any time after final passage of an ordinance annexing
27 territory to the city, the board may issue a notice of hearing on

1 the question of annexing all or part of the territory annexed to the
2 city.

3 (c) The notice is sufficient if it:

4 (1) states the date and place of the hearing; and

5 (2) describes the area proposed to be annexed or
6 refers to the annexation ordinance of the city.

7 (d) The notice must be published one time in a newspaper of
8 general circulation in the city not later than the 10th day before
9 the date set for the hearing.

10 (e) The board shall adopt a resolution annexing the
11 territory to the authority if, after the hearing, the board finds
12 that the territory proposed to be annexed will benefit from the
13 water supplied or to be supplied by the authority.

14 (f) After the territory is annexed to the authority, the
15 board may hold an election in the authority as enlarged to determine
16 whether the authority as enlarged shall:

17 (1) assume any tax-supported bonds that are
18 outstanding or voted but not yet sold; and

19 (2) impose an ad valorem tax on all taxable property in
20 the authority as enlarged for the payment of those bonds.

21 (g) An election held under Subsection (f) shall be held in
22 the same manner as an election under Section 9009.354 for the
23 issuance of bonds payable wholly or partly from taxes. (V.A.C.S.
24 Art. 8280-270, Sec. 5.)

25 [Sections 9009.053-9009.100 reserved for expansion]

26 SUBCHAPTER C. BOARD OF DIRECTORS

27 Sec. 9009.101. COMPOSITION OF BOARD; TERMS. The board

1 consists of five directors who serve staggered two-year terms
2 expiring January 1. (V.A.C.S. Art. 8280-270, Sec. 3(a) (part);
3 New.)

4 Sec. 9009.102. APPOINTMENT OF DIRECTORS. Each December the
5 governing body of the city shall appoint a director to succeed each
6 director whose term expires on the following January 1. (V.A.C.S.
7 Art. 8280-270, Secs. 3(a) (part), (b) (part).)

8 Sec. 9009.103. QUALIFICATIONS FOR OFFICE. (a) A director
9 must reside in and own taxable property in the authority.

10 (b) A member of the city's governing body or an employee of
11 the city may not be appointed as a director. (V.A.C.S. Art.
12 8280-270, Sec. 3(c) (part).)

13 Sec. 9009.104. VACANCY. If a director ceases to reside in
14 the authority or otherwise ceases to serve as a director, the
15 governing body of the city shall appoint a successor to fill the
16 vacancy for the unexpired term. (V.A.C.S. Art. 8280-270, Secs.
17 3(b) (part), (c) (part).)

18 Sec. 9009.105. APPOINTMENT OF SECRETARY AND TREASURER. The
19 board shall appoint a secretary and a treasurer, who are not
20 required to be directors. The board may combine the offices of
21 secretary and treasurer. (V.A.C.S. Art. 8280-270, Sec. 4 (part).)

22 Sec. 9009.106. VOTE BY BOARD PRESIDENT. The president has
23 the same right to vote as any other director. The vice president
24 may not exercise the president's right to vote. (V.A.C.S. Art.
25 8280-270, Sec. 4 (part).)

26 Sec. 9009.107. DIRECTOR'S AND TREASURER'S BOND. (a) Each
27 director shall give bond in the amount of \$5,000 conditioned on the

1 faithful performance of the director's duties.

2 (b) The treasurer shall give bond in the amount required by
3 the board. The treasurer's bond shall be conditioned on the
4 treasurer's faithful accounting for all money that comes into the
5 treasurer's custody as treasurer of the authority. (V.A.C.S. Art.
6 8280-270, Secs. 3(c) (part); 4 (part).)

7 Sec. 9009.108. COMPENSATION. Unless the board by
8 resolution increases the fee to an amount authorized by Section
9 49.060, Water Code, each director:

10 (1) shall receive a fee for attending each meeting of
11 the board not to exceed \$20 for a meeting or \$40 in one calendar
12 month; and

13 (2) is entitled to an additional amount not to exceed
14 \$20 for each day that the director devotes to serving the business
15 of the authority if the service is expressly approved by the board.
16 (V.A.C.S. Art. 8280-270, Sec. 3(d) (part).)

17 Sec. 9009.109. MANAGER. The board shall employ a manager.
18 (V.A.C.S. Art. 8280-270, Sec. 4 (part).)

19 [Sections 9009.110-9009.150 reserved for expansion]

20 SUBCHAPTER D. GENERAL POWERS AND DUTIES

21 Sec. 9009.151. ACQUISITION AND USE OF WATER FROM CORPUS
22 CHRISTI. (a) The authority may acquire from Corpus Christi
23 untreated water supplied from Lake Corpus Christi, subject to a
24 contract between the authority and Corpus Christi that is approved
25 by the Nueces district or under a contract assigned to the
26 authority.

27 (b) The authority may procure water under Subsection (a)

1 only if the water is "surplus" to the requirements of Corpus
2 Christi as defined in a contract between Corpus Christi and the
3 Nueces district.

4 (c) The authority may use water procured under Subsection
5 (a) as a source of water supply for the city if the right of the city
6 to execute a contract prescribing the obligations of the city and
7 the authority is approved by the voters of the city in compliance
8 with Section 402.020, Local Government Code.

9 (d) The authority may contract with Corpus Christi or the
10 Nueces district, or both, in reference to the authority's duty or
11 option to participate in the cost of any future enlargement of Lake
12 Corpus Christi and for a commensurate share of the increased water
13 yield. (V.A.C.S. Art. 8280-270, Sec. 6 (part).)

14 Sec. 9009.152. WATER FACILITIES. (a) The authority may
15 acquire or construct, inside or outside the authority:

- 16 (1) a diversion works;
- 17 (2) wells;
- 18 (3) pumps;
- 19 (4) pumping stations;
- 20 (5) pipelines;
- 21 (6) intermediate and terminal storage reservoirs;
- 22 (7) a water treatment plant; and
- 23 (8) any other related facility necessary or useful in
24 diverting, impounding, drilling, storing, or treating water, or in
25 transporting treated or untreated water to the city for municipal,
26 domestic, agricultural, industrial, or any other purpose.

27 (b) A diversion works may be constructed to take water from

1 Lake Corpus Christi through intake or otherwise or from the Nueces
2 River below Lake Corpus Christi.

3 (c) The specifications in this section of certain elements
4 of the authority's proposed water supply, treatment, and
5 transportation system do not preclude the authority from
6 constructing any facility necessary or convenient in enabling the
7 authority to deliver treated or untreated water to the city.
8 (V.A.C.S. Art. 8280-270, Sec. 7.)

9 Sec. 9009.153. REGIONAL WASTE DISPOSAL. The authority may
10 exercise the powers granted by Chapter 30, Water Code. (V.A.C.S.
11 Art. 8280-270, Sec. 6B.)

12 Sec. 9009.154. APPROPRIATION PERMITS. The authority may:

13 (1) obtain an appropriation permit from the Texas
14 Commission on Environmental Quality as provided by Section 12.011,
15 Water Code; or

16 (2) participate with Corpus Christi or the Nueces
17 district in obtaining a required appropriation permit. (V.A.C.S.
18 Art. 8280-270, Sec. 8.)

19 Sec. 9009.155. ACQUISITION OF PROPERTY. (a) To exercise a
20 right or perform a duty under this chapter, the authority may
21 acquire:

22 (1) works, machinery, plants, or other facilities; and

23 (2) land, rights-of-way, or easements.

24 (b) Subject to the terms of a deed of trust or indenture
25 executed by the authority, the authority may sell, trade, lease,
26 rent, or otherwise dispose of any property the board considers not
27 needed for authority purposes. (V.A.C.S. Art. 8280-270, Sec. 9.)

1 Sec. 9009.156. GENERAL CONTRACT POWERS. The authority may
2 contract with the city, a public agency, a political subdivision,
3 this state, the United States, or another person for the purchase or
4 sale of water or any other purpose necessary to carry out this
5 chapter. (V.A.C.S. Art. 8280-270, Sec. 6A.)

6 Sec. 9009.157. AWARD OF CERTAIN CONSTRUCTION CONTRACTS.

7 (a) This section applies only to a construction contract requiring
8 an expenditure of more than \$2,000.

9 (b) A contract may be awarded only after notice of the
10 contract to bidders for sealed bids is published once a week for two
11 weeks in a newspaper of general circulation in the authority that is
12 designated or approved by the board.

13 (c) The notice is sufficient if it states:

14 (1) the time and place for opening the bids;

15 (2) the general nature of the work to be done or the
16 material, equipment, or supplies to be purchased; and

17 (3) the place where and the terms on which copies of
18 the plans and specifications may be obtained.

19 (d) The bids must be opened publicly. (V.A.C.S. Art.
20 8280-270, Sec. 11.)

21 Sec. 9009.158. ASSIGNMENT OF CONTRACT RIGHTS. (a) The
22 authority may acquire by assignment any right of the city under a
23 contract between the city and Corpus Christi in reference to such
24 water supply.

25 (b) If the assignment is accepted, the authority shall
26 assume the city's obligations under the contract. (V.A.C.S. Art.
27 8280-270, Sec. 18.)

1 [Sections 9009.159-9009.200 reserved for expansion]

2 SUBCHAPTER E. EMINENT DOMAIN AND RELATED POWERS

3 Sec. 9009.201. EMINENT DOMAIN IN JIM WELLS COUNTY. (a) The
4 authority may exercise the power of eminent domain in Jim Wells
5 County to acquire fee simple title to, an easement or right-of-way
6 in or on, or other interest in land or other property inside or
7 outside the authority, necessary to the exercise of the authority's
8 powers, rights, privileges, and functions under this chapter.

9 (b) The authority may acquire a property interest under
10 Subsection (a) in the manner provided by Chapter 21, Property Code,
11 or in the manner provided by a statute relating to condemnation by a
12 general law district created under Section 59, Article XVI, Texas
13 Constitution.

14 (c) The authority is a municipal corporation for the
15 purposes of Section 21.021, Property Code. (V.A.C.S. Art.
16 8280-270, Sec. 10(a) (part).)

17 Sec. 9009.202. EMINENT DOMAIN IN NUECES COUNTY. (a) Except
18 as provided by this section, the authority has the same power of
19 eminent domain in Nueces County as it has in Jim Wells County.

20 (b) The power is strictly limited to an acquisition
21 necessary to acquire:

22 (1) an easement or right-of-way necessary to build a
23 pipeline from the city to a point on the Nueces River from which
24 water will be obtained from Corpus Christi under a contract;

25 (2) fee simple title to any land reasonably necessary
26 for the erection of a pumping station or stations near the pipeline
27 to be built under Subdivision (1); or

1 (3) land or an interest in land located inside or
2 outside the authority on which to place reservoirs, works, wells,
3 plants, transmission lines, or other facilities necessary or
4 helpful in impounding, storing, or treating water or in
5 transporting water to the city or to others for municipal,
6 domestic, agricultural, commercial, or other purposes. (V.A.C.S.
7 Art. 8280-270, Sec. 10(b).)

8 Sec. 9009.203. DETERMINATION OF INTEREST TO BE ACQUIRED.
9 The board shall determine the amount and character of interest in
10 land, easements, or other property to be acquired under this
11 subchapter. (V.A.C.S. Art. 8280-270, Sec. 10(a) (part).)

12 Sec. 9009.204. SURVEYS. The authority has the same rights
13 and powers to make surveys and attend to other business of the
14 authority in Jim Wells and Nueces Counties as provided by Section
15 49.221, Water Code. (V.A.C.S. Art. 8280-270, Sec. 10(a) (part).)

16 Sec. 9009.205. COST OF RELOCATING OR ALTERING PROPERTY.
17 (a) In this section, the term "sole expense" means the actual cost
18 of the relocation, raising, lowering, rerouting, or change in grade
19 or alteration of construction under Subsection (b) to provide a
20 comparable replacement without enhancing the facility, after
21 deducting the net salvage value derived from the old facility.

22 (b) If the authority's exercise of eminent domain,
23 relocation, or another power conferred by this chapter makes
24 necessary relocating, raising, rerouting, changing the grade of, or
25 altering the construction of any highway, railroad, electric
26 transmission line, telephone or telegraph property and facility, or
27 pipeline, the action shall be accomplished at the sole expense of

1 the authority. (V.A.C.S. Art. 8280-270, Sec. 10(c).)

2 [Sections 9009.206-9009.250 reserved for expansion]

3 SUBCHAPTER F. REGULATORY POWERS

4 Sec. 9009.251. ADOPTION OF RULES. The board may adopt
5 reasonable rules to:

6 (1) secure, maintain, and preserve the sanitary
7 condition of water in and water that flows into any intermediate or
8 terminal reservoir owned by the authority;

9 (2) prevent waste of or the unauthorized use of water;
10 and

11 (3) regulate resident, hunting, fishing, boating,
12 camping, and any other recreational or business privilege along or
13 around any reservoir, body of land, or easement owned by the
14 authority. (V.A.C.S. Art. 8280-270, Sec. 22(a).)

15 Sec. 9009.252. ENFORCEMENT OF RULES; PENALTY. (a) The
16 authority by rule may prescribe reasonable penalties for the
17 violation of an authority rule.

18 (b) A penalty may consist of:

19 (1) a fine not to exceed \$200;

20 (2) confinement in jail for a term not to exceed 30
21 days; or

22 (3) both the fine and confinement.

23 (c) A penalty adopted under this section is in addition to
24 any other penalty provided by Texas law. (V.A.C.S. Art. 8280-270,
25 Sec. 22(b) (part).)

26 Sec. 9009.253. NOTICE OF RULE PROVIDING PENALTY. (a) If
27 the authority adopts a rule that provides a penalty, the authority

1 must publish a substantive statement of the rule and the penalty
2 once a week for two consecutive weeks in each county in which any
3 part of the reservoir to which the rule applies is situated.

4 (b) The statement must be as condensed as possible so that
5 the act prohibited by the rule can be easily understood.

6 (c) The statement may include notice of any number of rules.

7 (d) The notice must state that:

8 (1) a person who violates the rule is subject to a
9 penalty; and

10 (2) the rule is on file in the principal office of the
11 authority, where it may be read by any interested person.

12 (e) A rule takes effect five days after the date of second
13 publication of the statement under this section. (V.A.C.S. Art.
14 8280-270, Sec. 22(b) (part).)

15 Sec. 9009.254. JUDICIAL NOTICE OF RULES. A court shall take
16 judicial notice of a rule adopted under this subchapter and
17 published as required by Section 9009.253, and the court shall
18 consider the rule to be similar in nature to a penal ordinance of a
19 municipality. (V.A.C.S. Art. 8280-270, Sec. 22(b) (part).)

20 Sec. 9009.255. ENFORCEMENT BY PEACE OFFICERS. (a) A peace
21 officer may make an arrest when necessary to prevent or abate the
22 commission of an offense:

23 (1) in violation of an authority rule or a law of this
24 state that occurs or threatens to occur on any land, water, or
25 easement owned or controlled by the authority; or

26 (2) involving damage to any property owned or
27 controlled by the authority.

1 (b) A peace officer may make an arrest under Subsection
2 (a)(2) at any location. (V.A.C.S. Art. 8280-270, Sec. 22(c).)

3 [Sections 9009.256-9009.300 reserved for expansion]

4 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

5 Sec. 9009.301. DEPOSITORY. (a) Except as provided by
6 Subsection (h), the board shall designate one or more banks in the
7 authority to serve as depository for authority money.

8 (b) Authority money shall be deposited with a designated
9 depository bank, except that:

10 (1) money pledged to pay bonds may be deposited with
11 the trustee bank named in the trust agreement; and

12 (2) money shall be remitted to the bank of payment for
13 the payment of principal of and interest on bonds.

14 (c) To the extent that money in a depository bank or the
15 trustee bank is not insured by the Federal Deposit Insurance
16 Corporation, the money must be secured in the manner provided by law
17 for the security of county funds.

18 (d) The board shall prescribe the terms of service for
19 depositories.

20 (e) Before designating a depository bank, the board shall
21 mail a written notice to each bank in the authority at least 10 days
22 before the date set for receiving bids that:

23 (1) states the time and place at which the board will
24 meet to designate a depository bank or banks; and

25 (2) invites each bank in the authority to submit an
26 application to be designated as a depository.

27 (f) At the time stated in the notice, the board shall:

1 8280-270, Secs. 12(a) (part), (b) (part), (c) (part).)

2 Sec. 9009.352. FORM OF BONDS. An authority bond must be:

3 (1) issued in the authority's name;

4 (2) signed by the president or vice president; and

5 (3) attested by the secretary. (V.A.C.S. Art.

6 8280-270, Sec. 12(b) (part).)

7 Sec. 9009.353. MATURITY. Authority bonds must mature not

8 later than 40 years after their date of issuance. (V.A.C.S. Art.

9 8280-270, Sec. 12(b) (part).)

10 Sec. 9009.354. ELECTION FOR BONDS PAYABLE FROM AD VALOREM

11 TAXES. (a) Bonds, other than refunding bonds, payable wholly or
12 partly from ad valorem taxes may not be issued unless authorized by
13 a majority of the authority voters voting at an election.

14 (b) The board may order an election under this section
15 without a petition. The order must specify:

16 (1) the time and places at which the election will be
17 held;

18 (2) the purpose for which the bonds will be issued;

19 (3) the maximum amount of the bonds;

20 (4) the maximum maturity of the bonds;

21 (5) the form of the ballot; and

22 (6) the presiding judge for each voting place.

23 (c) Notice of the election must be given by publishing a
24 substantial copy of the order calling the election in a newspaper of
25 general circulation in the authority. The notice must be published
26 on the same day in each of two consecutive weeks. The first
27 publication must be not later than the 14th day before the date of

1 the election. If a newspaper of general circulation is not
2 published in the authority, notice must be given by posting a copy
3 of the resolution in three public places in the authority.
4 (V.A.C.S. Art. 8280-270, Secs. 12(e) (part), 15(a) (part), (b)
5 (part).)

6 Sec. 9009.355. BONDS PAYABLE FROM REVENUE. (a) In this
7 section, "net revenue" means the gross revenue and income of the
8 authority pledged under this section less the amount necessary to
9 pay the cost of:

10 (1) performing any contract, the revenue of which is
11 pledged under this section; and

12 (2) maintaining and operating the authority and its
13 property.

14 (b) Bonds issued under this subchapter may be secured under
15 board resolution by a pledge of:

16 (1) all or part of the net revenue of the authority
17 other than revenue from taxation;

18 (2) the net revenue of one or more contracts made
19 before or after the issuance of the bonds; or

20 (3) other revenue or income specified by resolution of
21 the board or in the trust indenture or other instrument securing the
22 bonds.

23 (c) The pledge may reserve the right to issue additional
24 bonds on a parity with, or subordinate to, the bonds being issued,
25 subject to the conditions specified in the pledge.

26 (d) Bonds not payable wholly or partly from ad valorem taxes
27 may be issued without an election. (V.A.C.S. Art. 8280-270, Secs.

1 12(a) (part), (d), 15(a) (part).)

2 Sec. 9009.356. BONDS PAYABLE FROM AD VALOREM TAXES. The
3 authority may issue bonds payable, as pledged by board resolution,
4 from:

5 (1) ad valorem taxes imposed on taxable property in
6 the authority; or

7 (2) ad valorem taxes and revenue of the authority.
8 (V.A.C.S. Art. 8280-270, Secs. 12(a) (part), (e) (part).)

9 Sec. 9009.357. TAX AND RATE REQUIREMENTS. (a) If the
10 authority issues bonds payable wholly or partly from ad valorem
11 taxes, the board shall impose a tax sufficient to pay the bonds and
12 the interest on the bonds as the bonds and interest become due. The
13 board may adopt the rate of the tax after considering the money
14 received from the other pledged revenue available for payment of
15 principal and interest to the extent and in the manner permitted by
16 the resolution authorizing the issuance of the bonds.

17 (b) If the authority issues bonds payable wholly or partly
18 from revenue, the board shall set and revise the rates of
19 compensation for water sold and services rendered by the authority.

20 (c) For bonds payable wholly from revenue, the rates of
21 compensation must be sufficient to:

22 (1) pay the expense of operating and maintaining the
23 facilities of the authority;

24 (2) pay the bonds as they mature and the interest as it
25 accrues; and

26 (3) maintain the reserve and other funds as required
27 in the resolution authorizing the issuance of the bonds or in the

1 trust indenture or other instrument securing the bonds.

2 (d) For bonds payable partly from revenue, the rates of
3 compensation must be sufficient to assure compliance with the
4 resolution authorizing the issuance of the bonds and any trust
5 indenture or other instrument securing the bonds. (V.A.C.S. Art.
6 8280-270, Secs. 12(e) (part), (f).)

7 Sec. 9009.358. ADDITIONAL SECURITY. (a) Bonds, including
8 refunding bonds, authorized by the law that are not payable wholly
9 from ad valorem taxes may be additionally secured, at the
10 discretion of the board, by a deed of trust or mortgage lien on
11 physical property of the authority, franchises, easements, water
12 rights and appropriation permits, leases, contracts, and all rights
13 appurtenant to the property, vesting in the trustee power to:

- 14 (1) sell the property for the payment of the debt;
15 (2) operate the property; and
16 (3) take other action to further secure the bonds.

17 (b) A purchaser under a sale under the deed of trust lien, if
18 one is given:

19 (1) is the absolute owner of property, facilities, and
20 rights purchased; and

21 (2) is entitled to maintain and operate the property,
22 facilities, and rights. (V.A.C.S. Art. 8280-270, Sec. 14 (part).)

23 Sec. 9009.359. TRUST INDENTURE. (a) A bond authorized by
24 the law, including a refunding bond, that is not payable wholly from
25 ad valorem taxes may be additionally secured by a trust indenture.
26 The trustee may be a bank with trust powers located inside or
27 outside this state.

1 (b) A trust indenture, regardless of the existence of the
2 deed of trust or mortgage lien on the property, may:

3 (1) provide for the security of the bonds and the
4 preservation of the trust estate in the manner prescribed by the
5 board;

6 (2) provide for amendment or modification of the trust
7 indenture;

8 (3) provide for the issuance of bonds to replace lost
9 or mutilated bonds;

10 (4) condition the right to spend authority money or
11 sell authority property on the approval of a licensed engineer
12 selected as provided by the trust indenture; and

13 (5) provide for the investment of authority money.
14 (V.A.C.S. Art. 8280-270, Sec. 14 (part).)

15 Sec. 9009.360. INTERIM BONDS OR NOTES. Before issuing
16 definitive bonds, the board may issue interim bonds or notes
17 exchangeable for definitive bonds. (V.A.C.S. Art. 8280-270, Sec.
18 12(a) (part).)

19 Sec. 9009.361. USE OF BOND PROCEEDS. (a) The authority may
20 set aside an amount of proceeds from the sale of bonds issued under
21 this subchapter for payments into the interest and sinking fund and
22 the reserve fund. The resolution authorizing the bonds or a trust
23 indenture or other instrument securing the bonds may provide for
24 setting aside amounts under this subsection.

25 (b) The authority may use proceeds from the sale of the
26 bonds to pay any expense necessarily incurred in accomplishing the
27 purpose of the authority, including any expense of issuing and

1 selling the bonds.

2 (c) The authority may invest proceeds from the sale of the
3 bonds in direct obligations of or obligations unconditionally
4 guaranteed by the United States that mature in the manner
5 authorized by the resolution authorizing the bonds or by the trust
6 indenture or other instrument securing the bonds. (V.A.C.S. Art.
7 8280-270, Sec. 12(g).)

8 Sec. 9009.362. APPOINTMENT OF RECEIVER. (a) On default or
9 threatened default in the payment of principal of or interest on
10 bonds issued under this subchapter that are payable wholly or
11 partly from revenue, a court may, on petition of the holders of
12 outstanding bonds, appoint a receiver for the authority.

13 (b) The receiver may collect and receive all authority
14 income except taxes, employ and discharge authority agents and
15 employees, take charge of money on hand, except money received from
16 taxes, unless commingled, and manage the proprietary affairs of the
17 authority without consent or hindrance by the board.

18 (c) The receiver may be authorized to sell or contract for
19 the sale of water or to renew those contracts with the approval of
20 the court that appointed the receiver.

21 (d) The court may vest the receiver with any other power or
22 duty the court finds necessary to protect the bondholders.
23 (V.A.C.S. Art. 8280-270, Sec. 12(h) (part).)

24 Sec. 9009.363. REFUNDING BONDS. (a) The authority may
25 issue refunding bonds to refund outstanding bonds issued under this
26 subchapter and interest on those bonds.

27 (b) Refunding bonds may:

- 1 (1) be issued to refund bonds of more than one series;
2 (2) combine the pledges for the outstanding bonds for
3 the security of the refunding bonds; or
4 (3) be secured by a pledge of other or additional
5 revenue or mortgage liens.

6 (c) The provisions of this subchapter regarding the
7 issuance of other bonds, their security, and the remedies of the
8 holders apply to refunding bonds.

9 (d) The comptroller shall register the refunding bonds on
10 surrender and cancellation of the bonds to be refunded.

11 (e) Instead of issuing bonds to be registered on the
12 surrender and cancellation of the bonds to be refunded, the
13 authority, in the resolution authorizing the issuance of the
14 refunding bonds, may provide for the sale of the refunding bonds and
15 the deposit of the proceeds in a bank at which the bonds to be
16 refunded are payable. In that case, the refunding bonds may be
17 issued in an amount sufficient to pay the principal of and interest
18 on the bonds to be refunded to their option date or maturity date,
19 and the comptroller shall register the refunding bonds without the
20 surrender and cancellation of the bonds to be refunded. (V.A.C.S.
21 Art. 8280-270, Sec. 13.)

22 Sec. 9009.364. LIMITATION ON RIGHTS OF HOLDERS. The
23 resolution authorizing the bonds or the trust indenture or other
24 instrument securing the bonds may limit or qualify the rights of the
25 holders of less than all of the outstanding bonds payable from the
26 same source to institute or prosecute litigation affecting the
27 authority's property or income. (V.A.C.S. Art. 8280-270, Sec.

1 12(h) (part).)

2 Sec. 9009.365. BONDS EXEMPT FROM TAXATION. A bond issued
3 under this subchapter, the transfer of the bond, and income from the
4 bond, including profits made on the sale of the bond, are exempt
5 from taxation in this state. (V.A.C.S. Art. 8280-270, Sec. 20
6 (part).)

7 CHAPTER 9011. BELL COUNTY WATER CONTROL AND
8 IMPROVEMENT DISTRICT NO. 3

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 9011.001. DEFINITIONS

11 Sec. 9011.002. NATURE OF DISTRICT

12 Sec. 9011.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

13 [Sections 9011.004-9011.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS
15 TO DISTRICT TERRITORY

16 Sec. 9011.051. DISTRICT TERRITORY

17 Sec. 9011.052. ANNEXATION OF TERRITORY BY LANDOWNER
18 PETITION

19 Sec. 9011.053. PETITION REQUIREMENTS

20 Sec. 9011.054. HEARING ON PETITION

21 Sec. 9011.055. NOTICE OF HEARING

22 Sec. 9011.056. BOARD ANNEXATION OF TERRITORY

23 Sec. 9011.057. RATIFICATION ELECTION; LIMITATION ON
24 ASSUMPTION OF DEBT OR TAXES

25 Sec. 9011.058. ANNEXED TERRITORY'S RESPONSIBILITY FOR
26 DISTRICT DEBT OR TAXES

- 1 Sec. 9011.059. ANNEXATION OF TERRITORY IN A
2 MUNICIPALITY
3 [Sections 9011.060-9011.100 reserved for expansion]
4 SUBCHAPTER C. BOARD OF DIRECTORS
5 Sec. 9011.101. COMPOSITION OF BOARD
6 Sec. 9011.102. QUALIFICATIONS FOR OFFICE
7 Sec. 9011.103. DIRECTORS' ELECTION
8 Sec. 9011.104. BALLOT PETITION
9 Sec. 9011.105. APPOINTMENT OF SECRETARY AND TREASURER
10 Sec. 9011.106. VOTE BY BOARD PRESIDENT
11 Sec. 9011.107. DIRECTOR'S AND TREASURER'S BOND
12 Sec. 9011.108. COMPENSATION
13 [Sections 9011.109-9011.150 reserved for expansion]
14 SUBCHAPTER D. POWERS AND DUTIES
15 Sec. 9011.151. WATER CONTROL AND IMPROVEMENT DISTRICT
16 POWERS
17 Sec. 9011.152. WATER SUPPLY AND DISTRIBUTION;
18 ACQUISITION OF LAND RIGHTS
19 Sec. 9011.153. EMINENT DOMAIN
20 Sec. 9011.154. COST OF RELOCATING OR ALTERING PROPERTY
21 Sec. 9011.155. AWARD OF CERTAIN CONSTRUCTION OR
22 PURCHASE CONTRACTS
23 Sec. 9011.156. CONTRACTS REGARDING WATER OR SEWER
24 FACILITIES
25 Sec. 9011.157. CONTRACTS AND COOPERATION WITH
26 MUNICIPALITY INSIDE DISTRICT
27 Sec. 9011.158. PROHIBITED AGREEMENTS

1 [Sections 9011.159-9011.200 reserved for expansion]

2 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

3 Sec. 9011.201. DEPOSITORY

4 Sec. 9011.202. IMPOSITION OF AD VALOREM TAXES

5 Sec. 9011.203. TAX ASSESSOR AND COLLECTOR

6 Sec. 9011.204. PROJECTS EXEMPT FROM ASSESSMENT OR

7 TAXATION

8 [Sections 9011.205-9011.250 reserved for expansion]

9 SUBCHAPTER F. BONDS

10 Sec. 9011.251. AUTHORITY TO ISSUE BONDS

11 Sec. 9011.252. FORM OF BONDS

12 Sec. 9011.253. MATURITY

13 Sec. 9011.254. ELECTION FOR BONDS PAYABLE FROM AD

14 VALOREM TAXES

15 Sec. 9011.255. BONDS PAYABLE FROM REVENUE

16 Sec. 9011.256. TAX AND RATE REQUIREMENTS

17 Sec. 9011.257. ADDITIONAL SECURITY

18 Sec. 9011.258. TRUST INDENTURE OR DEED OF TRUST

19 Sec. 9011.259. USE OF BOND PROCEEDS

20 Sec. 9011.260. APPOINTMENT OF RECEIVER

21 Sec. 9011.261. REFUNDING BONDS

22 Sec. 9011.262. BONDS EXEMPT FROM TAXATION

23 CHAPTER 9011. BELL COUNTY WATER CONTROL AND

24 IMPROVEMENT DISTRICT NO. 3

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 9011.001. DEFINITIONS. In this chapter:

27 (1) "Board" means the district's board of directors.

1 (2) "Director" means a member of the board.

2 (3) "District" means the Bell County Water Control and
3 Improvement District No. 3. (New; V.A.C.S. Art. 8280-182, Sec. 1
4 (part).)

5 Sec. 9011.002. NATURE OF DISTRICT. The district is a water
6 control and improvement district created under Section 59, Article
7 XVI, Texas Constitution. (V.A.C.S. Art. 8280-182, Sec. 1 (part).)

8 Sec. 9011.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a)
9 The district is created to serve a public use and benefit.

10 (b) All land included in the district will benefit.

11 (c) The accomplishment of the purposes stated in this
12 chapter is for the benefit of the people of this state and the
13 improvement of their property and industries. The district, in
14 carrying out the purposes of this chapter, will be performing an
15 essential public function under the constitution. (V.A.C.S. Art.
16 8280-182, Secs. 22 (part), 26 (part).)

17 [Sections 9011.004-9011.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

19 TO DISTRICT TERRITORY

20 Sec. 9011.051. DISTRICT TERRITORY. The district is
21 composed of the territory described by Section 2, Chapter 506, Acts
22 of the 54th Legislature, Regular Session, 1955 (Article 8280-182,
23 Vernon's Texas Civil Statutes), as that territory may have been
24 modified under:

25 (1) this subchapter or its predecessor statutes; or

26 (2) other law. (New.)

27 Sec. 9011.052. ANNEXATION OF TERRITORY BY LANDOWNER

1 PETITION. As provided by this subchapter, the district may annex
2 territory by petition of the owners of land or a portion of the land
3 requested to be annexed. (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

4 Sec. 9011.053. PETITION REQUIREMENTS. (a) A petition to
5 the board to annex land must:

6 (1) request that the district annex the land;

7 (2) describe by metes and bounds the land proposed to
8 be annexed;

9 (3) affirmatively state that:

10 (A) the land annexed is subject to its
11 proportionate part of the outstanding debt;

12 (B) the land will be subject to taxation for
13 payment of that debt;

14 (C) the assumption of the proportionate debt will
15 be a covenant running with the land; and

16 (D) the petition will be filed in the deed
17 records of Bell County; and

18 (4) be signed:

19 (A) by a majority of the owners of the land to be
20 annexed if the number of owners is 30 or fewer; or

21 (B) by 30 owners of the land to be annexed if the
22 number of owners is more than 30.

23 (b) The petition must be filed with the board secretary.
24 (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

25 Sec. 9011.054. HEARING ON PETITION. The board shall order a
26 hearing on the petition to be held at a time and on a date stated in
27 the order and not before the 30th day after the date of the order.

1 (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

2 Sec. 9011.055. NOTICE OF HEARING. (a) The board secretary
3 shall:

4 (1) issue notice of the hearing that includes:

5 (A) the time and place of the hearing; and

6 (B) a description of the territory proposed to be
7 annexed; and

8 (2) post copies of the notice for 15 days before the
9 date of the hearing in:

10 (A) three public places in the district; and

11 (B) one public place in the territory proposed to
12 be annexed.

13 (b) The notice must be published in a newspaper of general
14 circulation in the county one time at least 15 days before the date
15 of the hearing. (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

16 Sec. 9011.056. BOARD ANNEXATION OF TERRITORY. (a) The
17 board by resolution may annex the proposed territory to the
18 district if the board finds as a result of the hearing that the
19 annexation:

20 (1) is to the advantage of the district; and

21 (2) will not injure other land of the district.

22 (b) If on hearing the petition a change to the proposed
23 annexation is found necessary or desirable, the annexation may
24 include less than all of the territory described in the petition.

25 (c) The resolution authorizing the annexation must be
26 recorded in the board minutes. (V.A.C.S. Art. 8280-182, Sec. 5
27 (part).)

1 Sec. 9011.057. RATIFICATION ELECTION; LIMITATION ON
2 ASSUMPTION OF DEBT OR TAXES. (a) The annexation of territory under
3 this subchapter is not final until ratified by:

4 (1) a majority of the voters voting at a separate
5 election held in the district; and

6 (2) a majority of the voters voting at a separate
7 election held in the territory to be annexed.

8 (b) If the district has outstanding debts or taxes, the
9 proposition for the territory's assumption of its proportion of the
10 debts or taxes on annexation shall be submitted at the same time and
11 at the same election.

12 (c) The manner of holding the election, the election notice,
13 and the manner and time of giving notice of the election under this
14 section are governed by Chapters 49 and 51, Water Code. (V.A.C.S.
15 Art. 8280-182, Sec. 5 (part).)

16 Sec. 9011.058. ANNEXED TERRITORY'S RESPONSIBILITY FOR
17 DISTRICT DEBT OR TAXES. The annexed territory shall bear the
18 territory's proportionate share of all debt or taxes owed,
19 contracted, or authorized by the district. (V.A.C.S.
20 Art. 8280-182, Sec. 5 (part).)

21 Sec. 9011.059. ANNEXATION OF TERRITORY IN A MUNICIPALITY.
22 The district may annex territory inside a municipality's
23 boundaries. (V.A.C.S. Art. 8280-182, Sec. 25.)

24 [Sections 9011.060-9011.100 reserved for expansion]

25 SUBCHAPTER C. BOARD OF DIRECTORS

26 Sec. 9011.101. COMPOSITION OF BOARD. The board consists of
27 five elected directors. (V.A.C.S. Art. 8280-182, Secs. 3(a)

1 (part), (b) (part).)

2 Sec. 9011.102. QUALIFICATIONS FOR OFFICE. (a) A person may
3 not be appointed a director unless the person resides in Bell County
4 and owns taxable property in the district.

5 (b) A person may not serve as a director if the person is:

6 (1) a member of a governing body of a county or
7 municipality; or

8 (2) an employee of a county or municipality.

9 (V.A.C.S. Art. 8280-182, Sec. 3(a) (part).)

10 Sec. 9011.103. DIRECTORS' ELECTION. (a) Except as
11 provided by this subchapter, a directors' election is held in
12 accordance with Chapters 49 and 51, Water Code, and the Election
13 Code.

14 (b) The election order must state the time, place, and
15 purpose of the election.

16 (c) Notice of a directors' election must be published in a
17 newspaper of general circulation in the district's territory one
18 time at least 30 days before the date of the election. (V.A.C.S.
19 Art. 8280-182, Sec. 3(c) (part).)

20 Sec. 9011.104. BALLOT PETITION. (a) A person who wants to
21 have the person's name printed on the ballot as a candidate for
22 director must present to the board secretary a petition requesting
23 that action.

24 (b) The petition must be:

25 (1) signed by at least 10 registered voters; and

26 (2) presented to the secretary not later than the 11th
27 day before the date of the election. (V.A.C.S. Art. 8280-182, Sec.

1 3(d).)

2 Sec. 9011.105. APPOINTMENT OF SECRETARY AND TREASURER. The
3 board shall appoint a secretary and a treasurer who are not required
4 to be directors. The board may combine the offices of secretary and
5 treasurer. (V.A.C.S. Art. 8280-182, Sec. 4 (part).)

6 Sec. 9011.106. VOTE BY BOARD PRESIDENT. The president has
7 the same right to vote as any other director. (V.A.C.S.
8 Art. 8280-182, Sec. 4 (part).)

9 Sec. 9011.107. DIRECTOR'S AND TREASURER'S BOND. (a) A
10 director shall give bond in the amount of \$5,000 for the faithful
11 performance of the director's duties.

12 (b) The treasurer shall give bond in the amount required by
13 the board. The treasurer's bond shall be conditioned on the
14 treasurer's faithfully accounting for all money that comes into the
15 treasurer's custody as treasurer. (V.A.C.S. Art. 8280-182, Secs.
16 3(a) (part), 4 (part).)

17 Sec. 9011.108. COMPENSATION. Unless the board by
18 resolution increases the fee to an amount authorized by Section
19 49.060, Water Code, each director is entitled to receive a fee of
20 not more than \$25 a day for each day the director spends performing
21 duties as a director. The fees for each director for any one month
22 may not exceed \$100. (V.A.C.S. Art. 8280-182, Sec. 3(f) (part).)

23 [Sections 9011.109-9011.150 reserved for expansion]

24 SUBCHAPTER D. POWERS AND DUTIES

25 Sec. 9011.151. WATER CONTROL AND IMPROVEMENT DISTRICT
26 POWERS. The district has all powers conferred by the general laws
27 of this state relating to water control and improvement districts,

1 including Chapters 49 and 51, Water Code, except powers that:

2 (1) conflict with this chapter; or

3 (2) relate to the annexation and exclusion of
4 territory. (V.A.C.S. Art. 8280-182, Sec. 21 (part).)

5 Sec. 9011.152. WATER SUPPLY AND DISTRIBUTION; ACQUISITION
6 OF LAND RIGHTS. (a) The district may acquire or develop water,
7 including groundwater, and sources of water.

8 (b) The district may acquire or construct all works, plants,
9 or other facilities or equipment necessary or useful to:

10 (1) store or process the water; and

11 (2) transport and distribute the water for municipal,
12 domestic, farm, or industrial purposes.

13 (c) The board may make an agreement or contract with any
14 organized district, municipality, person, public agency, or state
15 or the federal government for the district to:

16 (1) acquire water, groundwater, or sources of water;

17 (2) store, process, transport, and distribute the
18 water; and

19 (3) perform any other act necessary to carry out the
20 powers of the district or accomplish a purpose of this chapter.

21 (d) An existing municipality or district may contract with
22 the district for the purposes stated in this section.

23 (e) The district may acquire all the land, easements, and
24 rights-of-way necessary to carry out the powers of the district or
25 the purposes of this chapter.

26 (f) The district may exercise the powers under this section
27 inside or outside the district's boundaries but only in Bell

1 County. (V.A.C.S. Art. 8280-182, Sec. 7.)

2 Sec. 9011.153. EMINENT DOMAIN. (a) In Bell County only,
3 the district may exercise the power of eminent domain to acquire
4 land, easements, or rights-of-way to carry out any power conferred
5 by this chapter.

6 (b) The district must exercise the power of eminent domain
7 in the manner provided by Chapter 21, Property Code.

8 (c) The board shall determine the amount of and character of
9 interest in land or easements to be acquired.

10 (d) In exercising the power of eminent domain against a
11 person that has the power of eminent domain or a receiver or trustee
12 for that person, the district may acquire an easement only but may
13 not acquire the fee title. (V.A.C.S. Art. 8280-182, Sec. 8 (part).)

14 Sec. 9011.154. COST OF RELOCATING OR ALTERING PROPERTY. If
15 the district's exercise of the power of eminent domain, the power of
16 relocation, or any other power granted under this chapter makes
17 necessary the relocating, raising, rerouting, changing the grade,
18 or altering the construction of any highway, railroad, electric
19 transmission line, communication property and facility, or
20 pipeline, the action shall be accomplished at the sole expense of
21 the district. (V.A.C.S. Art. 8280-182, Sec. 8 (part).)

22 Sec. 9011.155. AWARD OF CERTAIN CONSTRUCTION OR PURCHASE
23 CONTRACTS. (a) This section applies only to a construction
24 contract or contract for the purchase of materials, equipment, or
25 supplies requiring an expenditure of more than \$2,000.

26 (b) This section does not apply to the purchase of a system
27 or part of a system in existence at the time of the purchase.

1 (c) The district shall award a contract to the lowest and
2 best bidder only after notice of the contract to bidders is
3 published once at least 10 days before the date the contract is
4 awarded. The notice must be printed in a newspaper of general
5 circulation in the district that is designated by the board.

6 (d) The notice is sufficient if it states:

7 (1) the time and place for opening the bids;

8 (2) the general nature of the work to be done or the
9 material, equipment, or supplies to be purchased; and

10 (3) the place where and the terms on which copies of
11 the plans and specifications may be obtained. (V.A.C.S. Art.
12 8280-182, Sec. 9.)

13 Sec. 9011.156. CONTRACTS REGARDING WATER OR SEWER
14 FACILITIES. (a) The district may contract with a municipality,
15 an organized district, or another person to supply water to that
16 person.

17 (b) The district may contract with a municipality, an
18 organized district, or another person to rent, lease, or operate
19 the water production, water supply and water supply facilities, or
20 sanitary and storm sewer facilities of that person.

21 (c) The parties to the contract may agree on the contract
22 terms including the consideration and the duration of the contract.

23 (d) The contract may provide that it will continue in effect
24 until bonds specified in it and refunding bonds issued in lieu of
25 those bonds are paid.

26 (e) A power granted by this section does not apply outside
27 Bell County. (V.A.C.S. Art. 8280-182, Sec. 17.)

1 Sec. 9011.157. CONTRACTS AND COOPERATION WITH MUNICIPALITY
2 INSIDE DISTRICT. (a) The district territory described by the law
3 codified by this chapter intentionally overlaps the territory of an
4 existing municipality. The board may contract or cooperate with
5 the municipality on matters that come within the purposes for which
6 the district is organized or in aid of those purposes.

7 (b) The municipality may contract with the district for the
8 purposes stated in this section or in aid of those purposes.
9 (V.A.C.S. Art. 8280-182, Sec. 24.)

10 Sec. 9011.158. PROHIBITED AGREEMENTS. (a) The district
11 may not enter into a contract or agreement that requires the
12 district or the people in the district to lose ownership of or
13 control over the use of any district property, real, personal, or
14 mixed, after payment of all outstanding legal obligations of the
15 district, including bonds and refunding bonds.

16 (b) A contract or agreement prohibited by this section, if
17 entered into by the board, is void. (V.A.C.S. Art. 8280-182, Sec.
18 7-A (part).)

19 [Sections 9011.159-9011.200 reserved for expansion]

20 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

21 Sec. 9011.201. DEPOSITORY. (a) The board shall designate
22 one or more banks to serve as depository for the district's money.

23 (b) District money shall be deposited with a designated
24 depository bank, except that:

25 (1) money pledged to pay bonds may be deposited with
26 the trustee bank named in the trust indenture; and

27 (2) money shall be remitted to the bank of payment for

1 the payment of principal of and interest on bonds.

2 (c) To the extent that money in a depository bank or the
3 trustee bank is not insured by the Federal Deposit Insurance
4 Corporation, the money must be secured in the manner provided by law
5 for the security of county funds.

6 (d) Membership on the board of an officer or director of a
7 bank does not disqualify the bank from being designated as a
8 depository. (V.A.C.S. Art. 8280-182, Sec. 18.)

9 Sec. 9011.202. IMPOSITION OF AD VALOREM TAXES. A tax
10 imposed by the district must be an ad valorem tax, including a tax
11 to:

12 (1) pay off bonds for preliminary surveys and
13 investigation or to provide funds for conducting preliminary
14 surveys, if no construction bonds are to be issued; and

15 (2) pay the principal and interest and other costs
16 that may be paid from taxes. (V.A.C.S. Art. 8280-182, Secs. 11, 12
17 (part).)

18 Sec. 9011.203. TAX ASSESSOR AND COLLECTOR. (a) The board
19 shall appoint a tax assessor and collector.

20 (b) The board may appoint deputies to assist the tax
21 assessor and collector by an order stating the manner and period of
22 assistance. (V.A.C.S. Art. 8280-182, Sec. 12 (part).)

23 Sec. 9011.204. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.
24 The district is not required to pay a tax or assessment on a project
25 or any part of a project. (V.A.C.S. Art. 8280-182, Sec. 22 (part).)

26 [Sections 9011.205-9011.250 reserved for expansion]

SUBCHAPTER F. BONDS

1
2 Sec. 9011.251. AUTHORITY TO ISSUE BONDS. (a) The
3 district may issue bonds to carry out any purpose of this chapter
4 and to:

5 (1) provide a water system, as authorized by this
6 chapter, for municipal, domestic, and industrial purposes;

7 (2) pay fees of an attorney, engineer, or fiscal
8 agent;

9 (3) pay the cost of printing and issuing bonds; and

10 (4) exercise any other power conferred by this
11 chapter.

12 (b) The bonds must be authorized by a board resolution.

13 (c) Bonds issued by the district must be payable by a pledge
14 of:

15 (1) revenue;

16 (2) ad valorem taxes imposed on all taxable property
17 in the district; or

18 (3) both revenue and ad valorem taxes.

19 (d) The pledge must be in a resolution or trust indenture
20 adopted or authorized by the board.

21 (e) A bond issuance payable wholly or partly from ad valorem
22 taxes is subject to the conditions prescribed by this subchapter.
23 (V.A.C.S. Art. 8280-182, Secs. 10(a), (b) (part), (c) (part), (f)
24 (part).)

25 Sec. 9011.252. FORM OF BONDS. A district bond must be:

26 (1) issued in the district's name;

27 (2) signed by the president or vice president; and

1 (3) attested by the secretary. (V.A.C.S. Art.
2 8280-182, Sec. 10(b) (part).)

3 Sec. 9011.253. MATURITY. District bonds must mature not
4 later than 40 years after their date of issuance. (V.A.C.S. Art.
5 8280-182, Sec. 10(b) (part).)

6 Sec. 9011.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM
7 TAXES. (a) Bonds, other than refunding bonds, payable wholly or
8 partly from ad valorem taxes may not be issued unless authorized by
9 a majority of the district voters voting at an election.

10 (b) The board may order an election under this section
11 without a petition. The order must specify:

12 (1) the time and place at which the election will be
13 held;

14 (2) the purpose for which the bonds will be issued;

15 (3) the maximum amount of the bonds;

16 (4) the maximum maturity of the bonds;

17 (5) the form of the ballot; and

18 (6) the presiding judge for each voting place.

19 (c) Notice of the election must be published:

20 (1) at least once in a newspaper published or having
21 general circulation in the district; and

22 (2) at least 14 days before the date of the election.
23 (V.A.C.S. Art. 8280-182, Sec. 10(g) (part).)

24 Sec. 9011.255. BONDS PAYABLE FROM REVENUE. (a) In this
25 section, "net revenue" means the gross revenue of the district less
26 the amount necessary to pay the cost of maintaining and operating
27 the district and its property.

1 (b) Bonds issued under this subchapter may be secured under
2 board resolution by a pledge of:

3 (1) all or part of the net revenue of the district;

4 (2) the net revenue of one or more contracts made
5 before or after the issuance of the bonds; or

6 (3) other revenue specified by resolution of the
7 board.

8 (c) The pledge may reserve the right to issue additional
9 bonds on a parity with, or subordinate to, the bond being issued,
10 subject to the conditions specified in the pledge. (V.A.C.S.
11 Art. 8280-182, Sec. 10(d).)

12 Sec. 9011.256. TAX AND RATE REQUIREMENTS. (a) If the
13 district issues bonds payable wholly or partly from ad valorem
14 taxes, the board shall impose a tax sufficient to pay the bonds and
15 the interest on the bonds as the bonds and interest become due. The
16 board may adopt the rate of the tax after considering the money
17 received from pledged revenue available for payment of principal
18 and interest to the extent and in the manner permitted by the
19 resolution authorizing the issuance of the bonds.

20 (b) If the district issues bonds payable wholly or partly
21 from revenue, the board shall set and revise the rates of
22 compensation for the use of the systems and services rendered by the
23 district.

24 (c) For bonds payable wholly from revenue, the rates of
25 compensation must be sufficient to:

26 (1) pay the expense of operating and maintaining the
27 facilities of the district;

1 (2) pay the bonds as they mature and the interest as it
2 accrues; and

3 (3) maintain the reserve and other funds as provided
4 by the resolution authorizing the issuance of the bonds or the trust
5 indenture.

6 (d) For bonds payable partly from revenue, the rates of
7 compensation must be sufficient to assure compliance with the
8 resolution authorizing the issuance of the bonds or with the trust
9 indenture. (V.A.C.S. Art. 8280-182, Secs. 10(e), (f) (part).)

10 Sec. 9011.257. ADDITIONAL SECURITY. (a) Bonds, including
11 refunding bonds, authorized by this subchapter may be additionally
12 secured by a deed of trust lien on physical property of the
13 district, franchises, easements, water rights and appropriation
14 permits, leases, contracts, and all rights appurtenant to the
15 property, vesting in the trustee the power to:

16 (1) sell the property; and

17 (2) take other action to further secure the bonds.

18 (b) A purchaser under a sale under the deed of trust:

19 (1) is the owner of the property and facilities
20 purchased; and

21 (2) is entitled to maintain and operate the property
22 and facilities. (V.A.C.S. Art. 8280-182, Sec. 14.)

23 Sec. 9011.258. TRUST INDENTURE OR DEED OF TRUST. (a) A
24 deed of trust lien conferred on the physical property may be
25 combined with the trust indenture authorized by this chapter.

26 (b) The trust indenture or deed of trust may provide for:

27 (1) the security of the bonds and the operation and

1 preservation of the trust estate in the manner prescribed by the
2 board;

3 (2) amendment or modification of the trust indenture
4 or deed of trust; and

5 (3) the issuance of bonds to replace lost or mutilated
6 bonds. (V.A.C.S. Art. 8280-182, Sec. 15.)

7 Sec. 9011.259. USE OF BOND PROCEEDS. (a) The district may
8 set aside an amount of proceeds from the sale of bonds issued under
9 this subchapter for the payment of:

10 (1) interest to accrue during two years after the
11 purchase of a system or expected to accrue during construction and
12 two years after construction; and

13 (2) a reserve interest and sinking fund.

14 (b) The resolution authorizing the bonds or a trust
15 indenture may provide for setting aside amounts under Subsection
16 (a).

17 (c) The district may use proceeds from the sale of the bonds
18 to pay an expense incurred in accomplishing the purposes of the
19 district, including:

20 (1) the fees of attorneys, engineers, or fiscal
21 agents; and

22 (2) the cost of printing and issuing the bonds.
23 (V.A.C.S. Art. 8280-182, Sec. 10(h).)

24 Sec. 9011.260. APPOINTMENT OF RECEIVER. (a) On default or
25 threatened default in the payment of the principal of or interest on
26 bonds issued under this subchapter and payable wholly or partly
27 from revenue, a court may, on petition of the holders of 25 percent

1 of the outstanding bonds, appoint a receiver.

2 (b) The receiver may collect and receive all district
3 income, employ and discharge district agents and employees, take
4 charge of money on hand, and manage the affairs of the district
5 without consent or hindrance by the board.

6 (c) The court may vest the receiver with any other power or
7 duty the court finds necessary to protect the bondholders.
8 (V.A.C.S. Art. 8280-182, Sec. 10(i).)

9 Sec. 9011.261. REFUNDING BONDS. (a) The district may issue
10 refunding bonds without an election to refund outstanding bonds
11 issued under this subchapter and interest on those bonds.

12 (b) Refunding bonds may:

13 (1) be issued to refund bonds of more than one series;

14 (2) combine the pledges for the outstanding bonds for
15 the security of the refunding bonds; or

16 (3) be secured by a pledge of other or additional
17 revenue.

18 (c) The provisions of this subchapter regarding the
19 issuance of other bonds and the remedies of the holders apply to
20 refunding bonds.

21 (d) The comptroller shall register the refunding bonds on
22 surrender and cancellation of the bonds to be refunded.

23 (e) Instead of issuing bonds to be registered on the
24 surrender and cancellation of the bonds to be refunded, the
25 district, in the resolution authorizing the issuance of the
26 refunding bonds, may provide for the sale of the refunding bonds and
27 the deposit of the proceeds in a bank at which the bonds to be

1 SUBCHAPTER D. POWERS AND DUTIES

2 Sec. 9012.151. WATER CONTROL AND IMPROVEMENT DISTRICT

3 POWERS

4 Sec. 9012.152. ACQUISITION OF IMPROVEMENTS

5 Sec. 9012.153. COST OF RELOCATING OR ALTERING PROPERTY

6 Sec. 9012.154. LIMIT ON EMINENT DOMAIN POWER

7 Sec. 9012.155. DURATION OF CONTRACT FOR WATER PURCHASE

8 OR SALE

9 [Sections 9012.156-9012.200 reserved for expansion]

10 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

11 Sec. 9012.201. TAX METHOD

12 CHAPTER 9012. CROSBY MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY,

13 TEXAS

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 9012.001. DEFINITIONS. In this chapter:

16 (1) "Board" means the board of directors of the
17 district.

18 (2) "District" means the Crosby Municipal Utility
19 District of Harris County, Texas. (V.A.C.S. Art. 8280-315, Sec. 1
20 (part); New.)

21 Sec. 9012.002. NATURE OF DISTRICT. The district is:

22 (1) a conservation and reclamation district under
23 Section 59, Article XVI, Texas Constitution;

24 (2) a water control and improvement district; and

25 (3) a municipal corporation. (V.A.C.S. Art. 8280-315,
26 Secs. 1 (part), 7 (part), 8 (part).)

27 Sec. 9012.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

1 The district is created to serve a public use and benefit.

2 (b) All land and other property in the district will benefit
3 from the creation of the district and the improvements the district
4 will purchase, construct, or otherwise acquire.

5 (c) The creation of the district is essential to accomplish
6 the purposes of Section 59, Article XVI, Texas Constitution.
7 (V.A.C.S. Art. 8280-315, Secs. 7 (part), 8 (part).)

8 [Sections 9012.004-9012.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT TERRITORY AND EXCLUSIONS FROM DISTRICT
10 TERRITORY

11 Sec. 9012.051. DISTRICT TERRITORY. (a) The district is
12 composed of the territory described by Section 1, Chapter 554, Acts
13 of the 59th Legislature, Regular Session, 1965 (Article 8280-315,
14 Vernon's Texas Civil Statutes), as that territory may have been
15 modified under:

16 (1) Subchapter O, Chapter 51, Water Code;

17 (2) Subchapter J, Chapter 49, Water Code;

18 (3) former Section 5, Chapter 554, Acts of the 59th
19 Legislature, Regular Session, 1965 (Article 8280-315, Vernon's
20 Texas Civil Statutes); or

21 (4) other law.

22 (b) The boundaries and field notes of the district form a
23 closure. A mistake in the field notes or in copying the field notes
24 in the legislative process does not affect:

25 (1) the district's organization, existence, or
26 validity;

27 (2) the district's right to issue bonds or to pay the

1 principal of and interest on the bonds;

2 (3) the district's right to impose a tax; or

3 (4) the legality or operation of the district or its
4 governing body. (V.A.C.S. Art. 8280-315, Sec. 2; New.)

5 Sec. 9012.052. EXCLUDING TERRITORY FROM THE DISTRICT. (a)
6 The board may exclude territory from the district before voting any
7 bonds or taxes in and for the district.

8 (b) The board shall give notice of its intention to hold a
9 hearing on the question of excluding territory from the district.
10 The notice must:

11 (1) specify the date and place of the hearing; and

12 (2) describe by metes and bounds the territory
13 proposed to be excluded.

14 (c) The notice must be published at least once in a
15 newspaper of general circulation in Harris County. The first
16 publication of the notice must be at least 10 days before the date
17 set for the hearing.

18 (d) The board by order may exclude the territory from the
19 district if at the hearing the board finds that the proposed
20 exclusion of territory is advantageous to the district and to the
21 territory to be excluded. In the order, the board shall also
22 redefine the boundaries of the district to embrace all land not
23 excluded. The territory is no longer a part of the district.

24 (e) The order authorizing the exclusion must be recorded in
25 the board minutes. (V.A.C.S. Art. 8280-315, Sec. 5 (part).)

26 Sec. 9012.053. HEARINGS FOR EXCLUSION OF TERRITORY. (a)
27 The board is not required to call or hold a hearing on the exclusion

1 of land or other property from the district.

2 (b) This section may not be construed to prevent the board
3 on its own motion from calling and holding an exclusion hearing
4 under general law. (V.A.C.S. Art. 8280-315, Sec. 7 (part).)

5 [Sections 9012.054-9012.100 reserved for expansion]

6 SUBCHAPTER C. BOARD OF DIRECTORS

7 Sec. 9012.101. COMPOSITION OF BOARD. The board is composed
8 of five directors. (V.A.C.S. Art. 8280-315, Sec. 4 (part).)

9 [Sections 9012.102-9012.150 reserved for expansion]

10 SUBCHAPTER D. POWERS AND DUTIES

11 Sec. 9012.151. WATER CONTROL AND IMPROVEMENT DISTRICT
12 POWERS. The district has the rights, powers, privileges, and
13 duties provided by general law applicable to a water control and
14 improvement district created under Section 59, Article XVI, Texas
15 Constitution, including Chapters 49 and 51, Water Code. (V.A.C.S.
16 Art. 8280-315, Sec. 3 (part).)

17 Sec. 9012.152. ACQUISITION OF IMPROVEMENTS. The district
18 may make, construct, or otherwise acquire improvements inside or
19 outside the district that are necessary or convenient to carry out a
20 power granted to the district under this chapter or a general law
21 described by Section 9012.151. (V.A.C.S. Art. 8280-315, Sec. 3
22 (part).)

23 Sec. 9012.153. COST OF RELOCATING OR ALTERING PROPERTY.

24 (a) In this section, "sole expense" means the actual cost of
25 relocating, raising, lowering, rerouting, or changing the grade of,
26 or altering the construction of a facility described by Subsection

27 (b) in providing comparable replacement without enhancement of the

1 facility, after deducting from that cost the net salvage value
2 derived from the old facility.

3 (b) If the district's exercise of the power of eminent
4 domain, the power of relocation, or any other power conferred by
5 this chapter makes necessary the relocation, raising, rerouting,
6 changing the grade, or alteration of the construction of a highway,
7 a railroad, an electric transmission line, or a telephone or
8 telegraph property or facility, or a pipeline, the necessary action
9 shall be accomplished at the sole expense of the district.
10 (V.A.C.S. Art. 8280-315, Sec. 3 (part).)

11 Sec. 9012.154. LIMIT ON EMINENT DOMAIN POWER. The district
12 may not exercise the power of eminent domain outside the district.
13 (V.A.C.S. Art. 8280-315, Sec. 3 (part).)

14 Sec. 9012.155. DURATION OF CONTRACT FOR WATER PURCHASE OR
15 SALE. A district contract for the purchase or sale of water may not
16 exceed 40 years. (V.A.C.S. Art. 8280-315, Sec. 3 (part).)

17 [Sections 9012.156-9012.200 reserved for expansion]

18 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

19 Sec. 9012.201. TAX METHOD. (a) The district shall use the
20 ad valorem basis or plan of taxation.

21 (b) The board is not required to hold a hearing on the
22 adoption of a plan of taxation. (V.A.C.S. Art. 8280-315, Sec. 7
23 (part).)

24 CHAPTER 9013. CNP UTILITY DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 9013.001. DEFINITIONS

27 Sec. 9013.002. NATURE OF DISTRICT

1 Sec. 9013.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE
2 [Sections 9013.004-9013.050 reserved for expansion]
3 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS
4 TO DISTRICT TERRITORY
5 Sec. 9013.051. DISTRICT TERRITORY
6 Sec. 9013.052. EXPANSION OF DISTRICT
7 [Sections 9013.053-9013.100 reserved for expansion]
8 SUBCHAPTER C. DISTRICT ADMINISTRATION
9 Sec. 9013.101. COMPOSITION OF BOARD
10 Sec. 9013.102. DIRECTOR'S BOND
11 Sec. 9013.103. VACANCY
12 Sec. 9013.104. DISTRICT OFFICE
13 Sec. 9013.105. ABSENCE OF PRESIDENT FROM BOARD MEETING
14 [Sections 9013.106-9013.150 reserved for expansion]
15 SUBCHAPTER D. POWERS AND DUTIES
16 Sec. 9013.151. WATER CONTROL AND IMPROVEMENT DISTRICT
17 POWERS AND DUTIES
18 Sec. 9013.152. ADDITIONAL POWERS AND DUTIES
19 Sec. 9013.153. EMINENT DOMAIN
20 Sec. 9013.154. COST OF RELOCATING OR ALTERING PROPERTY
21 Sec. 9013.155. CONTRACT FOR PURCHASE OF WATER, SEWER,
22 OR DRAINAGE SERVICES; ELECTION NOT
23 REQUIRED
24 Sec. 9013.156. NOTICE OF ELECTION
25 Sec. 9013.157. DISTRICT RULES
26 [Sections 9013.158-9013.200 reserved for expansion]

1 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2 Sec. 9013.201. TAX METHOD

3 Sec. 9013.202. DISTRICT ACCOUNTS

4 Sec. 9013.203. COPY OF AUDIT REPORT

5 Sec. 9013.204. PAYMENT OF TAX OR ASSESSMENT NOT

6 REQUIRED

7 Sec. 9013.205. DIRECTOR AS SHAREHOLDER IN DEPOSITORY

8 [Sections 9013.206-9013.250 reserved for expansion]

9 SUBCHAPTER F. BONDS

10 Sec. 9013.251. ISSUANCE OF BONDS

11 Sec. 9013.252. ADDITIONAL SECURITY

12 Sec. 9013.253. TRUST INDENTURE

13 Sec. 9013.254. ORDER OR RESOLUTION AUTHORIZING

14 ISSUANCE OF CERTAIN BONDS

15 CHAPTER 9013. CNP UTILITY DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 9013.001. DEFINITIONS. In this chapter:

18 (1) "Board" means the board of directors of the
19 district.

20 (2) "District" means the CNP Utility District.
21 (V.A.C.S. Art. 8280-466, Sec. 1 (part); New.)

22 Sec. 9013.002. NATURE OF DISTRICT. The district is a
23 conservation and reclamation district in Harris County created
24 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.
25 8280-466, Sec. 1 (part).)

26 Sec. 9013.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
27 The district is created to serve a public use and benefit.

1 (b) All land and other property included in the boundaries
2 of the district will benefit from the works and projects
3 accomplished by the district under the powers conferred by Section
4 59, Article XVI, Texas Constitution.

5 (c) The creation of the district is essential to accomplish
6 the purposes of Section 59, Article XVI, Texas Constitution.

7 (d) The accomplishment of the purposes stated in this
8 chapter is for the benefit of the people of this state and for the
9 improvement of their property and industries. The district, in
10 carrying out the purposes of this chapter, will be performing an
11 essential public function under the constitution. (V.A.C.S. Art.
12 8280-466, Secs. 1 (part), 4, 24 (part).)

13 [Sections 9013.004-9013.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

15 TO DISTRICT TERRITORY

16 Sec. 9013.051. DISTRICT TERRITORY. (a) The district is
17 composed of the territory described by Section 2, Chapter 751, Acts
18 of the 61st Legislature, Regular Session, 1969, as that territory
19 may have been modified under:

- 20 (1) Subchapter O, Chapter 51, Water Code;
21 (2) Subchapter J, Chapter 49, Water Code; or
22 (3) other law.

23 (b) The boundaries and field notes of the district form a
24 closure. A mistake in the field notes or in copying the field notes
25 in the legislative process does not affect:

- 26 (1) the district's organization, existence, and
27 validity;

1 (2) the district's right to issue any type of bond for
2 a purpose for which the district is created or to pay the principal
3 of and interest on the bond;

4 (3) the district's right to impose a tax; or

5 (4) the legality or operation of the district or the
6 board. (V.A.C.S. Art. 8280-466, Sec. 3; New.)

7 Sec. 9013.052. EXPANSION OF DISTRICT. (a) If land is added
8 to the district under Section 49.301 or 51.714, Water Code, the
9 board may require the petitioners:

10 (1) to assume the petitioners' pro rata share of the
11 voted but unissued bonds of the district; and

12 (2) to authorize the board to impose a tax on the
13 petitioners' property to pay for the bonds after the bonds have been
14 issued.

15 (b) If land is annexed in the manner provided by Section
16 49.302, Water Code, the board may also submit a proposition to the
17 voters of the area to be annexed on the question of the assumption
18 by the area to be annexed of its part of the voted but not yet issued
19 or sold tax or tax-revenue bonds of the district and the imposition
20 of an ad valorem tax on taxable property within the area to be
21 annexed along with a tax on the rest of the district for the payment
22 of the bonds.

23 (c) If the petitioners consent or if the election results
24 favorably, the district may issue its voted but unissued tax or
25 tax-revenue bonds regardless of changes to district boundaries
26 since the original voting or authorization of the bonds. (V.A.C.S.
27 Art. 8280-466, Sec. 9.)

1 [Sections 9013.053-9013.100 reserved for expansion]

2 SUBCHAPTER C. DISTRICT ADMINISTRATION

3 Sec. 9013.101. COMPOSITION OF BOARD. The board consists of
4 five directors. (V.A.C.S. Art. 8280-466, Sec. 10 (part).)

5 Sec. 9013.102. DIRECTOR'S BOND. (a) Each director shall
6 give bond in the amount of \$5,000 for the faithful performance of
7 the director's duties.

8 (b) The bond must be:

9 (1) approved by the county judge and the board;

10 (2) filed in the office of the county clerk of the
11 county or counties in which the district is located; and

12 (3) recorded in a record book kept for that purpose in
13 the district office. (V.A.C.S. Art. 8280-466, Sec. 10 (part).)

14 Sec. 9013.103. VACANCY. (a) Except as provided by
15 Subsection (b), a vacancy in the office of director shall be filled
16 in the manner provided by Section 49.105, Water Code.

17 (b) The county judge of the county in which the district is
18 located shall appoint directors to fill all vacancies on the board
19 whenever the number of qualified directors is fewer than three.
20 (V.A.C.S. Art. 8280-466, Sec. 10 (part).)

21 Sec. 9013.104. DISTRICT OFFICE. (a) Except as provided by
22 this section, the board shall designate, establish, and maintain a
23 district office as provided by Section 49.062, Water Code.

24 (b) The board may establish a second district office outside
25 the district. If the board establishes a second district office,
26 the board shall give notice of the location of that office by:

27 (1) filing a copy of the board resolution that

1 establishes the location of the office:

2 (A) with the Texas Commission on Environmental
3 Quality; and

4 (B) in the water control and improvement district
5 records of each county in which the district is located; and

6 (2) publishing notice of the location of the office in
7 a newspaper of general circulation in each county in which the
8 district is located.

9 (c) A district office that is a private residence, office,
10 or dwelling is a public place for matters relating to district
11 business.

12 (d) The board shall provide notice of any change in the
13 location of the district office outside the district in the manner
14 required by Subsection (b). (V.A.C.S. Art. 8280-466, Sec. 15.)

15 Sec. 9013.105. ABSENCE OF PRESIDENT FROM BOARD MEETING. If
16 the board president is absent from a board meeting:

17 (1) the board vice president may:

18 (A) sign an order adopted at the meeting; or

19 (B) implement any other action taken at the
20 meeting; or

21 (2) the board may authorize the president to sign the
22 order or implement the action. (V.A.C.S. Art. 8280-466, Sec. 10
23 (part).)

24 [Sections 9013.106-9013.150 reserved for expansion]

25 SUBCHAPTER D. POWERS AND DUTIES

26 Sec. 9013.151. WATER CONTROL AND IMPROVEMENT DISTRICT
27 POWERS AND DUTIES. The district has all of the rights, powers,

1 privileges, authority, and functions conferred by the general laws
2 of the state relating to water control and improvement districts
3 created under Section 59, Article XVI, Texas Constitution,
4 including those conferred by Chapters 49 and 51, Water Code.
5 (V.A.C.S. Art. 8280-466, Sec. 5 (part).)

6 Sec. 9013.152. ADDITIONAL POWERS AND DUTIES. (a) The
7 district may:

8 (1) make, purchase, construct, lease, or otherwise
9 acquire property, works, facilities, existing improvements, or
10 improvements to be made, constructed, or acquired that are:

11 (A) inside or outside the district's boundaries;
12 and

13 (B) necessary to carry out the powers granted by
14 this chapter or general law; or

15 (2) enter into a contract with a person on terms the
16 board considers desirable, fair, and advantageous for:

17 (A) the purchase or sale of water;

18 (B) the transportation, treatment, and disposal
19 of the domestic, industrial, or communal wastes of the district or
20 others;

21 (C) the continuing and orderly development of
22 land and property in the district through the purchase,
23 construction, or installation of facilities, works, or
24 improvements that the district is otherwise authorized to do or
25 perform so that, to the greatest extent reasonably possible,
26 considering sound engineering and economic practices, all of the
27 land and property may ultimately receive the services of the

1 facilities, works, or improvements; and

2 (D) the performance of any of the powers granted
3 by this chapter or general law.

4 (b) A contract under Subsection (a)(2) may not have a
5 duration of more than 40 years. (V.A.C.S. Art. 8280-466, Sec. 5
6 (part).)

7 Sec. 9013.153. EMINENT DOMAIN. The district may exercise
8 the power of eminent domain only:

9 (1) in a county in which the district is located; and

10 (2) when necessary to carry out the purposes for which
11 the district was created. (V.A.C.S. Art. 8280-466, Sec. 13
12 (part).)

13 Sec. 9013.154. COST OF RELOCATING OR ALTERING PROPERTY.

14 (a) In this section, "sole expense" means the actual cost of
15 relocating, raising, lowering, rerouting, or changing the grade of
16 or altering the construction of a facility described by Subsection
17 (b) in providing comparable replacement without enhancement of the
18 facility, after deducting from that cost the net salvage value of
19 the old facility.

20 (b) If the district's exercise of the power of eminent
21 domain, the power of relocation, or any other power conferred by
22 this chapter makes necessary relocating, raising, rerouting,
23 changing the grade, or altering the construction of a highway, a
24 railroad, an electric transmission line, a telegraph or telephone
25 property or facility, or a pipeline, the necessary action shall be
26 accomplished at the sole expense of the district. (V.A.C.S. Art.
27 8280-466, Sec. 13 (part).)

1 Sec. 9013.155. CONTRACT FOR PURCHASE OF WATER, SEWER, OR
2 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may
3 enter into a contract with a political subdivision for water,
4 sewer, or drainage services or any combination of those services
5 without the necessity of an election by any contracting party.

6 (b) The district may pay for an obligation incurred by such
7 a contract by issuing bonds that, if otherwise necessary, have been
8 approved by the voters in the manner provided by this chapter.

9 (c) The district may deliver the district's bonds to any of
10 the following parties that enters into such a contract with the
11 district:

12 (1) the United States;

13 (2) an agency or instrumentality of the United States;

14 (3) this state; or

15 (4) an agency or instrumentality of this state.

16 (V.A.C.S. Art. 8280-466, Sec. 5 (part).)

17 Sec. 9013.156. NOTICE OF ELECTION. The board president or
18 secretary may give notice of an election. (V.A.C.S. Art. 8280-466,
19 Sec. 19.)

20 Sec. 9013.157. DISTRICT RULES. The district shall adopt
21 and enforce reasonable and effective rules to secure and maintain
22 safe, sanitary, and adequate plumbing installations, connections,
23 and appurtenances as subsidiary parts of the district's sewerage
24 system to preserve the quality of water within or controlled by the
25 district. (V.A.C.S. Art. 8280-466, Sec. 16.)

26 [Sections 9013.158-9013.200 reserved for expansion]

1 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2 Sec. 9013.201. TAX METHOD. (a) The board shall use the ad
3 valorem plan of taxation.

4 (b) The board is not required to hold a hearing on the
5 adoption of a plan of taxation. (V.A.C.S. Art. 8280-466, Sec. 8.)

6 Sec. 9013.202. DISTRICT ACCOUNTS. The district shall keep
7 a complete system of the district's accounts. (V.A.C.S. Art.
8 8280-466, Sec. 14 (part).)

9 Sec. 9013.203. COPY OF AUDIT REPORT. A copy of the audit
10 report prepared under Subchapter G, Chapter 49, Water Code, shall
11 be delivered:

12 (1) to each director; and

13 (2) on request to a holder of at least 25 percent of
14 the outstanding bonds of the district. (V.A.C.S. Art. 8280-466,
15 Sec. 14 (part).)

16 Sec. 9013.204. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.
17 The district is not required to pay a tax or assessment on:

18 (1) district property; or

19 (2) a purchase made by the district. (V.A.C.S. Art.
20 8280-466, Sec. 24 (part).)

21 Sec. 9013.205. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A
22 director may be a shareholder in a depository of district funds.
23 (V.A.C.S. Art. 8280-466, Sec. 14 (part).)

24 [Sections 9013.206-9013.250 reserved for expansion]

25 SUBCHAPTER F. BONDS

26 Sec. 9013.251. ISSUANCE OF BONDS. (a) The district may
27 issue bonds payable from taxes or revenue to provide money for any

1 purpose of this chapter, including the acquisition of land.

2 (b) The district must issue bonds in the manner provided by
3 Chapters 49 and 51, Water Code, except that the district may issue
4 bonds payable solely from net revenue by resolution or order of the
5 board without an election.

6 (c) Bonds issued under this subchapter may be payable from
7 all or any designated part of the revenue of district property and
8 facilities or under a specific contract, as provided in the order or
9 resolution authorizing the issuance of bonds. (V.A.C.S. Art.
10 8280-466, Sec. 12 (part).)

11 Sec. 9013.252. ADDITIONAL SECURITY. (a) Within the
12 discretion of the board, bonds issued under this subchapter may be
13 additionally secured by a deed of trust or mortgage lien on physical
14 property of the district and franchises, easements, water rights
15 and appropriation permits, leases, contracts, and all rights
16 appurtenant to that property, vesting in the trustee the power to:

- 17 (1) sell the property for payment of the debt;
18 (2) operate the property; and
19 (3) take any other action to secure the bonds.

20 (b) A purchaser under a sale under the deed of trust or
21 mortgage lien of the property:

- 22 (1) is the absolute owner of the property, facilities,
23 and rights purchased; and
24 (2) may maintain and operate the property and
25 facilities. (V.A.C.S. Art. 8280-466, Sec. 12 (part).)

26 Sec. 9013.253. TRUST INDENTURE. A trust indenture created
27 under Section 9013.252, regardless of the existence of a deed of

1 trust or mortgage lien on the property, may:

2 (1) provide for the security of the bonds and the
3 preservation of the trust estate in the manner prescribed by the
4 board;

5 (2) provide for amendment or modification of the trust
6 indenture;

7 (3) provide for the issuance of bonds to replace lost
8 or mutilated bonds;

9 (4) condition the right to spend district money or
10 sell district property on the approval of a licensed engineer
11 selected as provided by the trust indenture; and

12 (5) provide for the investment of district money.
13 (V.A.C.S. Art. 8280-466, Sec. 12 (part).)

14 Sec. 9013.254. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF
15 CERTAIN BONDS. (a) In an order or resolution authorizing the
16 issuance of revenue, tax-revenue, revenue refunding, or
17 tax-revenue refunding bonds, the board may:

18 (1) provide for:

19 (A) the flow of funds; and

20 (B) the establishment and maintenance of the
21 interest and sinking fund, reserve fund, or other fund;

22 (2) make additional covenants with respect to the
23 bonds and the pledged revenue and the operation and maintenance of
24 the improvements and facilities the revenue of which is pledged,
25 which may include provisions for the operation or leasing of all or
26 part of the improvements and facilities and the use or pledge of
27 money received from the operation contract or lease as the board

1 considers appropriate;

2 (3) prohibit the further issuance of bonds or other
3 obligations payable from the pledged revenue or reserve the right
4 to issue additional bonds to be secured by a pledge of and payable
5 from the revenue on a parity with, or subordinate to, the lien and
6 pledge in support of the bonds being issued, subject to any
7 conditions set forth in the order or resolution; and

8 (4) include any other provision or covenant not
9 prohibited by the Texas Constitution or this chapter.

10 (b) The board may adopt and execute any other proceeding or
11 instrument necessary or convenient in the issuance of the bonds.
12 (V.A.C.S. Art. 8280-466, Sec. 12 (part).)

13 ARTICLE 2. CONFORMING AMENDMENTS

14 SECTION 2.01. Section 1, Chapter 668, Acts of the 64th
15 Legislature, Regular Session, 1975, is amended to read as follows:

16 Sec. 1. The boundaries [~~Pursuant to the provisions of~~
17 ~~Article IX, Section 9, of the Texas Constitution, this Act~~
18 ~~authorizes the creation, establishment, maintenance, operation,~~
19 ~~and financing]~~ of the Follett Hospital District of Lipscomb County
20 [~~the boundaries of which~~] are described as follows:

21 "Beginning at the Northeast corner of Lipscomb County at the
22 Northeast corner of the Texas Panhandle at a corner of the State
23 Boundary Line between Texas and Oklahoma;

24 Thence South along the East line of Lipscomb County and along
25 the State Boundary Line, about 15.5 miles, to an extension of the
26 South line of Section 705, Block 43, H&TC RR Co. Surveys in Lipscomb
27 County, Texas;

1 Thence West along said extension and along the South line of
2 Sections 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716,
3 717, 718, 719, 720, 721, 722, 723, 724 and 725 all in said Block 43,
4 about 21.5 miles, to the Southwest corner of said Section 725;

5 Thence North along the West line of said Section 725, about
6 one mile, to the Northwest corner of said Section 725;

7 Thence East along the North line of Sections 725, 724, 723,
8 722, 721, 720, 719, 718, 717, and 716 all in said Block 43, about 10
9 miles, to the Northeast corner of said Section 716 which is also the
10 Southwest corner of Section 782 in said Block 43;

11 Thence North along the West line of Sections 782, 803 and 870
12 in said Block 43, about 3 miles, to the Northwest corner of said
13 Section 870 which is also the Southeast corner of Section 892 in
14 said Block 43;

15 Thence West along the South line of Section 892 and Section
16 893 in said Block 43, about 2 miles, to the Southwest corner of said
17 Section 893;

18 Thence North along the West line of said Section 893, about
19 one mile, to the Northwest corner of said Section 893 which is also
20 the Southeast corner of Section 955 in said Block 43;

21 Thence West along the South line of said Section 955, about
22 one mile, to the Southwest corner of said Section 955;

23 Thence North along the West line of Sections 955, 982, 1043,
24 1070, 1131 and 1158 all in said Block 43, about 6 miles, to a point
25 in the South line of Section 163, Block 10, H&GN RR Co. Surveys;

26 Thence West along the South line of said Section 163 to the
27 Southwest corner of said Section 163;

1 Thence North along the West line of said Section 163 and along
2 the West line of Sections 102, 75 and 14, Block 10, H&TB RR Co.
3 Surveys and an extension of said line, about 4.5 miles, to its
4 intersection with the North line of Lipscomb County which is also
5 the State Boundary Line between Texas and Oklahoma;

6 Thence East along said North line of Lipscomb County and said
7 State Boundary Line, about 14.5 miles, to PLACE OF BEGINNING."

8 SECTION 2.02. Section 1, Chapter 539, Acts of the 63rd
9 Legislature, Regular Session, 1973, is amended to read as follows:

10 Sec. 1. The boundaries [~~Pursuant to the provisions of~~
11 ~~Article IX, Section 9, of the Texas Constitution, this Act shall be~~
12 ~~operative so as to authorize the creation, establishment,~~
13 ~~maintenance, and operation~~] of the Darrouzett Hospital District of
14 Lipscomb County, Texas, [~~the boundaries of which~~] are described as
15 follows, to-wit:

16 BEGINNING at the intersection of the state boundary line
17 between Texas and Oklahoma and the eastern boundary line of
18 Sections 23 and 66 of Block 10, H. T. & B. Survey, Lipscomb County,
19 Texas;

20 THENCE Southerly along the eastern boundaries of Sections 66,
21 23, and 111, in Block 10, H. T. & B. Survey and of Section 154, Block
22 10, S.P. R.R. Survey, to the point of intersection of the eastern
23 boundary of said Section 154 with the south boundary of Section 155
24 of Block 10 of the Southern Pacific R. R. Survey;

25 THENCE East along the south boundary of Section 155 of Block
26 10 of the Southern Pacific R. R. Survey to its point of intersection
27 with the east boundary of Section 1167, Block 43, H. & T. C. R. R.

1 Co. Survey;

2 THENCE South along the east boundary of said Section 1167 and
3 continuing south along the east boundaries of Sections 1122, 1079,
4 1034, 991, 946, 903, 858, 815, 770, and 727 of Block 43, H. & T. C.
5 R. R. Co. Survey to the southwest corner of Section 726 (which is
6 the same as the southeast corner of Section 727);

7 THENCE East approximately one mile along the southern
8 boundary of Section 726 to the southeast corner of the said Section
9 726;

10 THENCE North approximately one mile along the eastern
11 boundary of the said Section 726 to the Southwest corner of Section
12 772 (which is the same as the northeast corner of Section 726);

13 THENCE East along the south boundary line of Sections 772,
14 773, 774, 775, 776, 777, 778, 779, 780 and 781, all in Block 10, H. &
15 T. C. R. R. Co. Survey to the southeast corner of the said Section
16 781;

17 THENCE North approximately three miles along the east
18 boundary of Sections 781, 804 and 869 to the northeast corner of the
19 said Section 869;

20 THENCE West approximately two miles along the north boundary
21 line of Sections 869 and 868 to the southeast corner of Section 894
22 (which is the same as the northwest corner of Section 868);

23 THENCE North approximately one mile along the eastern
24 boundary of Section 894;

25 THENCE West approximately one mile along the north boundary
26 of the said Section 894 to the southeast corner of Section 954
27 (which is the same as the northwest corner of Section 894);

1 THENCE North along the eastern boundary of Sections 954, 983,
2 1042, 1071, 1130, and 1159 to the intersection of the said eastern
3 boundary line of Section 1159 with the south boundary line of
4 Section 163, Block 10, H. & G. N. R. R. Co. Survey;

5 THENCE West along the south boundary of Section 163 to the
6 east boundary line of Section 162, Block 10, H. & G. R. R. Co.
7 Survey;

8 THENCE North along the east boundary line of the said Section
9 162, and of Sections 103, 74 and 15, Block 10, H. T. & B. R. R. Co.
10 Survey to the state boundary line between Texas and Oklahoma;

11 THENCE West along the said state boundary of Texas and
12 Oklahoma to the PLACE OF BEGINNING.

13 ~~[The Darrouzett Hospital District shall include all of the~~
14 ~~present territory of the Darrouzett Independent School District~~
15 ~~except for that part of the school district which is already in the~~
16 ~~Booker Hospital District.]~~

17 SECTION 2.03. Section 1, Chapter 561, Acts of the 63rd
18 Legislature, Regular Session, 1973, is amended to read as follows:

19 Sec. 1. The ~~[Pursuant to the authority granted by the~~
20 ~~provisions of Article IX, Section 9, of the Texas Constitution,~~
21 ~~the]~~ Hamlin Hospital District~~[, hereinafter referred to as~~
22 ~~district,]~~ is ~~[hereby authorized to be created and established so~~
23 ~~as to be]~~ composed of all the territory and property in Jones County
24 included within the following boundaries:

25 Beginning at a point on the North line of Jones County at its
26 intersection with the East line of Section 87, BBB&C RR Co. lands,
27 said point being also on the boundary of the Stamford Hospital

1 District;

2 Thence South with the East lines of Sections 87, 88, 89, 90,
3 91, BBB&C RR Co. lands to the SE corner of Section 91, the NE corner
4 of Section 92, same lands;

5 Thence West with the South lines of Sections 91 and 102 to the
6 mid-point of the South line of Section 102, same lands;

7 Thence South across Sections 101 and 100 to the mid-point of
8 the South line Section 100, same lands;

9 Thence West with the South line of Section 100 to the
10 Southwest corner of said Section 100;

11 Thence South with the West line of Section 99, same lands and
12 the West lines of Sections 7 and 8, GH&H RR Co. Survey to a point in
13 the East line of the McMullen and McGloin League 336;

14 Thence S 15 deg. E with the East line of League 336 to its SE
15 corner;

16 Thence S 75 deg. W with the South line of League 336 to the NE
17 corner of Sub-division 12 of the L. Kratz League 335;

18 Thence S 15 deg. E with the East lines of Subdivisions 12, 17
19 and 26, League 335 to a point in the North line of the Harrison
20 County School Lands League 334;

21 Thence S 75 deg. W with the North line of League 334 to the NE
22 corner of Subdivision 30, League 334;

23 Thence S 15 deg. E with the East lines of Subdivisions 30 and
24 43 to the mid-point of said League 334;

25 Thence S 75 deg. W to the mid-point of the West line of said
26 League 334;

27 Thence S 15 deg. E with the West lines of League 334 and 333

1 Harrison County School Lands to the SW corner of League 333 on the
2 North line of Section 44, S. P. RR Co. Block 2;

3 Thence S 75 deg. W with the North line of said Sec. 44 to its
4 NW corner;

5 Thence South with the West lines of Sections 44 and 43, S. P.
6 RR to the SW corner of said Section 43 on the North line of the S.
7 Redman pre-emption Survey;

8 Thence N 75 deg. E to the NE corner of said Redman Survey;

9 Thence S 15 deg. E with the East lines of the S. Redman and W.
10 S. Coulson Survey 212 to the NE corner of the M. Northington Survey
11 270 on the Clear Fork of the Brazos River;

12 Thence down the river with its meanders and with the East line
13 of the M. Northington Survey 270 and the North lines of the J. M.
14 Cloud Survey 269, J. C. Hunt Survey 268, the M. Fragosa Survey 267,
15 the S. Jones Survey 266 and the A. B. Jones Survey 265 to the NE
16 corner of Survey 265;

17 Thence S 15 deg. E with the East line of Section 265 to its SE
18 corner on the North line of Section 9, Blk. 17, T&P RR Co.;

19 Thence S 75 deg. W with the North line of Section 9 to its NW
20 corner;

21 Thence S 13 deg. E with the East lines of Sections 8, 13, 16
22 same lands and crossing Section 22, same lands to a point in the
23 North line of the G. A. Kirkland Survey 2;

24 Thence N 75 deg. E with the North line of said Survey 2 to the
25 NE corner of Subdivision 63;

26 Thence S 15 deg. E with the East line of Subdivision 63 to a
27 point in the North line of Dewitt County School Lands League 126;

1 Thence N 77 deg. E with the North line of League 126 to its NE
2 corner;

3 Thence S 13 deg. E with the East line of League 126 and
4 Section 23, Blk. 17, T&P RR to a point in the South line of Jones
5 County;

6 Thence West with South County line of Jones County across
7 Blk. 17, T&P RR Co. Dewitt County School Lands Leagues 125 and 149,
8 Blks. 18, 19, T&P RR Co. to the SW corner of Jones County, the SE
9 corner of Fisher County;

10 Thence North with the West county line of Jones County across
11 the R. S. Spiers Survey 283, E. Miles Survey 219, J. S. Hail Survey
12 2, Goliad County School Land Leagues 360, 359 and 358, J. Rodriguez
13 Survey 357, I. De La Garza Survey 356, Austin & Williams Survey 355
14 and 354, BBB&C RR Co. Blk. 1, Sections 181, 182 and 183, and others
15 to the NW corner of Jones County and the NE corner of Fisher County;

16 Thence East with the North county line of Jones County across
17 the W. E. Kaye Survey and Sections 171, 158, 152, 139, 134, 121,
18 115, 106 and 87, BBB&C RR Co. lands to the place of beginning.

19 SECTION 2.04. (a) Section 1, Chapter 666, Acts of the 64th
20 Legislature, Regular Session, 1975, is amended to read as follows:

21 Sec. 1. In addition to the boundaries described by Section
22 1, Chapter 667, Acts of the 64th Legislature, Regular Session,
23 1975, the boundaries [~~Pursuant to the provisions of Article IX,~~
24 ~~Section 9, of the Texas Constitution, this Act authorizes the~~
25 ~~creation, establishment, maintenance, operation, and financing]~~ of
26 the Higgins-Lipscomb [~~Higgins~~] Hospital District [~~of Lipscomb~~
27 ~~County, the boundaries of which]~~ are described as follows[~~, unless~~

1 ~~expansion of the district is authorized under Sections 4A, 4B, and~~
2 ~~4C of this Act]:~~

3 "Beginning at the Southeast corner of Lipscomb County on the
4 State Boundary Line between Texas and Oklahoma;

5 Thence West along the South line of Lipscomb County about
6 12.5 miles to the West line of Section 77, Block 43, H&TC RR Co.
7 Surveys;

8 Thence North along the West line of Sections 77, 100, 165,
9 188, 253, 276, 341, 364 and 429 in said Block 43, about 9 miles, to
10 the Northwest corner of said Section 429;

11 Thence East along the North line of said Section 429, about
12 one mile, to the Northeast corner of said Section 429 which is also
13 the Southwest corner of Section 451 in said Block 43;

14 Thence North along the West line of Sections 451, 518, 539,
15 606, 627 and 694 in said Block 43, about 6 miles, to the Northwest
16 corner of said Section 694;

17 Thence East along the North line of Sections 694, 695, 696,
18 697, 698, 699, 700, 701, 702, 703 and 704 and an extension of said
19 line, about 11.5 miles, to its intersection with the East line of
20 Lipscomb County which is also the State Boundary Line between Texas
21 and Oklahoma;

22 Thence South along said East line of Lipscomb County and said
23 State Boundary Line, about 15 miles, to PLACE OF BEGINNING."

24 (b) Section 1, Chapter 667, Acts of the 64th Legislature,
25 Regular Session, 1975, is amended to read as follows:

26 Sec. 1. In addition to the boundaries described by Section
27 1, Chapter 666, Acts of the 64th Legislature, Regular Session,

1 1975, the boundaries [~~Pursuant to the provisions of Article IX,~~
2 ~~Section 9, of the Texas Constitution, this Act authorizes the~~
3 ~~creation, establishment, maintenance, operation, and financing]~~ of
4 the Higgins-Lipscomb [~~Lipscomb~~] Hospital District [~~of Lipscomb~~
5 ~~County, the boundaries of which]~~ are described as follows:

6 Beginning at the intersection of the South line of Lipscomb
7 County with the West line of Section 67, Block 43, H&TC RR Co.
8 Surveys;

9 Thence North along the West line of Sections 67, 110, 155,
10 198, 243, 286, 331, 374, 419, 462, 507, 550, 595, 638 and 683 all in
11 said Block 43, about 15 miles, to the Northwest corner of said
12 Section 683;

13 Thence East along the North line of Sections 683, 684, 685,
14 686, 687, 688, 689, 690, 691, 692, and 693 all in said Block 43,
15 about 11 miles, to the Northeast corner of said Section 693;

16 Thence South along the East line of Sections 693, 628, 605,
17 540, 517 and 452 all in said Block 43, about 6 miles, to the
18 Southeast corner of said Section 452;

19 Thence West along the South line of said Section 452, about
20 one mile, to the Southwest corner of said Section 452 which is also
21 the Northeast corner of Section 428 in said Block 43;

22 Thence South along the East line of Sections 428, 365, 340,
23 277, 252, 189, 164, 101 and 76 all in said Block 43, about 9 miles,
24 to the South line of Lipscomb County;

25 Thence West along said South line of Lipscomb County, about
26 10 miles, to PLACE OF BEGINNING.

27 SECTION 2.05. Section 1.03, Chapter 45, Acts of the 71st

1 Legislature, Regular Session, 1989, is amended to read as follows:

2 Sec. 1.03. The [~~Except as provided by Section 3.07 of this~~
3 ~~Act, the~~] district is located in Bailey and Parmer counties, and has
4 the following boundaries:

5 BEGINNING at the Northwest corner of Bailey County, Texas,
6 said point being in the Texas-New Mexico state line:

7 THENCE East along the North County Line of Bailey County,
8 Texas, to a point in the north boundary of Section 18, Block X, W. D.
9 & F. W. Johnson Subdivision in Bailey and Parmer Counties, Texas,
10 said point being the southeast corner of the Farwell Hospital
11 District which is in Parmer County, Texas;

12 THENCE North along the east boundary of the Farwell Hospital
13 District to a point in the east-west centerline of Section 29,
14 Township 11 South, Range 3 East, Capital Syndicate Subdivision in
15 Parmer County, Texas;

16 THENCE East along the east-west centerlines of Sections 29,
17 28, 27 and 26, all in Township 11 South, Range 3 East, Capital
18 Syndicate Subdivision in Parmer County, Texas, to a point in the
19 East boundary of said Section 26;

20 THENCE North along the East boundary of said Section 26 to the
21 Northwest corner of Section 18, Doud & Keefer Subdivision in Parmer
22 County, Texas;

23 THENCE East along the north boundaries of Sections 18, 17,
24 16, 15, 14, and 13, Doud & Keefer Subdivision in Parmer County,
25 Texas, and continuing East along the north boundaries of Sections
26 69, 70, 71, 72, 73, 74 and 75, Block H, Kelly Subdivision in Parmer
27 County, Texas, to the East County Line of Parmer County, Texas;

1 THENCE South along the East County Line of Parmer County,
2 Texas, to the Southeast Corner of Parmer County, Texas;

3 THENCE West along the South County Line of Parmer County,
4 Texas, to the Northeast corner of Bailey County, Texas;

5 THENCE South on the county line between Bailey and Lamb
6 Counties, Texas, to the Southeast corner of Labor 23, in League 206,
7 Ochiltree County School Land;

8 THENCE West on the League lines, between Leagues 206 and 207,
9 of the Ochiltree County School Lands, to the Southwest corner of
10 Labor 25, League 206, Ochiltree County School Land;

11 THENCE jog South to the Northeast corner of Labor 1, of League
12 203, Roberts County School Lands;

13 THENCE West on the League Line of Leagues 204, Ochiltree
14 County School Lands, and League 203, Roberts County School Lands,
15 to the Northwest Corner of labor 1, League 203, Roberts County
16 School Lands;

17 THENCE South along the labor lines between Labors 2 and 1, 9
18 and 10, 12 and 11, 19 and 20, 22 and 21, League 203, Roberts County
19 School Lands, and continuing South along the Labor lines between
20 Labors 2 and 1, 9 and 10, 12 and 11, 19 and 20, 22 and 21, League 202,
21 Roberts County School Lands, to a point in the North line of League
22 201, Roberts County School Lands, and the Southeast corner of Labor
23 22, League 202, Roberts County School Lands;

24 THENCE West along the South line of League 202, Roberts
25 County School Land, and the North line of League 201, Roberts County
26 School Land, and continuing West along the South line of League 192,
27 Foard County School Land, and the North line of League 193, Foard

1 County School Land, to the Northeast corner of League 186, and the
2 Southeast corner of league 187, both of Swisher County School Land;

3 THENCE South on the League Line between League 186, Swisher
4 County School Lands, and League 193, Foard County School Land, and
5 League Line between League 185, Swisher County School Land, and
6 League 194, Foard County School Land, and League Line between
7 League 184, Swisher County School Land, and League 195, Foard
8 County School Land, to the Southeast Corner of League 184, Swisher
9 County School Lands, and Southwest Corner of League 195, Foard
10 County School Lands;

11 THENCE West on League lines between Leagues 184, Swisher
12 County School Land, and League 183, Floyd County School Lands,
13 League 179, Motley County School Lands, and League 180, Floyd
14 County School Lands, League 167, Irion County School Lands, and
15 League 166, Irion County School Lands;

16 THENCE due West, across Section 9 in Block F, Leon Blum
17 Survey;

18 THENCE North along the West boundary line of said Block F,
19 Leon Blum Survey, to the Northeast Corner of Section 26, Block B,
20 Melvin, Blum and Blum Survey;

21 THENCE West on the Section Line between Section 13 and
22 Section 26, Block B, to the Southwest corner of Section 13, and
23 Northwest corner of Section 26, all in Block B, aforesaid;

24 THENCE North on the Section line between Sections 12 and 13
25 all in Block B, aforesaid, to the Northwest corner of Section 13,
26 Block B, aforesaid;

27 THENCE East on the Section line between Sections 13, Block B,

1 aforesaid and Section 146, Block A, Melvin, Blum and Blum Survey, to
2 the Northeast corner of Section 13, Block B, aforesaid, and
3 Southeast corner of Section 146, Block A, aforesaid;

4 THENCE North on the Block line between Block F and Block A,
5 Melvin, Blum and Blum Survey, to a point being the Northeast corner
6 of Section 120, Block A, aforesaid, also being the Southeast corner
7 of Section 107, Block A, Melvin, Blum and Blum Survey;

8 THENCE West along the Section lines, between Sections 107 and
9 120, 106 and 119, 105 and 118, 104 and 117, 103 and 116, 102 and 115,
10 101 and 114, 100 and 113, 99 and 112;

11 THENCE continuing directly West to the Texas-New Mexico State
12 Line to a Point;

13 THENCE North along and on said Texas-New Mexico state Line,
14 to the Northwest corner of Bailey County, Texas, this being the
15 Place of Beginning.

16 SECTION 2.06. Section 1, Chapter 55, Acts of the 40th
17 Legislature, 1st Called Session, 1927, is amended to read as
18 follows:

19 Sec. 1. ~~[That Brazos River Harbor Navigation District of~~
20 ~~Brazoria County, in Brazoria County, Texas, as hereinafter~~
21 ~~described by metes and bounds, is hereby created and established~~
22 ~~under authority of Section 59, Article 16 of the Constitution of~~
23 ~~Texas for the purpose of making improvements for the navigation of~~
24 ~~inland and coastal waters, and for the preservation and~~
25 ~~conservation of inland and coastal waters for navigation and for~~
26 ~~control and distribution of storm and flood waters of rivers and~~
27 ~~streams in aid of navigation; that all property, real and personal,~~

1 ~~situated within said District and subject to taxation will be~~
2 ~~benefited by the improvements to be constructed by said District,~~
3 ~~and all orders of the Commissioners' Court of Brazoria County~~
4 ~~heretofore made in respect to the creation of such district and the~~
5 ~~authorization and issuance of \$1,000,000 Bonds of such navigation~~
6 ~~district be and the same are hereby in all things ratified and~~
7 ~~validated. — Said] Brazos River Harbor Navigation District of~~
8 Brazoria County is described by metes and bounds [~~bounds~~] as
9 follows, to wit:

10 Beginning at the Southwest corner of Brazoria County, being
11 also the Southeast corner of Matagorda County, at the entrance of
12 Cedar Lake into the Gulf of Mexico; thence with the line between
13 Brazoria and Matagorda counties up said Cedar Lake to the upper line
14 of the league of land granted to C. Harrison; thence Northwest with
15 the line between Brazoria and Matagorda Counties to Lynville Bayou;
16 thence up said Lynville Bayou and following the line between
17 Brazoria and Matagorda Counties to the Western corner of the C.
18 Garrett League, being a common corner of Brazoria, Matagorda and
19 Wharton Counties; thence along the upper line of said Garrett
20 league with the line between Brazoria and Wharton Counties to the
21 San Bernard River; thence up said river to the west corner of the
22 league of land on the East bank of said river granted to Wm. Prater;
23 thence with the line between Brazoria and Fort Bend Counties along
24 the upper line of said league to its North corner; thence southeast
25 along the northeast line of said league, following the line between
26 Brazoria and Fort Bend Counties, to the most westerly corner of the
27 league of land granted to A. Darst; thence northeast along the upper

1 line of said league, following the line between Brazoria and Fort
2 Bend Counties, to the North corner of said A. Darst League; thence
3 east in a direct line, following the line between Brazoria and Fort
4 Bend Counties, to the south prong of Cow Creek, and thence down said
5 Creek, following the line between Brazoria and Fort Bend Counties,
6 to its mouth, the confluence with the Brazos River; thence West
7 crossing the Brozas River to its East Bank; thence up the East bank
8 of said Brazos River to the Northwest corner of the league of land
9 granted to Francis Bingham; thence East along the North line of said
10 Bingham league to its northeast corner, and continuing East along
11 the North lines of Lavaca Navigation Company survey No. 1 and H. T.
12 & B. R. R. Co. Surveys Nos. 51, 52, 53 and 54 to the Southwest line
13 of the Oliver Hall Survey; thence Southeast along the Southwest
14 line of said Oliver Hall Survey to its Southern Corner; thence
15 Northeast along the Southeast line of said Oliver Hall Survey to the
16 West bank of Chocolate Bayou; thence down the Western Bank of
17 Chocolate Bayou with its meanders to the entrance of said Bayou into
18 Chocolate Bay; thence along the western shore of Chocolate Bay and
19 West Bay to San Luis Pass at the Gulf of Mexico; and thence
20 southwesterly along the shore of the Gulf of Mexico to the place of
21 beginning.

22 SECTION 2.07. Section 4a, Chapter 55, Acts of the 40th
23 Legislature, 1st Called Session, 1927, is amended to read as
24 follows:

25 Sec. 4a. The boundaries of the navigation precincts for [~~On~~
26 ~~and after January 1, 1961,~~] the [~~governing body of~~] Brazos River
27 Harbor Navigation District of Brazoria County are [~~shall be~~

1 ~~composed of six Navigation and Canal Commissioners. For the~~
2 ~~purpose of electing Navigation and Canal Commissioners, said~~
3 ~~District is hereby divided into four Navigation Precincts]~~ as
4 follows:

5 Navigation Precinct No. 1 shall contain that part of said
6 District described by metes and bounds as follows:

7 BEGINNING on the East Bank of the San Bernard River near its
8 mouth at the northwest corner of the S. F. Austin Labor, Abstract
9 No. 34, also being the common line of Commissioners Precinct 1 and 4
10 of Brazoria County, Texas;

11 THENCE, in a northerly direction along said common line of
12 said Commissioners Precinct 1 and 4 to its intersection with the
13 common line between the Retrieve State Prison Farm and the old Lake
14 Jackson Plantation;

15 THENCE, along said common line in an easterly direction to
16 its intersection with Oyster Creek;

17 THENCE, down center line of said Oyster Creek in a
18 southeasterly direction with its meanders to its intersection with
19 the east line of said Retrieve State Prison Farm;

20 THENCE, north along the common line between said Prison Farm
21 and a 450 acre tract No. 78 to the northwest corner of said tract No.
22 78;

23 THENCE, east along the north line of tracts No. 78 and 77 to
24 the northeast corner of the 450 acre tract No. 77;

25 THENCE, south along the east line of said tract No. 77 to its
26 intersection with Bastrop Bayou;

27 THENCE, down said Bayou in an easterly direction to its

1 intersection with the common line between a 400 acre tract No. 99A
2 and a 902 acre tract No. 101;

3 THENCE, following said common line east to its intersection
4 with the center line of the Clute-Angleton County Road No. 288;

5 THENCE, along the center line of said Clute-Angleton County
6 Road No. 288 in a southerly direction to its intersection with
7 Bastrop Bayou;

8 THENCE, following the northeast bank of Bastrop Bayou to the
9 point of intersection of Austin and Bastrop Bayou, same point being
10 also the intersection of Commissioners Precinct 1 and 3 of Brazoria
11 County, Texas;

12 THENCE, down Bastrop Bayou in an easterly direction following
13 the common boundary of County Commissioners Precinct 1 and 3 to a
14 point of intersection of the common line of County Commissioners
15 Precinct 1 and 3 with Galveston County;

16 THENCE, in a southeasterly direction following the common
17 boundary of Brazoria and Galveston County to the Gulf of Mexico;

18 THENCE, in a southwesterly direction along the shoreline of
19 the Gulf of Mexico to the mouth of the San Bernard River;

20 THENCE, up the East Bank of the San Bernard River to the place
21 of beginning being the northwest corner of the S. F. Austin Labor,
22 Abstract No. 34, and also being the point of intersection of the
23 common boundary line of Commissioners Precincts 1 and 4 of Brazoria
24 County, Texas.

25 Navigation Precinct No. 2 shall include all the territory in
26 Brazoria County Commissioners Precinct No. 2 as such precinct is
27 now established.

1 Navigation Precinct No. 3 shall include all the territory in
2 Brazoria County Commissioners Precinct No. 4 as such precinct is
3 now established.

4 Navigation Precinct No. 4 shall include the remaining
5 territory situated within said District other than that contained
6 in said Navigation Precincts Nos. 1, 2 and 3.

7 ~~[There shall be six positions or offices of Navigation and~~
8 ~~Canal Commissioner, numbered from 1 to 6, respectively, as follows:~~
9 ~~One commissioner (Position 1) shall be at large and shall be a~~
10 ~~qualified resident voter of the Navigation District. He shall hold~~
11 ~~his office for a term of two years. Two commissioners (Positions 2~~
12 ~~and 3) shall be qualified voters and residents of Navigation~~
13 ~~Precinct No. 1 and shall hold office for terms of two and four~~
14 ~~years, respectively. One commissioner (Position 4) shall be a~~
15 ~~qualified voter and resident of Navigation Precinct No. 2 and shall~~
16 ~~hold office for a term of six years. One commissioner (Position 5)~~
17 ~~shall be a qualified voter and resident of Navigation Precinct No. 3~~
18 ~~and shall hold office for a term of four years. One commissioner~~
19 ~~(Position 6) shall be a qualified voter and resident of Navigation~~
20 ~~Precinct No. 4 and shall hold office for a term of six years.~~

21 ~~[An election shall be held in said District on the first~~
22 ~~Tuesday after the first Monday in November, A. D. 1960, to elect~~
23 ~~four commissioners who, together with the two existing Navigation~~
24 ~~and Canal Commissioners whose terms have not expired, shall~~
25 ~~constitute the governing body of the District. The person~~
26 ~~heretofore elected as Navigation and Canal Commissioner with term~~
27 ~~of office expiring in 1961 shall hold Position No. 2 on the~~

1 ~~six-member Commission with a two-year term of office and the person~~
2 ~~heretofore elected as Navigation and Canal Commissioner with a term~~
3 ~~of office expiring in 1963 shall hold Position No. 5 on said~~
4 ~~six-member Commission with a term of office of four years.~~

5 ~~[An election shall be held in said District every two years in~~
6 ~~accordance with Chapter 41, Election Code, for the purpose of~~
7 ~~electing two commissioners who shall hold their offices for a term~~
8 ~~of six years. Any candidate offering himself for a position as~~
9 ~~commissioner shall, in filing as a candidate, indicate the number~~
10 ~~of the position for which he is a candidate.~~

11 ~~[Requests for placing the name of a candidate on the ballot~~
12 ~~shall be filed with the chairman of the governing body of the~~
13 ~~District, shall be in writing and signed by the candidate or shall~~
14 ~~be in the form of a petition signed by not less than twenty-five~~
15 ~~qualified voters of the District. The filing period for a request~~
16 ~~for placing the name of a candidate on the ballot is governed by~~
17 ~~Chapter 144, Election Code.~~

18 ~~[Arrangements for each election shall be made by the~~
19 ~~governing body and notice of the election, signed by the chairman or~~
20 ~~secretary of the governing body, shall be published once a week for~~
21 ~~two consecutive weeks in a newspaper of general circulation within~~
22 ~~the District, the first publication to be not less than fourteen~~
23 ~~days prior to the election.~~

24 ~~[The governing body shall canvass the returns and declare the~~
25 ~~results of each election, and the candidate receiving the highest~~
26 ~~number of votes for each position shall be elected, and shall take~~
27 ~~office on the appropriate date, next succeeding his election. All~~

1 ~~qualified voters throughout said Navigation District shall be~~
2 ~~permitted to vote on all candidates running for commissioner in all~~
3 ~~Navigation Precincts.~~

4 ~~[Each commissioner shall qualify by taking the~~
5 ~~constitutional oath of office and by making an official bond in the~~
6 ~~sum of Ten Thousand Dollars (\$10,000.00) executed by himself and by~~
7 ~~two solvent sureties or by a surety company authorized to do~~
8 ~~business in the State of Texas and such bond shall be approved by~~
9 ~~the County Judge of Brazoria County. Except as otherwise provided~~
10 ~~herein, all vacancies in the office of Navigation and Canal~~
11 ~~Commissioners for this District shall be filled by appointment by~~
12 ~~the Board itself for the unexpired term. In the event that more than~~
13 ~~two vacancies occur at the same time, the remaining Navigation and~~
14 ~~Canal Commissioners shall call a special election to fill such~~
15 ~~vacancies, and if they fail to do so within fifteen days after such~~
16 ~~vacancies occur, the judge or judges of the district court or courts~~
17 ~~of the judicial district in which such Navigation District lies,~~
18 ~~upon the petition of any voter or creditor thereof, may order the~~
19 ~~holding of such election, fixing the date thereof and order the~~
20 ~~publication of notice of such election by the county clerk of the~~
21 ~~county, and name the officers to hold the election. In any such~~
22 ~~election held by order of the district judge or judges, the returns~~
23 ~~of the election shall be made and filed in the office of the clerk of~~
24 ~~the district court and he shall declare the result thereof.]~~

25 SECTION 2.08. Section 57(a), Chapter 8, Acts of the 67th
26 Legislature, 1st Called Session, 1981, is amended to read as
27 follows:

1 (a) The management and control of the Brazoria County
2 Drainage Districts Nos. 4[~~7, 5, 87~~] and 11 are hereby vested in the
3 boards of directors of those districts. In this section,
4 "district" means the Brazoria County Drainage Districts Nos. 4[~~7, 5,~~
5 ~~87~~] and 11.

6 SECTION 2.09. Section 1, Chapter 166, Acts of the 41st
7 Legislature, Regular Session, 1929, is amended to read as follows:

8 Sec. 1. The boundaries of [~~That~~] Willacy County Water
9 Control and Improvement District Number One[~~, embracing lands in~~
10 ~~the Counties of Willacy and Hidalgo, in the State of Texas, is~~
11 ~~hereby created and established as a conservation and reclamation~~
12 ~~district, and which district shall have such powers of government~~
13 ~~and the authority to exercise such rights, privileges and functions~~
14 ~~as are conferred by Article 16, Section 59 of the Constitution of~~
15 ~~the State of Texas, and provisions of Chapter 25, of the General~~
16 ~~laws passed by the Thirty-ninth Legislature, at its Regular Session~~
17 ~~in 1925, as amended by Chapter 107, of the General Laws passed by~~
18 ~~the Fortieth Legislature, at its First Called Session in 1927, as~~
19 ~~such general laws now exist or may be hereafter amended, except as~~
20 ~~herein otherwise provided, and the boundary lines of such district]~~
21 shall be as follows:

22 Beginning at the southwest corner of Lot 13, Block 87, Turner
23 tract, a subdivision of Share 24, San Juan De Carricitos Grant in
24 Hidalgo County, Texas;

25 Thence east with the south boundary lines of Blocks 87, 86, 85
26 and 84, said Turner Tract at 15700 ft. the S.E. corner Lot 13, Block
27 84, The Turner Tract and the S.W. corner Lot 13, Block 39, Jose

1 Tract No. 5, continue with the south boundary line of Blocks 39 and
2 38 said Jose Tract, continue with the south line of Blocks 4, 3, 2
3 and 1, Lyford Tract No. 2 to S. E. corner of Block 1, a point in west
4 line Share 44, in all 45950 feet;

5 Thence South with the West line of Share 44, 34990 ft. to the
6 Willacy-Cameron County line;

7 Thence in a southeasterly direction with said
8 Willacy-Cameron County Line 20100 ft. to the most southerly S.E.
9 corner of Share 44, the S. W. corner of Share 2 of said Carricitos
10 Grant;

11 Thence north with the east line of Share 44 and the west line
12 of Share 2, 11700 ft. to the N.W. corner of said Share 2;

13 Thence east with the north line of Share 2, 4600 ft. to a S.E.
14 corner of Share 44, the S.W. corner of Block 5, of the Los Coyotes
15 Ranch Subdivision;

16 Thence north with the east line of Share 44 and the west line
17 of the Los Coyotes Subdivision 16000 ft. to the N.W. corner of said
18 Los Coyotes Ranch Subdivision;

19 Thence east with the north line of the Los Coyotes Ranch Sub
20 3300 feet to a S.E. corner of Share 44, the S.W. corner of Share 14;

21 Thence north with the east line of Share 44 and the west line
22 of Share 14, 8500 ft. the N.W. corner of Share 14;

23 Thence east with the north line of Share 14, the south line of
24 Share 45, 14900 ft to the S.E. corner of said Share 45, a point in
25 the west line of Share 34;

26 Thence south with the west line of Share 34, 750 ft to the S.W
27 corner of same an inner corner of Share 14;

1 Thence east with the north line of Share 14, and the south
2 line of Share 34, at 12300 ft. pass the N.E. corner of said Share 14,
3 in all 17650 ft to the S.E. corner of Lot 8, Share 34;

4 Thence north with the east line of said Lot 8, 3200 ft. to the
5 N.E. corner of same;

6 Thence west with the north line of Lots 8 and 7, Share 34,
7 5350 ft. to a point in the east line of Share 34, a S. W. corner of
8 Share 64;

9 Thence north with the east line of Share 34, and 61, 17200 ft.
10 to the N. E. corner of Share 61;

11 Thence west with the south line of Share 16, 2640 ft. to the
12 S. E. corner of Lot 21, Share 16;

13 Thence north with the east line of Lot 21, Share 16, 2900 ft.
14 to the N.E. corner of same;

15 Thence west with the north line of Lot 21, 22 and 23, Share
16 16, 4300 ft. to the N. W. corner of said lot 23;

17 Thence south with the west line of lot 23, Share 16, 2900 ft
18 to the S. W. corner of same;

19 Thence west with the south line of Share 16 and the South line
20 of the Gulf Coast Subdivision, 7000 ft to the N W corner of Lot 4 Blk
21 2 of the E F Hubmer Subdivision;

22 Thence south with the west line of lots 4, 5, 12 and 13, Blk 2
23 of Hubmer's Subdivision 5280 ft to the S. W corner of said lot 13;

24 Thence East with the South line of said Lot 13, Blk 2, 1320 ft
25 to the S. E. corner of same;

26 Thence South with the West line of Lots 3 and 6, Blk 3,
27 Hubmer's Subdivision 2640 ft to the S W corner of said Lot 6;

1 Thence East with the South line of Lot 6, Blk 3, 1320 ft to the
2 S E corner of same;

3 Thence South with the West line of Lot 10 Blk 3, 1320 ft to the
4 S. W. corner of same;

5 Thence west with the north line of lots 14 and 13 Blk 3, 2640
6 ft to the N W corner of said Lot 13;

7 Thence South with the West line of said Lot 13, Blk 3, 800 ft
8 to the S W Corner of same;

9 Thence West with the South line of Share 64, the North line of
10 Share 45, 6500 ft to the S E corner of Lot 20 of the Harding Gill
11 Subdivision of Share 64;

12 Thence North with the East line of said Subdivision 10,000 ft
13 to the N E corner of same;

14 Thence West with the North line of said Subdivision and the
15 North line of the Beise Tract 6660 ft to the N W corner of said Beise
16 Tract;

17 Thence South with the West line of the Beise Tract, and the
18 West line of Share 45, 14700 ft to the N E. corner of Share 44;

19 Thence West with the North line of Share 44, 21850 ft to the S
20 E corner of the Raymond Hallam Subdivision;

21 Thence North with the East boundary line of said subdivision
22 7250 ft to its N E corner;

23 Thence West with the North boundary line of the Raymond
24 Hallam Subdivision 11250 ft to the East right-of-way of the St. L.
25 and B. M. Railroad Co;

26 Thence in a Northerly direction with the East line of said
27 right-of-way 7325 ft more or less to the South boundary line of

1 Rodriguez Ave;

2 Thence West with the South boundary line of Rodriguez Ave
3 2540 ft more or less to the West boundary line of First St.;

4 Thence North with the East line of Farm Lot J. G. and B, 2620
5 ft to a point in the East line of said Lot B;

6 Thence East crossing First St and continuing with the South
7 Boundary line of lots C, D and E 4000 ft to the N W corner of Farm Lot
8 F, Town of Raymondville;

9 Thence South with the West Boundary line of Farm Lot F, 1860
10 ft to the center of Hidalgo Ave;

11 Thence East with the center of Hidalgo Ave 3280 ft to the N.
12 W. corner of Lot 3, E. B. Raymond Tract;

13 Thence South with the West boundary line lot 3, 1320 ft to its
14 S. W. corner;

15 Thence East with the South line of Lot 3, 1320 ft to its S.E.
16 corner;

17 Thence south with the west line of Lot 5, 1320 ft, to its S.W.
18 corner;

19 Thence east with the south line of Lot 5, 1320 ft. to its S. E.
20 corner;

21 Thence north with the east line of Lots 5 and 2, 2640 ft to
22 center of Hidalgo Road;

23 Thence West with the north line of Lot 2, 1320 ft. to its N. W.
24 corner;

25 Thence north with the east line of Lot 13, Block 47, Gulf
26 Coast Subdivision 1320 ft to its N. E. corner;

27 Thence East with the south line of Lots 11, 10 and 9, Block

1 47, 3960 ft. to the S E corner of Lot 9;

2 Thence south with the west line of Lot 13, Block 48, 1320 ft.
3 to its S. W. corner;

4 Thence East with the South line of Lots 13 and 14, Block 48,
5 2640 ft to the S E. corner of said Lot 14;

6 Thence north with the East line of Lot 14 and 11, Block 48,
7 2640 ft to the N E Corner of Lot 11;

8 Thence west with the north line of Lots 11 and 12; Block 48,
9 2640 ft to the N W corner of said Lot 12;

10 Thence north with the east line of Lot 8, Block 47, 1320 ft to
11 its N E corner;

12 Thence east with the south line of Lots 4 and 3, Block 48,
13 2640 ft to the S E corner of said Lot 3;

14 Thence south with the west line of Lot 7, Block 48, 1320 ft to
15 the S W corner;

16 Thence East with the South line of Lot 7, Block 48, 1320 ft to
17 the S E corner of same;

18 Thence South with the west line of Lots 9 and 16, Block 48,
19 2640 ft to the S W corner of Lot 16;

20 Thence East with the South line of Lot 16, Block 48 and the
21 south line of Lots 13 and 14, Block 49, 3960 ft to the S. E. corner
22 of said Lot 14;

23 Thence north with the east line of Lot 14, Block 49, 1320 ft
24 to its N E corner;

25 Thence East with the south line of Lots 10 and 9, Block 49,
26 2640 ft to the S. E. corner of said Lot 9:

27 Thence south with the west line of Lot 13, Block 50 1320 ft to

1 the S W corner of said Lot 13;

2 Thence east with the south line of Block 50, and Lots 13 and
3 14, Block 51, 7920 ft to the S E corner of said Lot 14;

4 Thence north with the east line of Lots 14, 11, 6 and 3, Block
5 51, and east line of Lots 14, 11, Block 60, 7920 ft. to the N E
6 corner of said Lot 11;

7 Thence west with the south line of Lots 6, 5, Block 60, and
8 Lot 8, Block 61, 3960 ft to the S W corner of said Lot 8;

9 Thence north with the east line of Lots 7 and 2, Block 61,
10 2640 ft. to the N E. corner of said Lot 2;

11 Thence west with the north line of Lots 2, 3 and 4, Block 61,
12 and north line Blocks 62 and 63 and north line of Lots 1 and 2, Block
13 64, 16600 ft. to the N. W. corner of said Lot 2;

14 Thence north with the west line of Lot 7, Block 67, 350 ft. to
15 the S. E. corner of Lot 15, Subdivision of the El Chapote Tract;

16 Thence west with the south line of Lots 15, 14, 13, 12 and 11,
17 of the El Chapote Subdivision, 6250 ft. to the east right of way
18 line of St. L. B. and M. R. R.;

19 Thence in a northeasterly direction with said right-of-way
20 line 2700 ft. to the S. W. corner of Lot 41, the El Chapote
21 Subdivision;

22 Thence east with the south line of Lots 41 and 42, 2750 ft. to
23 the S. E. corner of said Lot 42;

24 Thence north with the east line of Lots 42 and 49, El Chapote
25 Tract 2640 ft. to the N. E. corner of said Lot 49;

26 Thence west with the north line of Lots 49, 50, 51 and 52, El
27 Chapote Tract 4650 ft. to the N. W. corner of said Lot 52;

1 Thence north with the east line of Lot 1, Block 68, El Chapote
2 Tract 750 ft. to the N. E. corner of said Lot 1, the S. E. corner of
3 Share 29 of the San Juan De Carricitos Grant;

4 Thence west with north boundary line of Chapote League 4150
5 ft. to the S. W. corner of Share 29;

6 Thence north with west line of Share 29 the east line of Lots
7 8 and 1, Block 19, Harding Lindahl Gill Subdivision, 2640 ft. to the
8 N. E. corner of said Lot 1;

9 Thence west with the north line of Harding Lindahl Gill
10 Subdivision 18700 ft. to the N. W. corner of said subdivision;

11 Thence South with the west line of said Subdivision and west
12 line of Lot 2, Block 23, Harding Lindahl Subdivision 3940 ft. to an
13 inner corner in said Lot 2;

14 Thence west with north boundary line of Lots 2, 3, 4, Block
15 23, 2275 feet to the most westerly N. W. corner of said Subdivision;

16 Thence south with west boundary line said Subdivision 10500
17 feet to a point in the west boundary line of Lot 4, Block 29, said
18 Subdivision the N. E. corner of Lot 1, Block 1, Narcisso Tract No.
19 4, Subdivision;

20 Thence west with north boundary line said Narcisso Tract No.
21 4, 5700 ft. to its N. W. Corner;

22 Thence south with west boundary line of Narcisso No. 4, 4750
23 ft. to intersection with north boundary line San Martin Ranch
24 Subdivision;

25 Thence westerly 7100 ft. more or less to a point in the east
26 line of the Teniente League which point is the S. E. corner of Lot 1,
27 Block 4, of the S. D. Reynold Subdivision of said Teniente League;

1 Thence in a northeasterly direction with the east line of the
2 said Teniente League 12000 ft. more or less to its N. E. corner;

3 Thence in a westerly direction with the north line of the
4 Teniente League 15500 ft. more or less to its N. W. corner a point in
5 the east line of the Stoddard Development Company's Subdivision;

6 Thence in a northerly direction with the east line of said
7 Subdivision 3100 ft. more or less to the N. E. corner of same;

8 Thence in a westerly direction with the north line of
9 Stoddard Development Company Subdivision 15200 ft. more or less to
10 the N. W. corner of same;

11 Thence in a southerly direction with the west boundary line
12 of the Stoddard Development Company's Subdivision 16300 ft. to the
13 S. W. corner of same; in the north boundary line of the Missouri
14 Texas Land and Irrigation Company's Subdivision;

15 Thence in a westerly direction with the north boundary line
16 of said M. T. L. & I. Co., Subdivision 18600 ft. to the N. W. corner
17 of same;

18 Thence in a southerly direction with the west boundary line
19 of said Subdivision and the Los Mestenas Grant 10560 ft. to the S.
20 W. corner of Lot 16, Block 10, of the M. T. L. and I. Co.
21 Subdivision;

22 Thence in an easterly direction with the south boundary line
23 of Block 10, 11, and Lots 13, 14, of Block 12, 9240 ft. to the S. E.
24 corner of said Lot 14;

25 Thence in a northerly direction with the east line of Lots 14
26 and 11, Block 12, 2640 ft. to the N. E. corner of said Lot 11;

27 Thence in an easterly direction with the south line of Lots 7

1 and 8, Block 12, 2640 ft. to the S. E. corner of said Lot 8;

2 Thence in a southerly direction with the west line of Lots 12
3 and 13, Block 13, and Lots 4 and 5, Block 26, 5280 ft. to the S. W.
4 corner of said Lot 5;

5 Thence in a westerly direction with the north line of Lots 9,
6 10 and 11, Block 27, 4650 ft. to the N. W. corner of Lot 11;

7 Thence in a southerly direction with the west line of Lots 11
8 and 14, Block 27, and Lot 2, Block 28, 3300 ft. to the S. W. corner
9 of said Lot 2;

10 Thence in an easterly direction with the south line of said
11 lot 2, 2000 ft. to the S. E. corner of same;

12 Thence in a southerly direction with the west line of Lots 7
13 and 10, Block 5, 2436 ft. to a point in the west line of said Lot 10,
14 being 660 ft. south of its N. W. corner;

15 Thence in an easterly direction parallel to the north line of
16 Lots 10 and 12, Block 5, 2275 ft.;

17 Thence in a southerly direction parallel to the east line of
18 Lot 12, Block 29, 660 ft. to a point in the north line of Lot 13,
19 Block 29;

20 Thence in westerly direction with the north line of Lot 13,
21 Block 29, 900 ft. to the N. W. corner of said Lot 13;

22 Thence in a southerly direction with the west line of said Lot
23 13, Block 29, and the west line Blks. 42 and 43, 8600 ft. to the S.
24 W. Corner of Block 43;

25 Thence in an easterly direction with the south line of Block
26 43 and the south line of Lot 5, Block 44, 6700 ft. to an inner corner
27 of said Lot 5;

1 Thence in a southerly direction with the west line of Blocks
2 44, 55, and 56 and continuing to an inner corner of Lot 4, Block 67,
3 in all 13750 feet;

4 Thence in a westerly direction with the north line of Lot 4,
5 Block 67 and the north line of Block 68, 5900 ft. to the N. W. corner
6 of said Block 68;

7 Thence in a southerly direction with the west line of Block
8 68, 5280 ft. to the S. W. corner of same;

9 Thence in a westerly direction with the north line of Block
10 74, and the N. Line of Lots 1 and 2, Block 73, 7920 ft. to the N. W.
11 corner of said Lot 2;

12 Thence in a southerly direction with the west line of Lots 2,
13 7, 10 and 15, Block 73, 5280 ft. to the S. W. corner of said Lot 15;

14 Thence in a westerly direction with the north line of Lots 3
15 and 4, Block 90 and the north line of Lot 1, Block 91, 4150 ft. to
16 the N. W. corner of said Lot 1;

17 Thence in a southerly direction with the west line of Blocks
18 91 and 92, 11100 ft. to the S. W. corner of said Block 92;

19 Thence in an easterly direction with the south line of Blocks
20 92, 93 and Lots 13 and 14, Block 94, 9240 ft. to the S. E. corner of
21 said Lot 14;

22 Thence in a northerly direction with the east line of Lot 14,
23 11, 6 and 3, Block 94, 5820 ft. to the N. E. corner of said Lot 3;

24 Thence in an easterly direction with the south line of Lots 15
25 and 16, Block 89, 2640 ft. to the S. E. corner of said Lot 16;

26 Thence in a northerly direction with the east line of Lots 16,
27 9, 8 and 1, of Block 89, 5280 ft. to the N. E. corner of said Lot 1;

1 Thence in an easterly direction with the south line of Lots 13
2 and 14, Block 75, 2640 ft. to the S. E. corner of said Lot 14;

3 Thence in a northerly direction with the east line of Lots 14,
4 11, 6 and 3, Block 75, 5280 ft. to the N. E. corner of said Lot 3;

5 Thence in an easterly direction with the south line of Lots 15
6 and 16, Block 68, and the south line of Blocks 67, 66, 65 and 64,
7 23760 ft. to the S. E. corner of said Block 64;

8 Thence in a northerly direction with the east line of Lot 16,
9 Block 64, 1320 ft. to the N. E. corner of same;

10 Thence in an easterly direction with the south line of Lots 12
11 and 11, Block 63, 2640 ft. to the S. E. corner of said Lot 11;

12 Thence in a southerly direction with the west line of Lots 15,
13 Block 63, 1320 ft. to the S. W. corner of said Lot 15;

14 Thence in an easterly direction with the south line of Lots 15
15 and 16, Block 63, 2640 ft. to the S. E. corner of said Lot 16;

16 Thence in a southerly direction with the west line of Block
17 81, 5280 ft. to the S. W. corner of same;

18 Thence in a westerly direction with the north line of Block
19 83, 5280 ft. to the N. W. corner of same;

20 Thence in a southerly direction with the west line of Block
21 83, 5280 ft. to the S. W. corner of same;

22 Thence in a westerly direction with the north line of Block
23 99, 5280 ft. to the N. W. corner of same;

24 Thence in a southerly direction with the west line of Lot 4,
25 Block 99, 1320 ft. to the S. W. corner of same;

26 Thence in an easterly direction with the south line of Lot 4,
27 Block 99, 1320 ft. to the S. E. corner of same;

1 Thence in a southerly direction with the west line of Lots 6
2 and 11, Block 99, 3150 ft. to the S. W. corner of said Lot 11; the
3 center line of Mile 18 Road;

4 Thence in an easterly direction with the south line of the
5 Mestenas Grant the center line of said Mile 18 Road 20100 ft. to the
6 center line of Base Line Road;

7 Thence north with the center line of Base Line Road 2500 ft.
8 to the S. E. corner of Lot 8, Block 120, of the Barr Subdivision of
9 the Ojo de Agua Grant;

10 Thence east 4700 ft. to the most westerly S. E. corner of the
11 Durazno Ranch;

12 Thence North 800 ft;

13 Thence East 250 ft;

14 Thence north 3300 ft;

15 Thence east 3160 ft;

16 Thence south 4500 ft. to the S. W. corner Lot 11, Block 118,
17 of Barr Subdivision;

18 Thence East 8650 ft. along south line of Barr Subdivision to
19 the S. E. corner of Lot 9, Block 117 Subdivision;

20 Thence North 10350 ft. to the N. E. corner of Lot 9, Block 109
21 of Barr Subdivision;

22 Thence westerly along the north boundary line of said Barr
23 Subdivision 20000 ft to the N. W. corner of the Barr Subdivision the
24 S. W. corner of the Turner Tract;

25 Thence northerly along the west line of said Turner tract
26 26600 ft. to the S. W. corner of Lot 13, Block 87, Turner Tract a
27 Subdivision of the San Juan De Carricitos Grant, the place of

1 beginning;

2 Provided, however, that there is excepted from the above, and
3 here and now excluded therefrom and as forming no part of said
4 Irrigation District or proposed inclusion into said Irrigation
5 District the following lands in Hidalgo County, Texas, and out of
6 the Los Mestenas Grant;

7	Lot 3, Block 3	40 Acres
8	Lot 8, Block 4	40 Acres
9	Lots 3, 4, 5 and 6, Block 5	160 Acres
10	Lot 4, Block 8	40 Acres
11	Lots 1 and 8, Block 15	80 Acres
12	Lots 5, 9, 10, 11, 12, 13, 14 and	
13	15, Block 16	320 Acres
14	Lots 2, 4, 5, 9, 10, 11, 12, 13 and	
15	and 14, Block 22	360 Acres
16	Lots 1, 7, 8, 9 and 10, Block 23	200 Acres
17	Lots 5 and 6, Block 24	80 Acres
18	Lots 1, 2, 7 and 8, Block 25	160 Acres
19	Lots 9, 10, 11 and 15, Block 30	160 Acres
20	Lots 9, 10, 15 and 16, Block 31	160 Acres
21	Lot 12 and 13, Block 32	80 Acres
22	Lots 1, 2, 7, 8, 9, 10, 11, 14, 15	
23	and 16, Block 44	453 Acres
24	Lots 1, 2, 7 and 8, Block 51	160 Acres
25	Lots 11, 12, 13 and 14, Block 49	160 Acres
26	Lots 3, 4, 5 and 6, Block 50	160 Acres
27	10 Acres of Lot 1, West of R. R.	

1 all of Lot 2, Block 54 50 Acres

2 In the Town of Lasara the following described lands are also
3 to be excluded:

4 Blocks 19 to 24, inclusive;

5 Blocks 33 to 38, inclusive;

6 Blocks 47 to 52, inclusive;

7 Blocks 61 to 66, inclusive;

8 Blocks 74 to 80, inclusive;

9 Blocks 89 to 95, inclusive;

10 Blocks 103 to 108, inclusive;

11 In the Town of Rollo the following described lands are also to
12 be excluded:

13 Blocks 1 to 4, inclusive;

14 Blocks 8 to 49, inclusive;

15 In the town of Hargill the following lands are also to be
16 excluded:

17 Blocks 6, 36 to 41, inclusive;

18 Blocks 50 to 55, inclusive;

19 Blocks 64 to 69, inclusive;

20 Blocks 78 to 83, inclusive;

21 Blocks 92 to 97, inclusive;

22 Blocks 106 to 111, inclusive;

23 Blocks 120 to 125, inclusive;

24 Blocks 132 to 137, inclusive.

25 And, further provided, that there is excepted from the above
26 here and now excluded therefrom and as forming no part of said
27 Irrigation District or proposed inclusion into said Irrigation

1 District the following described lands in Willacy County, Texas,
2 and out of the town of Willamar, Blocks 11 to 19, inclusive, Blocks
3 23, 25, 26.

4 And further provided, that there is excepted from the above
5 and here and now excluded therefrom and as forming no part of said
6 Irrigation District the following described lands in Willacy
7 County, Texas.

8 Out of the Gulf Coast Subdivision of the Raymondville Tract:

9 Lots 6, 11 and 15, Block 62, containing 120 acres of land;

10 Lots 7, 8, 9, 10, 13 and 14, Block 64, containing 240 acres of
11 land;

12 Lot 9, Block 65, containing 30.3 acres of land;

13 Sub Lots 1, 2, 5, 6, 7 and 8, of Lot 3 and Lot 4, and the West
14 15 acres of Lot 5, Block 46, containing 77.2 acres of land;

15 OUT OF THE RAYMOND HALLAM SUBDIVISION.

16 Lots 5 and 6, of Block 1, and Lots 5, Block 2, containing 112 acres
17 of land;

18 North one-half of Lot 1 and all of Lot 6, in Block 3, containing 60
19 acres of land;

20 Lot 4, Block 4, containing 40 acres of land;

21 OUT OF THE HARDING LINDAHL SUBDIVISION OF SHARE 1.

22 Lots 11, 12, 13 and 14, Block 25, containing 160 acres of land;

23 Lots 9, 10, 15 and 16, Block 26, containing 160 acres of land;

24 Lots 1, 2, 3, 4, 5 and 6, Block 30, containing 240 acres of land;

25 Lots 1, 2, 7, 8 and N. one-half of Lot 9, Block 31 containing 180
26 acres of land.

27 OUT OF NARCISSE TRACT NO. 4.

1 Lots 7 8, 10, 11, 12, 13, 14 and 15, Block 10;

2 Lots 1, 2, 7 and 8, Block 5;

3 Lots 1, 2, 3 and 4, Block 9;

4 OUT OF THE RAYMONDVILLE TRACT NO. 1.

5 Lots 4 and 5, of Block 4, containing 65 acres of land;

6 Lots 11, 13 and 14, Block 6, containing 120 acres of land;

7 Lots 7, 9, 10, 11 and 12, Block 7, containing 144.8 acres of land;

8 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, south one-half of 14 and all of

9 15, Block 9, containing 460 acres of land;

10 OUT OF THE TOWN OF RAYMONDVILLE.

11 Lots 1 to 12, inclusive, in Block 56;

12 Lots 1 to 6, inclusive, east one-half of 9, all of 10 and 11, in
13 Block 58;

14 Lots 18 to 26, inclusive, in Block 72;

15 Lots 17 to 22, inclusive, Block 64; and 100 ft. by 150 ft. out of the
16 N. E. corner of Lot 1, Block N. owned by Dr. McCann.

17 OUT OF FARM LOT J TOWN OF RAYMONDVILLE.

18 The west 500 ft. of Lot 1 and 79 ft. By 375 ft. out of the N. E.
19 corner of Lot 3, being the property owned by E. H. Whitney, both
20 tracts being out of Farm Lot J. containing 3 acres of land.

21 OUT OF LYFORD TRACT NO. 2.

22 Lots 15 and 16, Block 3;

23 Lots 2 and 5, Block 1;

24 Lots 4, 5, 10, 11 and 12, in Block 4.

25 OUT OF JOSE TRACT NO. 5.

26 Lots 1, 2, 3, 6, 7 and 8, Block 39;

27 Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12; 13; 14; 15 and 16; Block 38.

1 SECTION 2.10. Section 1, Chapter 306, Acts of the 45th
2 Legislature, Regular Session, 1937, is amended to read as follows:

3 Sec. 1. The boundaries of [~~That~~] Dallas County Levee
4 Improvement District Number Fourteen [~~, composed of territory lying~~
5 ~~in Dallas County, Texas, is hereby created and established as a~~
6 ~~Conservation and Reclamation District, and which District shall~~
7 ~~have such powers of government and the authority to exercise such~~
8 ~~rights, privileges, and functions as are conferred by Article 16,~~
9 ~~Section 59, of the Constitution of the State of Texas, and~~
10 ~~provisions of Chapter 21, of the General Laws passed by the~~
11 ~~Thirty-ninth Legislature of the State of Texas, at its Regular~~
12 ~~Session in 1925, as such General Laws now exist, or may be hereafter~~
13 ~~amended, except as herein otherwise provided, and the boundary~~
14 ~~lines of such District]~~ shall be as follows:

15 FIELD NOTES OF DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14,
16 (PROPOSED, 2/15/1937)

17 BEGINNING at the Southeast corner of Dallas County Levee
18 Improvement District No. 2 as REVISED on February 15, 1937, a stake
19 on the West bank of the Trinity River;

20 THENCE S. 81 W. with the channel of Ten Mile Creek 9800 feet;

21 THENCE, S. 74-3/4 W. with said channel 1030 feet to the
22 Southwest corner of said Dallas County Levee Improvement District
23 No. 2 as Revised;

24 THENCE along the hill line as follows:

25 S. 3-1/4 W. 56 feet;

26 S. 2-3/4 E. 2757 feet;

27 S. 37 E. 1936 feet;

1 S. 17-1/2 E. 1133 feet;

2 S. 51-1/2 E. 707 feet;

3 S. 71 E. 498 feet;

4 S. 9-3/4 E. 984 feet stake in the South line of Dallas County
5 and the North line of Ellis County;

6 THENCE East with the South line of said Dallas County and the
7 North line of said Ellis County 16,330 feet, more or less, to the
8 West bank of the Trinity River;

9 THENCE up said River with its meanders to the place of
10 beginning, containing 2710 acres of land, more or less.

11 The above field notes are made and verified from the records
12 of Dallas County, Texas, in conjunction with a survey of the line
13 described as being in Ten Mile Creek Channel.

14 FIELD NOTES OF DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2.

15 (REVISED-2/15/1937)

16 BEGINNING at a stake on the West bank of the Trinity River at
17 the Southeast corner of Dallas County Levee Improvement District
18 No. 1;

19 THENCE S. 60 W. with the south line of said District No. 1, a
20 distance of 4926 feet to the southwest corner a tract of land
21 formerly owned by W. H. Hilton and now owned by Bluebird Farms Co.;

22 THENCE N. 30 W. 818 feet to S. E. corner of a tract of land
23 formerly owned by G. W. Pierce and now owned by Bluebird Farms Co.;

24 THENCE S. 60 W. with the south line of said tract 1328 feet to
25 corner on hill line, same being the Southwest corner of said Dallas
26 County Levee Improvement District No. 1;

27 THENCE along said hill line as follows:

1 S. 13-3/4 W. 1099 Feet;
2 S. 8-1/2 W. at 433 feet Mrs. Jake Ginsberg's N. W. line
3 (formerly Jim McKay) at 878 feet stake in road;
4 S. 30E. 1526 feet;
5 S. 59-1/2 W. 818 feet;
6 S. 2-3/4 W. 980 feet;
7 S. 6-1/4 W. 748 feet;
8 S. 32 W. at 175 feet W. F. Rives (formerly W. J. Potter) East
9 line, at 1079 feet, stake;
10 S. 50 W. 1403 feet;
11 S. 2 W. at 350 feet north line of the tract owned by the
12 Trustees of the Trinity University, at 1119 feet, stake;
13 S. 41-1/4 E. at 661 feet North line of Mrs. Lena Mae Nokes
14 tract in all a distance of 1513 feet;
15 S. 56-1/2 E. 665 feet;
16 S. 23-1/2 E. 723 feet;
17 S. 14-3/4 E. at 772 feet north line of tract now owned by the
18 Federal Land Bank of Houston, in all a distance of 1078 feet;
19 S. 3-1/4 W. at 314 feet edge of Ten Mile Creek bottom at 570
20 feet stake for the S. W. corner of Dallas County Levee Improvement
21 District No. 2, as REVISED, in Ten Mile Creek Channel;
22 THENCE with said Ten Mile Creek channel as follows:
23 N. 74-3/4 E. 1030 feet;
24 N. 81 E. 9800 feet to the West bank of the Trinity River,
25 stake for the Southeast corner of DALLAS COUNTY LEVEE IMPROVEMENT
26 DISTRICT No. 2 as REVISED.
27 THENCE up said Trinity River with the West bank of same to the

1 place of beginning, containing 2400 acres of land, more or less.

2 The above Field notes are made and verified from the records
3 of Dallas County, Texas, in conjunction with a survey of the line
4 described as being in Ten Mile Creek Channel.

5 SECTION 2.11. Section 1, Chapter 554, Acts of the 59th
6 Legislature, Regular Session, 1965, is amended to read as follows:

7 Sec. 1. ~~The [Under and pursuant to the provisions of Section~~
8 ~~59 of Article XVI, Constitution of Texas, a conservation and~~
9 ~~reclamation district is hereby created and incorporated in Harris~~
10 ~~County, Texas, to be known as "Crosby Municipal Utility District of~~
11 ~~Harris County, Texas," hereinafter referred to as the "District,"~~
12 ~~and the]~~ boundaries of the Crosby Municipal Utility District of
13 Harris County, Texas, [~~said District~~] shall be as follows:

14 BEGINNING at the southwestern corner of the Lewis A. Levy
15 Survey, Abstract No. 517, Harris County, Texas, same being a point
16 on the northern line of the Humphrey Jackson League, Abstract No.
17 37;

18 THENCE in an easterly direction along said northern line of
19 said Humphrey Jackson League, being also the southern line of said
20 Lewis A. Levy Survey, and a projection easterly thereof to an
21 intersection with the southwestern line of the San Jacinto River
22 Authority canal right-of-way in the B. F. Tankersley Survey,
23 Abstract No. 770;

24 THENCE in a southeasterly direction along said southwestern
25 line of the San Jacinto River Authority canal right-of-way to the
26 eastern line of the Adolph Erlund 59.24 acre tract;

27 THENCE in a southerly direction along said eastern line of

1 said 59.24 acre tract, being also the western line of a 60.58 acre
2 tract, to the northwestern line of the T & NO Railroad right-of-way;

3 THENCE in a northeasterly direction along said northwestern
4 line of said T & NO Railroad right-of-way to an intersection with
5 the projection northerly of the eastern line of the W. H. Miller
6 2.15 acre tract;

7 THENCE in a southerly direction along said projection
8 northerly of said Miller 2.15 acre tract and said eastern line of
9 said 2.15 acre tract, being also the western line of the F. R.
10 Curtis 6.65 acre tract, to the southeastern corner of said 2.15 acre
11 tract on the south line of said B. F. Tankersley Survey, being also
12 the north line of the John Quinlan Survey, Abstract No. 641;

13 THENCE in an easterly direction along said south line of the
14 B. F. Tankersley Survey, being also the north line of said John
15 Quinlan Survey, to its intersection with the western line of the
16 aforementioned San Jacinto River Authority canal right-of-way;

17 THENCE in a generally southerly and southwesterly direction
18 along said western line of the San Jacinto River Authority canal
19 right-of-way to its intersection with a line parallel to and 200
20 feet perpendicular northerly from the northern right-of-way line of
21 the road along the southern line of the Robert Sebesta 38.68 acre
22 tract in the Thos. Toby Survey, Abstract No. 791;

23 THENCE in an easterly direction along said line parallel to
24 and 200 feet perpendicular northerly from the northern right-of-way
25 line of the road along the southern line of the said Robert Sebesta
26 38.68 acre tract to an intersection with the northwestern line of
27 the right-of-way of U. S. Highway No. 90;

1 THENCE in a southwesterly direction along said northwestern
2 right-of-way line of U. S. Highway No. 90 to its intersection with
3 the northern line of the Victor Adam 12.02 acre tract;

4 THENCE in a westerly direction along said northern line of
5 the Victor Adam 12.02 acre tract and its projection westerly to the
6 western line of the aforementioned San Jacinto River Authority
7 canal right-of-way, being also the eastern line of a 1.97 acre
8 tract;

9 THENCE in a southerly direction along said western line of
10 the San Jacinto River Authority canal right-of-way to its
11 intersection with the southern line of said 1.97 acre tract;

12 THENCE in a westerly direction along said southern line of
13 said 1.97 acre tract and its projection westerly to the western
14 right-of-way line of the Crosby-Lynchburg Road;

15 THENCE in a northerly direction along said western
16 right-of-way line of the Crosby-Lynchburg Road to a point 200 feet
17 perpendicular southerly from the southern line of the Ed Ulrich
18 44.70 acre tract;

19 THENCE in a westerly direction with a line parallel to and 200
20 feet perpendicular southerly from said south line of the Ed Ulrich
21 44.70 acre tract for a distance of 500 feet to a point for corner;

22 THENCE in a northerly direction along a line parallel to and
23 500 feet perpendicular westerly from the western right-of-way line
24 of said Crosby-Lynchburg Road to an intersection with the northern
25 line of the B. J. Kristynik 37.30 acre tract, being also the
26 southern line of Crosby Townsite;

27 THENCE in a generally westerly direction along said northern

1 line of said B. J. Kristynik 37.30 acre tract, being also the
2 southern line of Crosby Townsite, to an intersection with the
3 southeastern line of the T & NO Railroad right-of-way;

4 THENCE in a northwesterly direction perpendicular or at right
5 angles to the centerline of said T & NO Railroad right-of-way to the
6 northwestern line of said T & NO Railroad right-of-way;

7 THENCE in a northeasterly direction along said northwestern
8 line of said T & NO Railroad right-of-way to the southern corner of
9 Block Eleven (11) of said Crosby Townsite on the northeastern line
10 of Avenue "C";

11 THENCE in a northwesterly direction along the southwestern
12 line of said Block Eleven (11) and Block Ten (10) of Crosby
13 Townsite, being also the northeastern line of Avenue "C", to the
14 western corner of said Block Ten (10) on the southeastern line of
15 First Street;

16 THENCE in a northeasterly direction along the northwestern
17 line of said Block Ten (10) to the most northerly northwestern
18 corner of said Block Ten (10) on the northern line of Crosby
19 Townsite;

20 THENCE in a westerly direction along said northern line of
21 Crosby Townsite to a point for corner at the intersection of said
22 northern line of Crosby Townsite with a line which is parallel to
23 and southwesterly from the westerly right-of-way line of
24 Farm-To-Market Road No. 2100 and passes through the southwestern
25 corner of the aforementioned Lewis A. Levy Survey;

26 THENCE in a northwesterly direction along said line parallel
27 to and southwesterly from said westerly right-of-way line of

1 Farm-To-Market Road No. 2100 to the southwestern corner of said
2 Lewis A. Levy Survey on the north line of the Humphrey Jackson
3 League, Abstract No. 37, the place of beginning, and containing 700
4 acres of land, more or less.

5 ARTICLE 3. REPEALER

6 SECTION 3.01. The following statutes are repealed:

- 7 (1) Chapter 734, Acts of the 72nd Legislature, Regular
8 Session, 1991 (Article 4477-7k, Vernon's Texas Civil Statutes);
9 (2) Chapter 643, Acts of the 59th Legislature, Regular
10 Session, 1965;
11 (3) Chapter 375, Acts of the 69th Legislature, Regular
12 Session, 1985;
13 (4) Chapter 726, Acts of the 65th Legislature, Regular
14 Session, 1977;
15 (5) Chapter 647, Acts of the 59th Legislature, Regular
16 Session, 1965;
17 (6) Chapter 103, Acts of the 57th Legislature, Regular
18 Session, 1961;
19 (7) Chapter 262, Acts of the 60th Legislature, Regular
20 Session, 1967;
21 (8) Chapter 12, Acts of the 70th Legislature, 2nd
22 Called Session, 1987;
23 (9) Chapter 877, Acts of the 62nd Legislature, Regular
24 Session, 1971;
25 (10) Chapter 515, Acts of the 69th Legislature,
26 Regular Session, 1985;
27 (11) Chapter 128, Acts of the 66th Legislature,

1 Regular Session, 1979;

2 (12) Sections 2, 3, 3A, 4, 5, 6, 7, 8, 9, 10, 11, 12,
3 13, 14, 15, 16, 17, 18, and 19, Chapter 539, Acts of the 63rd
4 Legislature, Regular Session, 1973;

5 (13) Chapter 59, Acts of the 62nd Legislature, Regular
6 Session, 1971;

7 (14) Chapter 699, Acts of the 61st Legislature,
8 Regular Session, 1969;

9 (15) Chapter 444, Acts of the 61st Legislature,
10 Regular Session, 1969;

11 (16) Sections 1.01, 1.02, 2.01, 2.02, 3.01, 3.02,
12 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 4.01, 4.02, 4.03, 4.04, 4.05,
13 4.06, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16,
14 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11,
15 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 6.01, 6.02, 6.03, 6.04, 6.05,
16 6.06, 6.07, 6.08, 6.09, 6.10, 7.01, 7.02, 7.03, 7.04, 7.05, 7.06,
17 7.07, 7.08, 7.09, 7.10, 7.11, 8.01, 8.02, 8.03, 8.04, 9.01, 9.02,
18 9.03, 9.04, 9.05, 9.06, 9.07, 9.08, and 10.01, Chapter 221, Acts of
19 the 71st Legislature, Regular Session, 1989;

20 (17) Chapter 550, Acts of the 71st Legislature,
21 Regular Session, 1989;

22 (18) Chapter 513, Acts of the 63rd Legislature,
23 Regular Session, 1973;

24 (19) Chapter 73, Acts of the 64th Legislature, Regular
25 Session, 1975;

26 (20) Chapter 448, Acts of the 63rd Legislature,
27 Regular Session, 1973;

1 (21) Chapter 680, Acts of the 68th Legislature,
2 Regular Session, 1983;

3 (22) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
4 14, 15, 16, and 17, Chapter 668, Acts of the 64th Legislature,
5 Regular Session, 1975;

6 (23) Chapter 220, Acts of the 71st Legislature,
7 Regular Session, 1989;

8 (24) Chapter 502, Acts of the 60th Legislature,
9 Regular Session, 1967;

10 (25) Chapter 191, Acts of the 64th Legislature,
11 Regular Session, 1975;

12 (26) Chapter 455, Acts of the 62nd Legislature,
13 Regular Session, 1971;

14 (27) Chapter 42, Acts of the 70th Legislature, 2nd
15 Called Session, 1987;

16 (28) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
17 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 561, Acts
18 of the 63rd Legislature, Regular Session, 1973;

19 (29) Chapter 214, Acts of the 66th Legislature,
20 Regular Session, 1979;

21 (30) Chapter 424, Acts of the 66th Legislature,
22 Regular Session, 1979;

23 (31) Chapter 528, Acts of the 60th Legislature,
24 Regular Session, 1967;

25 (32) Sections 1A, 2, 3, 3A, 4, 4A, 4B, 4C, 5, 6, 7, 8,
26 9, 10, 11, 12, 13, 14, 15, 16, and 17, Chapter 666, Acts of the 64th
27 Legislature, Regular Session, 1975;

1 (33) Chapter 852, Acts of the 62nd Legislature,
2 Regular Session, 1971;

3 (34) Chapter 43, Acts of the 57th Legislature, 1st
4 Called Session, 1961;

5 (35) Chapter 125, Acts of the 60th Legislature,
6 Regular Session, 1967;

7 (36) Chapter 77, Acts of the 71st Legislature, Regular
8 Session, 1989;

9 (37) Chapter 275, Acts of the 66th Legislature,
10 Regular Session, 1979;

11 (38) Chapter 56, Acts of the 58th Legislature, Regular
12 Session, 1963;

13 (39) Chapter 591, Acts of the 61st Legislature,
14 Regular Session, 1969;

15 (40) Chapter 873, Acts of the 62nd Legislature,
16 Regular Session, 1971:

17 (41) Chapter 241, Acts of the 60th Legislature,
18 Regular Session, 1967;

19 (42) Chapter 16, Acts of the 64th Legislature, Regular
20 Session, 1975;

21 (43) Chapter 58, Acts of the 63th Legislature, Regular
22 Session, 1973;

23 (44) Chapter 484, Acts of the 60th Legislature,
24 Regular Session, 1967;

25 (45) Chapter 66, Acts of the 60th Legislature, Regular
26 Session, 1967;

27 (46) Chapter 184, Acts of the 60th Legislature,

1 Regular Session, 1967;

2 (47) Chapter 41, Acts of the 59th Legislature, Regular
3 Session, 1965;

4 (48) Chapter 51, Acts of the 71st Legislature, Regular
5 Session, 1989;

6 (49) Chapter 665, Acts of the 64th Legislature,
7 Regular Session, 1975;

8 (50) Chapter 466, Acts of the 60th Legislature,
9 Regular Session, 1967;

10 (51) Chapter 465, Acts of the 59th Legislature,
11 Regular Session, 1965;

12 (52) Chapter 546, Acts of the 71st Legislature,
13 Regular Session, 1989;

14 (53) Sections 1.01, 1.02, 2.01, 3.01, 3.02, 3.03,
15 3.04, 3.05, 3.06, 3.07, 3.08, 4.01, 4.02, 4.03, 4.04, 4.05, 4.06,
16 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 5.01,
17 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12,
18 5.13, 5.14, 5.15, 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.08,
19 6.09, 6.10, 7.01, 7.02, 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09,
20 7.10, 7.11, 8.01, 8.02, 8.03, 8.04, 8.05, and 9.01, Chapter 45, Acts
21 of the 71st Legislature, Regular Session, 1989;

22 (54) Chapter 872, Acts of the 62nd Legislature,
23 Regular Session, 1971;

24 (55) Chapter 1316, Acts of the 75th Legislature,
25 Regular Session, 1997;

26 (56) Sections 1a, 1b, 2, 3, 4, 4b, and 4c, Chapter 55,
27 Acts of the 40th Legislature, 1st Called Session, 1927;

1 (57) Chapter 195, Acts of the 53rd Legislature,
2 Regular Session, 1953;

3 (58) Chapter 715, Acts of the 59th Legislature,
4 Regular Session, 1965;

5 (59) Sections 2, 3, 4, 5, 6, 7, 7A, 8, 9, 10, 11, and
6 12, Chapter 36, Acts of the 41st Legislature, 1st Called Session,
7 1929;

8 (60) Sections 1A, 2, 3, 4, 5, 6, 6A, 6B, 6C, 6D, 7, and
9 8, Chapter 203, Acts of the 57th Legislature, Regular Session,
10 1961;

11 (61) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12,
12 Chapter 6, Special Laws, Acts of the 41st Legislature, 4th Called
13 Session, 1930;

14 (62) Chapter 775, Acts of the 69th Legislature,
15 Regular Session, 1985;

16 (63) Chapter 465, Acts of the 51st Legislature,
17 Regular Session, 1949;

18 (64) Chapter 713, Acts of the 65th Legislature,
19 Regular Session, 1977;

20 (65) Chapter 432, Acts of the 66th Legislature,
21 Regular Session, 1979;

22 (66) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
23 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 435, Acts
24 of the 66th Legislature, Regular Session, 1979;

25 (67) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
26 and 14, Chapter 1321, Acts of the 76th Legislature, Regular
27 Session, 1999;

1 (68) Sections 1.01, 1.02, 1.03, 1.05, 1.06, 1.07,
2 1.08, 1.09, 2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09,
3 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 3.01, 3.02,
4 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 3.09, 3.10, 3.11, 3.12, 3.13,
5 3.14, 3.15, 4.01, 4.02, 4.03, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06,
6 6.01, 6.02, 7.01, and 7.02, Chapter 1273, Acts of the 75th
7 Legislature, Regular Session, 1997;

8 (69) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
9 14, 15, and 16, Chapter 166, Acts of the 41st Legislature, Regular
10 Session, 1929;

11 (70) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11,
12 Chapter 306, Acts of the 45th Legislature, Regular Session, 1937;

13 (71) Chapter 359, Acts of the 72nd Legislature,
14 Regular Session, 1989;

15 (72) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 648,
16 Acts of the 62nd Legislature, Regular Session, 1971;

17 (73) Sections 1, 2, 3, 4, 5, 7, 8, 9, and 10, Chapter
18 621, Acts of the 63rd Legislature, Regular Session, 1973;

19 (74) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 559,
20 Acts of the 62nd Legislature, Regular Session, 1971;

21 (75) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
22 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, Chapter 633, Acts of the
23 60th Legislature, Regular Session, 1967;

24 (76) Sections 1, 3, 4, 5, 6, 7, 8, and 9, Chapter 421,
25 Acts of the 66th Legislature, Regular Session, 1979;

26 (77) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
27 700, Acts of the 74th Legislature, Regular Session, 1995;

1 (78) Sections 1, 2(b), 2(c), 3, 4, 5, 6, 7, 8, and 9,
2 Chapter 722, Acts of the 68th Legislature, Regular Session, 1983;

3 (79) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 584,
4 Acts of the 62nd Legislature, Regular Session, 1971;

5 (80) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 700,
6 Acts of the 62nd Legislature, Regular Session, 1971;

7 (81) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 703,
8 Acts of the 62nd Legislature, Regular Session, 1971;

9 (82) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
10 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 270, Acts
11 of the 61st Legislature, Regular Session, 1969;

12 (83) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
13 14, 15, and 16, Chapter 744, Acts of the 73rd Legislature, Regular
14 Session, 1993;

15 (84) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 347,
16 Acts of the 62nd Legislature, Regular Session, 1971;

17 (85) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
18 184, Acts of the 69th Legislature, Regular Session, 1985;

19 (86) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
20 185, Acts of the 69th Legislature, Regular Session, 1985;

21 (87) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
22 186, Acts of the 69th Legislature, Regular Session, 1985;

23 (88) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
24 188, Acts of the 69th Legislature, Regular Session, 1985;

25 (89) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
26 189, Acts of the 69th Legislature, Regular Session, 1985;

27 (90) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter

- 1 190, Acts of the 69th Legislature, Regular Session, 1985;
- 2 (91) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
- 3 191, Acts of the 69th Legislature, Regular Session, 1985;
- 4 (92) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
- 5 192, Acts of the 69th Legislature, Regular Session, 1985;
- 6 (93) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 505,
- 7 Acts of the 62nd Legislature, Regular Session, 1971;
- 8 (94) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 686,
- 9 Acts of the 62nd Legislature, Regular Session, 1971;
- 10 (95) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
- 11 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 146, Acts
- 12 of the 61st Legislature, Regular Session, 1969;
- 13 (96) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 195,
- 14 Acts of the 62nd Legislature, Regular Session, 1971;
- 15 (97) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 654,
- 16 Acts of the 62nd Legislature, Regular Session, 1971;
- 17 (98) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 576,
- 18 Acts of the 62nd Legislature, Regular Session, 1971;
- 19 (99) Chapter 705, Acts of the 62nd Legislature,
- 20 Regular Session, 1971;
- 21 (100) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 697,
- 22 Acts of the 62nd Legislature, Regular Session, 1971;
- 23 (101) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12,
- 24 Chapter 1385, Acts of the 77th Legislature, Regular Session, 2001;
- 25 (102) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11,
- 26 Chapter 756, Acts of the 75th Legislature, Regular Session, 1997;
- 27 (103) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 474,

1 Acts of the 62nd Legislature, Regular Session, 1971;

2 (104) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 104,

3 Acts of the 67th Legislature, Regular Session, 1981;

4 (105) Sections 1, 3, 4, 5, 6, 7, and 8, Chapter 704,

5 Acts of the 68th Legislature, Regular Session, 1983;

6 (106) Chapter 950, Acts of the 69th Legislature,

7 Regular Session, 1985;

8 (107) Chapter 12, Acts of the 57th Legislature, 3rd

9 Called Session, 1962;

10 (108) Sections 1, 3, 4, 5, 6, 7, 7-A, 8, 9, 10, 11, 12,

11 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26, Chapter

12 506, Acts of the 54th Legislature, Regular Session, 1955;

13 (109) Sections 2, 3, 4, 5, 6, 7, 8, 9, and 10, Chapter

14 554, Acts of the 59th Legislature, Regular Session, 1965; and

15 (110) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,

16 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 751, Acts

17 of the 61st Legislature, Regular Session, 1969.

18 ARTICLE 4. GENERAL MATTERS

19 SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.

20 This Act is enacted under Section 43, Article III, Texas

21 Constitution. This Act is intended as a codification only, and no

22 substantive change in the law is intended by this Act. This Act

23 does not increase or decrease the territory of any special district

24 of the state as those boundaries exist on the effective date of this

25 Act.

26 SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS

27 LAW. (a) The repeal of a law, including a validating law, by this

1 Act does not remove, void, or otherwise affect in any manner a
2 validation under the repealed law. The validation is preserved and
3 continues to have the same effect that it would have if the law were
4 not repealed.

5 (b) Subsection (a) of this section does not diminish the
6 saving provisions prescribed by Section 311.031, Government Code.

7 SECTION 4.03. EFFECTIVE DATE. This Act takes effect April
8 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 3166 was passed by the House on April 12, 2007, by the following vote: Yeas 142, Nays 1, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3166 was passed by the Senate on May 15, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor