

By: Duncan

S.B. No. 2517

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the dissolution of the Ballinger Memorial Hospital  
3 District and the North Runnels County Hospital District and the  
4 creation of the Runnels County Hospital District; granting the  
5 authority to impose a tax and issue bonds; granting the power of  
6 eminent domain.

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

8 ARTICLE 1. DISSOLUTION OF BALLINGER MEMORIAL HOSPITAL DISTRICT ON  
9 CREATION OF RUNNELS COUNTY HOSPITAL DISTRICT

10 SECTION 1.01. Chapter 1004, Special District Local Laws  
11 Code, is amended by adding Subchapter D-1 to read as follows:

12 SUBCHAPTER D-1. DISSOLUTION OF BALLINGER MEMORIAL HOSPITAL  
13 DISTRICT ON CREATION OF RUNNELS COUNTY HOSPITAL DISTRICT

14 Sec. 1004.171. DISSOLUTION; ELECTION. (a) The board may  
15 order an election on the question of the dissolution of the  
16 district, creation of the Runnels County Hospital District,  
17 transfer of the district's assets and obligations to the Runnels  
18 County Hospital District, and assumption of the district's  
19 outstanding debts by the Runnels County Hospital District.

20 (b) The board shall order the election if:

21 (1) the board receives a petition requesting an  
22 election that is signed by at least 50 of the district's registered  
23 voters; or

24 (2) the board receives notice that the board of

1 directors of the North Runnels County Hospital District intends to  
2 order an election to dissolve the North Runnels County Hospital  
3 District and create the Runnels County Hospital District under  
4 Section 20c, Chapter 206, Acts of the 61st Legislature, Regular  
5 Session, 1969.

6 (c) If the board intends to hold an election under this  
7 subchapter, the board shall notify the board of directors of the  
8 North Runnels County Hospital District and the Runnels County  
9 Commissioners Court of that intention.

10 (d) The election held under this subchapter shall be held on  
11 the same date as the election to dissolve the North Runnels County  
12 Hospital District and create the Runnels County Hospital District  
13 under Section 20c, Chapter 206, Acts of the 61st Legislature,  
14 Regular Session, 1969, and the election in the portion of the county  
15 not included in a hospital district to create the Runnels County  
16 Hospital District. The board shall coordinate with the board of  
17 directors of the North Runnels County Hospital District and the  
18 Commissioners Court of Runnels County in setting the election date  
19 under this section.

20 (e) The order calling the election must state:

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

23 (2) the date of the election;

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

25 (4) the location of the polling places.

26 (f) Section 41.001, Election Code, does not apply to an  
27 election ordered under this section.

1       Sec. 1004.172. NOTICE OF ELECTION. (a) The board shall  
2 give notice of an election under this subchapter by publishing a  
3 substantial copy of the election order in a newspaper with general  
4 circulation in the district once a week for two consecutive weeks.

5       (b) The first publication must appear not later than the  
6 35th day before the date set for the election.

7       Sec. 1004.173. 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 Ballinger Memorial Hospital  
10 District and the creation of the Runnels County Hospital District,  
11 providing for the imposition of an ad valorem tax at a rate not to  
12 exceed \_\_\_\_\_ cents (insert any rate not to exceed 75 cents) on each  
13 \$100 valuation of taxable property in Runnels County, and providing  
14 for the transfer to and assumption by the Runnels County Hospital  
15 District of all outstanding bonds and other obligations issued for  
16 hospital purposes by the Ballinger Memorial Hospital District,  
17 Runnels County, and any part of a municipality located in Runnels  
18 County, and the transfer of the existing Ballinger Memorial  
19 Hospital District's assets to the Runnels County Hospital  
20 District."

21       Sec. 1004.174. ELECTION RESULTS. (a) The board shall find  
22 that the district is dissolved if:

23               (1) a majority of the votes in an election under this  
24 subchapter favor dissolution of the district and creation of the  
25 Runnels County Hospital District;

26               (2) a majority of the votes in an election held on the  
27 same date under Section 20c, Chapter 206, Acts of the 61st

1 Legislature, Regular Session, 1969, favor dissolution of the North  
2 Runnels County Hospital District and creation of the Runnels County  
3 Hospital District; and

4 (3) a cumulative majority of the votes in all three  
5 elections held on the question of creating the Runnels County  
6 Hospital District favor creation of the district.

7 (b) If a majority of the votes in either election under  
8 Subdivision (a)(1) or (2) do not favor dissolution of the district  
9 and creation of the Runnels County Hospital District, or if a  
10 cumulative majority of the votes in all three elections held on the  
11 question of creating the Runnels County Hospital District do not  
12 favor creation of the district, the board shall continue to  
13 administer the district, and another election on the question of  
14 dissolution under this subchapter may not be held before the first  
15 anniversary of the date of the most recent election under this  
16 subchapter to dissolve the district.

17 Sec. 1004.175. TRANSFER OR ADMINISTRATION OF ASSETS.

18 (a) If a majority of the votes in both elections under Sections  
19 1004.174(a)(1) and (2) favor dissolution of the district and  
20 creation of the Runnels County Hospital District, and a cumulative  
21 majority of the votes in all three elections held on the question of  
22 creating the Runnels County Hospital District favor creation of the  
23 district, the board shall transfer the land, buildings,  
24 improvements, equipment, and other assets belonging to the district  
25 to the Runnels County Hospital District.

26 (b) On the date the district makes the transfer under  
27 Subsection (a), the Runnels County Hospital District assumes all

1 debts and obligations of the district at the time of the transfer.  
2 The district is dissolved at the time of the transfer and the board  
3 is released from any further duty or obligation.

4 SECTION 1.02. On the dissolution of the Ballinger Memorial  
5 Hospital District and the approval of the creation of the Runnels  
6 County Hospital District, a reference in any law to the Ballinger  
7 Memorial Hospital District means the Runnels County Hospital  
8 District.

9 SECTION 1.03. (a) An election to dissolve the Ballinger  
10 Memorial Hospital District and create the Runnels County Hospital  
11 District must be held not later than the fifth anniversary of the  
12 effective date of this Act.

13 (b) If the dissolution of the Ballinger Memorial Hospital  
14 District and creation of the Runnels County Hospital District are  
15 not approved at an election held not later than the fifth  
16 anniversary of the effective date of this Act, Subchapter D-1,  
17 Chapter 1004, Special District Local Laws Code, as added by this  
18 article, expires.

19 ARTICLE 2. DISSOLUTION OF NORTH RUNNELS COUNTY HOSPITAL DISTRICT  
20 ON CREATION OF RUNNELS COUNTY HOSPITAL DISTRICT

21 SECTION 2.01. Chapter 206, Acts of the 61st Legislature,  
22 Regular Session, 1969, is amended by adding Section 20c to read as  
23 follows:

24 Sec. 20c. (a) The board may order an election on the  
25 question of the dissolution of the district, creation of the  
26 Runnels County Hospital District, transfer of the district's assets  
27 and obligations to the Runnels County Hospital District, and

1 assumption of the district's outstanding debts by the Runnels  
2 County Hospital District.

3 (b) The board shall order the election if:

4 (1) the board receives a petition requesting an  
5 election that is signed by at least 50 of the district's registered  
6 voters; or

7 (2) the board receives notice that the board of  
8 directors of the Ballinger Memorial Hospital District intends to  
9 order an election to dissolve the Ballinger Memorial Hospital  
10 District and create the Runnels County Hospital District under  
11 Subchapter D-1, Chapter 1004, Special District Local Laws Code.

12 (c) If the board intends to hold an election under this  
13 section, the board shall notify the board of directors of the  
14 Ballinger Memorial Hospital District and the Runnels County  
15 Commissioners Court of that intention. The election held under  
16 this section shall be held on the same date as the election to  
17 dissolve the Ballinger Memorial Hospital District and create the  
18 Runnels County Hospital District under Subchapter D-1, Chapter  
19 1004, Special District Local Laws Code, and the election in the  
20 portion of the county not included in a hospital district to create  
21 the Runnels County Hospital District. The board shall coordinate  
22 with the board of directors of the Ballinger Memorial Hospital  
23 District and the Commissioners Court of Runnels County in setting  
24 the election date under this section.

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

26 (1) the nature of the election, including the  
27 proposition that is 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, Election Code, does not apply to an  
5 election ordered under this section.

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

11           (g) The ballot for an election under this subchapter must be  
12 printed to permit voting for or against the proposition: "The  
13 dissolution of the North Runnels County Hospital District and the  
14 creation of the Runnels County Hospital District, providing for the  
15 imposition of an ad valorem tax at a rate not to exceed \_\_\_\_ cents  
16 (insert any rate not to exceed 75 cents) on each \$100 valuation of  
17 taxable property in Runnels County, and providing for the transfer  
18 to and assumption by the Runnels County Hospital District of all  
19 outstanding bonds and other obligations issued for hospital  
20 purposes by the North Runnels County Hospital District, Runnels  
21 County, and any part of a municipality located in Runnels County,  
22 and the transfer of the existing North Runnels County Hospital  
23 District's assets to the Runnels County Hospital District."

24           (h) The board shall find that the district is dissolved if:

25           (1) a majority of the votes in an election under this  
26 section favor dissolution of the district and creation of the  
27 Runnels County Hospital District;

1           (2) a majority of the votes in an election held on the  
2 same date under Subchapter D-1, Chapter 1004, Special District  
3 Local Laws Code, favor dissolution of the Ballinger Memorial  
4 Hospital District and creation of the Runnels County Hospital  
5 District; and

6           (3) a cumulative majority of the votes in all three  
7 elections held on the question of creating the Runnels County  
8 Hospital District favor creation of the district.

9           (i) If a majority of the votes in either election under  
10 Subdivision (h)(1) or (2) of this section do not favor dissolution  
11 of the district and creation of the Runnels County Hospital  
12 District, or if a cumulative majority of the votes in all three  
13 elections held on the question of creating the Runnels County  
14 Hospital District do not favor creation of the district, the board  
15 shall continue to administer the district, and another election on  
16 the question of dissolution under this section may not be held  
17 before the first anniversary of the date of the most recent election  
18 under this section to dissolve the district.

19           (j) If a majority of the votes in both elections under  
20 Subdivisions (h)(1) and (2) of this section favor dissolution of  
21 the district and creation of the Runnels County Hospital District,  
22 and a cumulative majority of the votes in all three elections held  
23 on the question of creating the Runnels County Hospital District  
24 favor creation of the district, the board shall transfer the land,  
25 buildings, improvements, equipment, and other assets belonging to  
26 the district to the Runnels County Hospital District.

27           (k) On the date the district makes the transfer under



1 Subsection (j) of this section, the Runnels County Hospital  
2 District assumes all debts and obligations of the district at the  
3 time of the transfer. The district is dissolved at the time of the  
4 transfer and the board is released from any further duty or  
5 obligation.

6 SECTION 2.02. On the dissolution of the North Runnels  
7 County Hospital District and the approval of the creation of the  
8 Runnels County Hospital District, a reference in any law to the  
9 North Runnels County Hospital District means the Runnels County  
10 Hospital District.

11 SECTION 2.03. (a) An election to dissolve the North  
12 Runnels County Hospital District and create the Runnels County  
13 Hospital District must be held not later than the fifth anniversary  
14 of the effective date of this Act.

15 (b) If the dissolution of the North Runnels County Hospital  
16 District and creation of the Runnels County Hospital District are  
17 not approved at an election held not later than the fifth  
18 anniversary of the effective date of this Act, Section 20c, Chapter  
19 206, Acts of the 61st Legislature, Regular Session, 1969, as added  
20 by this article, expires.

21 ARTICLE 3. CREATION OF RUNNELS COUNTY HOSPITAL DISTRICT

22 SECTION 3.01. Subtitle A, Title 3, Special District Local  
23 Laws Code, is amended by adding Chapter 1072 to read as follows:

24 CHAPTER 1072. RUNNELS COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1072.001. 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 Runnels County Hospital  
4 District.

5 Sec. 1072.002. AUTHORITY FOR OPERATION. The Runnels County  
6 Hospital District operates and is financed as provided by Section  
7 9, Article IX, Texas Constitution, and by this chapter.

8 Sec. 1072.003. ESSENTIAL PUBLIC FUNCTION. The district is  
9 a public entity performing an essential public function.

10 Sec. 1072.004. DISTRICT TERRITORY. The boundaries of the  
11 district are coextensive with the boundaries of Runnels County,  
12 Texas.

13 Sec. 1072.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
14 OBLIGATION. The state may not be obligated for the support or  
15 maintenance of the district.

16 Sec. 1072.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
17 The legislature may not make a direct appropriation for the  
18 construction, maintenance, or improvement of a district facility.

19 [Sections 1072.007-1072.020 reserved for expansion]

20 SUBCHAPTER A-1. TEMPORARY PROVISIONS

21 Sec. 1072.021. (a) The Commissioners Court of Runnels  
22 County shall order an election for the registered voters of Runnels  
23 County who do not reside in the Ballinger Memorial Hospital  
24 District or the North Runnels County Hospital District on the  
25 question of creating the Runnels County Hospital District if the  
26 commissioners court receives notice that:

27 (1) the board of directors of the Ballinger Memorial

1 Hospital District intends to order an election to dissolve the  
2 Ballinger Memorial Hospital District and create the Runnels County  
3 Hospital District under Subchapter D-1, Chapter 1004; and

4 (2) the board of directors of the North Runnels County  
5 Hospital District intends to order an election to dissolve the  
6 North Runnels County Hospital District and create the Runnels  
7 County Hospital District under Section 20c, Chapter 206, Acts of  
8 the 61st Legislature, Regular Session, 1969.

9 (b) The Commissioners Court of Runnels County shall notify  
10 the boards of directors of the Ballinger Memorial Hospital District  
11 and the North Runnels County Hospital District that the  
12 commissioners court intends to hold the election under this  
13 section.

14 (c) The election held under this section shall be held on  
15 the same date as the elections to dissolve the Ballinger Memorial  
16 Hospital District and the North Runnels County Hospital District  
17 and to create the Runnels County Hospital District. The  
18 Commissioners Court of Runnels County shall coordinate with the  
19 boards of directors of the Ballinger Memorial Hospital District and  
20 the North Runnels County Hospital District in setting the election  
21 date under this section.

22 (d) The order calling the election under this section must  
23 state:

24 (1) the nature of the election, including the  
25 proposition that is 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, Election Code, does not apply to an  
3 election ordered under this section.

4           (f) The Commissioners Court of Runnels County shall give  
5 notice of an election under this section by publishing a  
6 substantial copy of the election order in a newspaper with general  
7 circulation in Runnels County once a week for two consecutive  
8 weeks. The first publication must appear not later than the 35th  
9 day before the date set for the election.

10           (g) The ballot for an election under this section must be  
11 printed to permit voting for or against the proposition: "The  
12 creation of the Runnels County Hospital District, providing for the  
13 imposition of an ad valorem tax at a rate not to exceed \_\_\_\_ cents  
14 (insert any rate not to exceed 75 cents) on each \$100 valuation of  
15 taxable property in Runnels County.

16           (h) The Commissioners Court of Runnels County shall find  
17 that the Runnels County Hospital District is created if:

18           (1) a majority of the votes in an election held on the  
19 same date under Subchapter D-1, Chapter 1004, favor dissolution of  
20 the Ballinger Memorial Hospital District and creation of the  
21 Runnels County Hospital District;

22           (2) a majority of the votes in an election held on the  
23 same date under Section 20c, Chapter 206, Acts of the 61st  
24 Legislature, Regular Session, 1969, favor dissolution of the North  
25 Runnels County Hospital District and creation of the Runnels County  
26 Hospital District; and

27           (3) a cumulative majority of the votes held in the

1 election called by the commissioners court and in the elections  
2 described by Subdivisions (1) and (2) favor creation of the Runnels  
3 County Hospital District.

4 Sec. 1072.022. TEMPORARY DIRECTORS. (a) If the creation  
5 of the district is approved at the elections held under Subchapter  
6 D-1, Chapter 1004, Section 20c, Chapter 206, Acts of the 61st  
7 Legislature, Regular Session, 1969, and Section 1072.021, the  
8 following persons shall serve as temporary directors of the Runnels  
9 County Hospital District:

- 10 (1) Lewis Bergman;
- 11 (2) Charles Brown;
- 12 (3) Mike Dankworth;
- 13 (4) Rodney Flanagan;
- 14 (5) Bill Hunter;
- 15 (6) Paul Sklenarik;
- 16 (7) Dewey Whitfield.

17 (b) The temporary board shall serve as the temporary  
18 directors of the district until the initial elected directors take  
19 office under Section 1072.025.

20 (c) A vacancy on the temporary board of directors shall be  
21 filled by the Commissioners Court of Runnels County.

22 (d) To serve as a temporary director, a person must be:

- 23 (1) a resident of the district; and
- 24 (2) a qualified voter.

25 (e) An employee of the district may not serve as a temporary  
26 director.

27 Sec. 1072.023. TEMPORARY OFFICERS. (a) The temporary

1 board shall elect a president and a vice president from among the  
2 temporary directors.

3 (b) The temporary board shall appoint a secretary, who need  
4 not be a temporary director.

5 (c) The temporary board shall fill a vacancy in a board  
6 office for the remainder of the unexpired term.

7 Sec. 1072.024. ELECTION OF INITIAL ELECTED DIRECTORS.

8 (a) The temporary directors shall hold an election to elect seven  
9 initial directors on the first uniform election date in May that  
10 occurs after the date the district is created. One initial director  
11 shall be elected from each commissioners precinct of Runnels County  
12 and three initial directors shall be elected from the district at  
13 large.

14 (b) The temporary directors may postpone the election under  
15 Subsection (a) for not more than one year or until the next uniform  
16 election date if the temporary directors determine that there is  
17 not sufficient time to comply with the requirements of this section  
18 or if the temporary directors determine that it is in the best  
19 interests of the district to maintain the temporary directors for  
20 another year.

21 (c) Notice of the election of the initial directors shall be  
22 published at least once in a newspaper of general circulation in the  
23 district in accordance with Section 4.003(a), Election Code.

24 Sec. 1072.025. INITIAL ELECTED DIRECTORS. (a) The  
25 candidate receiving the highest number of votes from each  
26 commissioners precinct of Runnels County is the initial elected  
27 director for that precinct, and the three candidates receiving the

1 highest number of votes from the district at large are the initial  
2 elected directors for the district at large.

3 (b) Initial elected directors serve three-year terms.

4 (c) To be a candidate for or to serve as an initial elected  
5 director, a person must be:

6 (1) a resident of the district; and

7 (2) a qualified voter.

8 (d) An employee of the district may not serve as an initial  
9 elected director.

10 Sec. 1072.026. INITIAL ELECTED OFFICERS. (a) The initial  
11 elected board shall elect a president and a vice president from  
12 among the initial elected directors.

13 (b) The initial elected board shall appoint a secretary, who  
14 need not be an initial elected director.

15 (c) The initial elected board shall fill a vacancy in a  
16 board office for the remainder of the unexpired term.

17 Sec. 1072.027. PROCEDURE FOR ELECTION OF PERMANENT  
18 DIRECTORS. Not later than the date the terms of the initial elected  
19 directors expire, the initial elected board shall adopt a procedure  
20 for the election of directors under Section 1072.051. The  
21 procedure must provide for appropriate representation of the  
22 residents of the district and must provide for the first election of  
23 permanent directors to occur on the first uniform election date in  
24 May that occurs at the end of the initial directors' terms.

25 [Sections 1072.028-1072.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Sec. 1072.051. BOARD ELECTION; TERM. (a) The board

1 consists of seven directors elected in the manner prescribed by the  
2 initial directors under Section 1072.026.

3 (b) An election shall be held each year on the uniform  
4 election date in May to elect the appropriate number of directors.

5 (c) Directors serve staggered three-year terms.

6 Sec. 1072.052. NOTICE. Notice of the directors' election  
7 shall be published at least once in a newspaper with general  
8 circulation in the district in accordance with Section 4.003(a),  
9 Election Code.

10 Sec. 1072.053. QUALIFICATIONS FOR OFFICE. (a) To be a  
11 candidate for or to serve as a director, a person must be:

12 (1) a resident of the district; and

13 (2) a qualified voter.

14 (b) An administrator or an employee of the district may not  
15 serve as a director.

16 Sec. 1072.054. DIRECTOR'S BOND. (a) Before assuming the  
17 duties of office, each director must execute a bond in the amount of  
18 \$5,000 payable to the district and conditioned on the faithful  
19 performance of the director's duties.

20 (b) The bond shall be kept in the permanent records of the  
21 district.

22 (c) The board may pay for a director's bond with district  
23 money.

24 Sec. 1072.055. BOARD VACANCY. If a vacancy occurs in the  
25 office of director, the remaining directors shall appoint a  
26 director for the remainder of the unexpired term.

27 Sec. 1072.056. OFFICERS. (a) The board shall elect a



1 president and a vice president from among the directors.

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

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

5 (d) The board shall fill a vacancy in a board office for the  
6 remainder of the unexpired term.

7 Sec. 1072.057. COMPENSATION; REIMBURSEMENT. A director or  
8 officer serves without compensation but may be reimbursed for  
9 actual expenses incurred in the performance of official duties.

10 The expenses must be:

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

12 (2) approved by the board.

13 Sec. 1072.058. VOTING REQUIREMENT. A concurrence of a  
14 majority of the directors voting is necessary in matters relating  
15 to district business.

16 Sec. 1072.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S  
17 BOND. (a) The board may appoint a qualified person as district  
18 administrator.

19 (b) The district administrator serves at the will of the  
20 board.

21 (c) The district administrator is entitled to compensation  
22 determined by the board.

23 (d) Before assuming the duties of district administrator,  
24 the administrator must execute a bond payable to the district in an  
25 amount not less than \$5,000, as determined by the board,  
26 conditioned on the faithful performance of the administrator's  
27 duties.

1 (e) The board may pay for the bond with district money.

2 Sec. 1072.060. 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 general affairs of the district.

8 Sec. 1072.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

9 (a) The board may appoint qualified persons as assistant district  
10 administrator and attorney for the district.

11 (b) The assistant district administrator and attorney for  
12 the district serve at the will of the board.

13 (c) The assistant district administrator and attorney for  
14 the district are entitled to compensation determined by the board.

15 Sec. 1072.062. EMPLOYEES. (a) The district may employ  
16 nurses, technicians, fiscal agents, accountants, architects,  
17 additional attorneys, and other necessary employees.

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

20 Sec. 1072.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

21 The board may spend district money, enter into agreements, and take  
22 other necessary actions to recruit physicians and other persons to  
23 serve as medical staff members or district employees. The actions  
24 may include:

25 (1) advertising and marketing;

26 (2) paying travel, recruitment, and relocation  
27 expenses;

1           (3) providing a loan or scholarship to a physician or a  
2 person currently enrolled in health care education courses at an  
3 institution of higher education who contracts to become a medical  
4 staff member or district employee; or

5           (4) contracting with a full-time medical student or  
6 other student in a health occupation who is enrolled in and in good  
7 standing at an accredited medical school, college, or university to  
8 pay the student's tuition or other expenses for the consideration  
9 of the student agreeing to serve as an employee or independent  
10 contractor for the district.

11           Sec. 1072.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

12 The board may:

13           (1) appoint to the medical staff any doctor the board  
14 considers necessary for the efficient operation of the district;

15           (2) remove any doctor from the medical staff, after  
16 due process, if the board considers the doctor's removal necessary  
17 for the efficient operation of the district; and

18           (3) make temporary appointments to the medical staff  
19 as the board considers necessary.

20           Sec. 1072.065. RETIREMENT BENEFITS. The board may provide  
21 retirement benefits for district employees by:

22           (1) establishing or administering a retirement  
23 program; or

24           (2) participating in:

25                   (A) the Texas County and District Retirement  
26 System; or

27                   (B) another statewide retirement system in which

1 the district is eligible to participate.

2 [Sections 1072.066-1072.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 1072.101. DISTRICT RESPONSIBILITY. The district has  
5 full responsibility for operating hospital facilities and  
6 providing medical and hospital care for the district's needy  
7 residents.

8 Sec. 1072.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
9 The board shall manage, control, and administer the hospital system  
10 and the money and resources of the district.

11 Sec. 1072.103. RULES. The board may adopt rules governing:

12 (1) the operation of the hospital and hospital system;

13 and

14 (2) the duties, functions, and responsibilities of  
15 district staff and employees.

16 Sec. 1072.104. PURCHASING AND ACCOUNTING PROCEDURES. The  
17 board may prescribe:

18 (1) the method of making purchases and expenditures by  
19 and for the district; and

20 (2) accounting and control procedures for the  
21 district.

22 Sec. 1072.105. PROVISION OF CERTAIN HEALTH SERVICES.

23 (a) The district may operate or provide for the operation of a  
24 mobile emergency medical service.

25 (b) The district may operate or provide for home health  
26 services, long-term care, skilled nursing care, intermediate  
27 nursing care, or hospice care.

1       Sec. 1072.106. DISTRICT PROPERTY, FACILITIES, AND  
2 EQUIPMENT. (a) The board shall determine:

3           (1) the type, number, and location of buildings  
4 required to maintain an adequate hospital system; and

5           (2) the type of equipment necessary for hospital care.

6       (b) The board may:

7           (1) acquire property, facilities, and equipment for  
8 the district for use in the hospital system;

9           (2) mortgage or pledge the property, facilities, or  
10 equipment as security for payment of the purchase price;

11           (3) sell or otherwise dispose of property, facilities,  
12 or equipment for the district; or

13           (4) lease hospital facilities for the district.

14       Sec. 1072.107. OPERATING AND MANAGEMENT CONTRACTS. The  
15 board may enter into operating or management contracts relating to  
16 hospital facilities for the district.

17       Sec. 1072.108. SERVICE CONTRACTS. (a) The board may  
18 contract with a public or private hospital, a political subdivision  
19 of the state, or a state or federal agency for the district to  
20 provide a mobile emergency medical service or other health care  
21 services needed to provide for the investigatory or welfare needs  
22 of residents of the district.

23           (b) The board may contract with a person to receive or  
24 supply the services the board considers necessary for the effective  
25 operation of the district.

26       Sec. 1072.109. 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 interest is necessary for the district to exercise the rights or  
3 authority conferred by this chapter.

4 (b) The district must exercise the power of eminent domain  
5 in the manner provided by Chapter 21, Property Code, except that the  
6 district is not required to deposit with 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 bond or other security  
11 for costs in the trial court;

12 (2) provide 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.

16 Sec. 1072.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
17 exercising the power of eminent domain, if the board requires  
18 relocating, raising, lowering, rerouting, changing the grade, or  
19 altering the construction of any railroad, highway, pipeline, or  
20 electric transmission and electric distribution, telegraph, or  
21 telephone line, conduit, pole, or facility, the district shall pay  
22 the actual cost of that activity to provide a comparable  
23 replacement, without enhancement of facilities, after deducting  
24 the net salvage value derived from the old facility.

25 Sec. 1072.111. GIFTS AND ENDOWMENTS. The board may accept  
26 for the district a gift or endowment to be held in trust for any  
27 purpose and under any direction, limitation, or provision in

1 writing by the donor that is consistent with the proper management  
2 of the district.

3 Sec. 1072.112. PAYMENT FOR TREATMENT; PROCEDURES.

4 (a) When a person who resides in the district is admitted as a  
5 patient to a district facility, the district administrator may have  
6 an inquiry made into the financial circumstances of:

7 (1) the patient; and

8 (2) a relative of the patient who is legally  
9 responsible for the patient's support.

10 (b) To the extent that the patient or a relative of the  
11 patient who is legally responsible for the patient's support cannot  
12 pay for care and treatment provided by the district, the district  
13 shall supply the care and treatment without charging the patient or  
14 the patient's relative.

15 (c) On determining that the patient or a relative legally  
16 responsible for the patient's support can pay for all or part of the  
17 care and treatment provided by the district, the district  
18 administrator shall report that determination to the board, and the  
19 board shall issue an order directing the patient or the relative to  
20 pay the district a specified amount each week. The amount must be  
21 based on the person's ability to pay.

22 (d) The district administrator may collect money owed to the  
23 district from the patient's estate or from that of a relative  
24 legally responsible for the patient's support in the manner  
25 provided by law for the collection of expenses in the last illness  
26 of a deceased person.

27 (e) If there is a dispute relating to a person's ability to

1 pay or if the district administrator has any doubt concerning a  
2 person's ability to pay, the board shall call witnesses, hear and  
3 resolve the question, and issue a final order. The order may be  
4 appealed to a district court in the county in which the district is  
5 located. The substantial evidence rule applies to an appeal under  
6 this subsection.

7 Sec. 1072.113. REIMBURSEMENT FOR SERVICES. (a) The board  
8 shall require a county, municipality, or public hospital located  
9 outside of the district to reimburse the district for the  
10 district's care and treatment of a sick or injured person of that  
11 county, municipality, or hospital, as provided by Chapter 61,  
12 Health and Safety Code.

13 (b) The board shall require the sheriff of Runnels County to  
14 reimburse the district for the district's care and treatment of a  
15 person who is confined in a jail facility of Runnels County and is  
16 not a resident of the district.

17 (c) On behalf of the district, the board may contract with  
18 the state or federal government for that government to reimburse  
19 the district for treatment of a sick or injured person.

20 Sec. 1072.114. NONPROFIT CORPORATION. (a) The district  
21 may create and sponsor a nonprofit corporation under the Business  
22 Organizations Code and may contribute money to or solicit money for  
23 the corporation.

24 (b) A corporation created under this section may use money  
25 contributed by the district only to provide health care or other  
26 services the district is authorized to provide under this chapter.

27 (c) The corporation may invest the corporation's money in



1 any manner in which the district may invest the district's money,  
2 including investing money as authorized by Chapter 2256, Government  
3 Code.

4 (d) The board shall establish controls to ensure that the  
5 corporation uses its money as required by this section.

6 Sec. 1072.115. AUTHORITY TO SUE AND BE SUED. The board may  
7 sue and be sued on behalf of the district.

8 Sec. 1072.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR  
9 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a  
10 construction contract on the district's behalf.

11 (b) The board may enter into a construction contract only  
12 after competitive bidding as provided by Subchapter B, Chapter 271,  
13 Local Government Code, if the amount of the contract is greater than  
14 the amount provided by Section 271.024 of that code.

15 [Sections 1072.117-1072.150 reserved for expansion]

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 1072.151. BUDGET. (a) The district administrator  
18 shall prepare a proposed annual budget for the district.

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

21 (1) the outstanding obligations of the district;

22 (2) the amount of cash on hand to the credit of each  
23 fund of the district;

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

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

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

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

5           (7) the estimated tax rate required.

6           Sec. 1072.152. NOTICE; HEARING; ADOPTION OF BUDGET.

7           (a) The board shall hold a public hearing on the proposed budget.

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

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 budget by acting on the budget proposed by the district  
15 administrator. The board may make a change in the proposed budget  
16 that the board determines to be in the interests of the taxpayers.

17           (e) The budget is effective only after adoption by the  
18 board.

19           Sec. 1072.153. AMENDMENT OF BUDGET. After the budget is  
20 adopted, the budget may be amended on the board's approval.

21           Sec. 1072.154. FISCAL YEAR. (a) The district operates  
22 according to a fiscal year established by the board.

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

24           (1) during a period in which revenue bonds of the  
25 district are outstanding; or

26           (2) more than once in a 24-month period.

27           Sec. 1072.155. ANNUAL AUDIT. The board shall have an annual

1 audit made of the financial condition of the district.

2 Sec. 1072.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
3 RECORDS. The annual audit and other district records are open to  
4 inspection during regular business hours at the principal office of  
5 the district.

6 Sec. 1072.157. FINANCIAL REPORT. As soon as practicable  
7 after the close of each fiscal year, the district administrator  
8 shall prepare for the board a sworn statement of the amount of  
9 district money and an account of the disbursement of that money.

10 Sec. 1072.158. SHORT-TERM FINANCING. The district may  
11 borrow money through short-term financing.

12 Sec. 1072.159. DEBT LIMITATION. Except as provided by  
13 Chapter 1207, Government Code, and Sections 1072.116, 1072.201, and  
14 1072.204, the district may not incur a debt payable from district  
15 revenue other than revenue available in the current fiscal year and  
16 the immediately following fiscal year of the district.

17 Sec. 1072.160. DEPOSITORY. (a) The board shall select at  
18 least one bank to serve as a depository for district money.

19 (b) The board may solicit bids from local financial  
20 institutions to determine which institution may serve as a  
21 depository for district money.

22 (c) District money, other than money invested as provided by  
23 Section 1072.161 and money transmitted to a bank for payment of  
24 bonds or obligations issued or assumed by the district, shall be  
25 deposited as received with the depository bank and shall remain on  
26 deposit. This subsection does not limit the board's power to place  
27 part of the district's money on time deposit or to purchase

1 certificates of deposit.

2 (d) The district may deposit money with a bank in an amount  
3 that exceeds the maximum amount secured by the Federal Deposit  
4 Insurance Corporation only if the bank first executes a bond or  
5 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.

8 Sec. 1072.161. RESTRICTION ON INVESTMENT. The board may  
9 invest operating, depreciation, or building reserves only in funds  
10 or securities specified by Chapter 2256, Government Code.

11 [Sections 1072.162-1072.200 reserved for expansion]

12 SUBCHAPTER E. BONDS

13 Sec. 1072.201. GENERAL OBLIGATION BONDS. If authorized by  
14 an election, the board may issue and sell general obligation bonds  
15 in the name and on the faith and credit of the district to:

16 (1) purchase, construct, acquire, repair, or renovate  
17 buildings or improvements;

18 (2) equip buildings or improvements for hospital  
19 purposes; or

20 (3) acquire and operate a mobile emergency medical  
21 service.

22 Sec. 1072.202. TAX TO PAY GENERAL OBLIGATION BONDS.

23 (a) At the time general obligation bonds are issued by the  
24 district under Section 1072.201, the board shall impose an ad  
25 valorem tax in an amount sufficient to create an interest and  
26 sinking fund to pay the principal of and interest on the bonds as  
27 the bonds mature.

1       (b) The tax required by this section together with any other  
2 tax the district imposes in any year may not exceed the limit  
3 approved by the voters at the election authorizing the imposition  
4 of taxes.

5       Sec. 1072.203. 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 voters voting in an election held  
8 for that purpose.

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

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

16       (c) Notice of a bond election must be given as provided by  
17 Chapter 1251, Government Code.

18       (d) The board shall declare the results of the election.

19       Sec. 1072.204. REVENUE BONDS. (a) The board may issue  
20 revenue bonds to:

- 21           (1) acquire, purchase, construct, repair, renovate,  
22 or equip 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 revenues 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 the district property.

5 (d) The bonds must be issued in the manner provided by  
6 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,  
7 Health and Safety Code, for issuance of revenue bonds by county  
8 hospital authorities.

9 Sec. 1072.205. MATURITY. District bonds must mature not  
10 later than 40 years after the date of their issuance.

11 Sec. 1072.206. EXECUTION OF BONDS. (a) The board  
12 president shall execute district bonds in the district's name.

13 (b) The board secretary shall countersign the bonds in the  
14 manner provided by Chapter 618, Government Code.

15 Sec. 1072.207. BONDS NOT SUBJECT TO TAXATION. The  
16 following are not subject to taxation by the state or by a political  
17 subdivision of the state:

- 18 (1) bonds issued by the district;  
19 (2) any transaction relating to the bonds; and  
20 (3) profits made in the sale of the bonds.

21 [Sections 1072.208-1072.250 reserved for expansion]

22 SUBCHAPTER F. AD VALOREM TAX

23 Sec. 1072.251. IMPOSITION OF AD VALOREM TAX. (a) The  
24 board shall impose a tax on all property in the district subject to  
25 hospital district 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.

6 Sec. 1072.252. TAX RATE. (a) The board may impose an  
7 annual tax at a rate not to exceed the limit approved by the voters  
8 at the election authorizing the imposition of a tax.

9 (b) The tax rate on all taxable property in the district for  
10 all purposes may not exceed 75 cents on each \$100 valuation of the  
11 property according to the most recent certified tax appraisal roll  
12 of the district.

13 (c) In setting the tax rate, the board shall consider  
14 district income from sources other than taxation.

15 Sec. 1072.253. 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.

19 [Sections 1072.254-1072.300 reserved for expansion]

20 SUBCHAPTER G. DISSOLUTION

21 Sec. 1072.301. DISSOLUTION; ELECTION. (a) The district  
22 may be dissolved only on approval of a majority of the voters voting  
23 in an election held for that purpose.

24 (b) The board may order an election on the question of  
25 dissolving the district and disposing of the district's assets and  
26 obligations.

27 (c) The board shall order an election if the board receives

1 a petition requesting an election that is signed by at least 15  
2 percent of the district's registered voters.

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

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

6 (2) the date of the election;

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

8 (4) the location of the polling places.

9 (e) Section 41.001, Election Code, does not apply to an  
10 election ordered under this section.

11 Sec. 1072.302. NOTICE OF ELECTION. (a) The board shall  
12 give notice of an election under this subchapter by publishing a  
13 substantial copy of the election order in a newspaper with general  
14 circulation in the district once a week for two consecutive weeks.

15 (b) The first publication must appear not later than the  
16 35th day before the date set for the election.

17 Sec. 1072.303. BALLOT. The ballot for an election under  
18 this subchapter must be printed to permit voting for or against the  
19 proposition: "The dissolution of the North Runnels County Hospital  
20 District."

21 Sec. 1072.304. ELECTION RESULTS. (a) If a majority of the  
22 votes in an election under this subchapter favor dissolution, the  
23 board shall order that the district be dissolved.

24 (b) If a majority of the votes in an election under this  
25 subchapter do not favor dissolution, the board shall continue to  
26 administer the district, and another election on the question of  
27 dissolution may not be held before the first anniversary of the date



1 of the most recent election to dissolve the district.

2 Sec. 1072.305. TRANSFER OR ADMINISTRATION OF ASSETS.

3 (a) If a majority of the votes in an election under this subchapter  
4 favor dissolution, the board shall:

5 (1) transfer the land, buildings, improvements,  
6 equipment, and other assets belonging to the district to Runnels  
7 County or another governmental entity in Runnels County; or

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

11 (b) If the district makes a transfer under Subsection  
12 (a)(1), the county or governmental entity assumes all debts and  
13 obligations of the district at the time of the transfer. The  
14 district is dissolved at the time of the transfer.

15 (c) If the district administers the property, assets, and  
16 debts of the district under Subsection (a)(2), the district is  
17 dissolved when all money has been disposed of and all district debts  
18 have been paid or settled.

19 Sec. 1072.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
20 TAXES. (a) After the board determines that the district is  
21 dissolved, 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 funds to the county tax assessor-collector.

7 Sec. 1072.307. REPORT; DISSOLUTION ORDER. (a) After the  
8 district has paid all its debts and has disposed of all its money  
9 and other assets as prescribed by this subchapter, the board shall  
10 file a written report with the Commissioners Court of Runnels  
11 County summarizing the board's actions in dissolving the district.

12 (b) Not later than the 10th day after the date the  
13 Commissioners Court of Runnels County receives the report and  
14 determines that the requirements of this subchapter have been  
15 fulfilled, the commissioners court shall enter an order dissolving  
16 the district and releasing the board from any further duty or  
17 obligation.

18 SECTION 3.02. The members of the board of directors of the  
19 Runnels County Hospital District elected at the first election held  
20 under Section 1072.051, Special District Local Laws Code, as added  
21 by this Act, shall draw lots to determine the terms each director  
22 serves. Three directors shall serve two-year terms and four  
23 directors shall serve three-year terms. Successor directors shall  
24 serve three-year terms.

25 SECTION 3.03. If the creation of the Runnels County  
26 Hospital District is not approved at an election held not later than  
27 the fifth anniversary of the effective date of this Act, Chapter

1 1072, Special District Local Laws Code, as added by this article,  
2 expires.

3 ARTICLE 4. EFFECTIVE DATE

4 SECTION 4.01. This Act takes effect immediately if it  
5 receives a vote of two-thirds of all the members elected to each  
6 house, as provided by Section 39, Article III, Texas Constitution.  
7 If this Act does not receive the vote necessary for immediate  
8 effect, this Act takes effect September 1, 2009.