

By: Hinojosa, Lucio

S.B. No. 1920

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Hidalgo County Hospital District;
granting the authority to impose a tax and issue bonds; granting the
power of eminent domain.

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

SECTION 1. Subtitle A, Title 3, Special District Local Laws
Code, is amended by adding Chapter 1122 to read as follows:

CHAPTER 1122. HIDALGO COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1122.001. 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 Hidalgo County Hospital
District.

Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County
Hospital District may be created and, if created, operates and is
financed as provided by Section 9, Article IX, Texas Constitution,
and by this chapter.

Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is
a public entity performing an essential public function.

Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the
district are coextensive with the boundaries of Hidalgo County.

Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE

1 OBLIGATION. The state may not be obligated for the support or
2 maintenance of the district.

3 Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
4 The legislature may not make a direct appropriation for the
5 construction, maintenance, or improvement of a district facility.

6 SUBCHAPTER A-1. TEMPORARY PROVISIONS

7 Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION.

8 (a) The district may be created and a tax may be authorized only if
9 the creation and the tax are approved by a majority of the
10 registered voters of the territory of the proposed district voting
11 at an election called and held for that purpose.

12 (b) The Hidalgo County Commissioners Court shall order an
13 election for the registered voters of Hidalgo County on the
14 question of creation of the Hidalgo County Hospital District if the
15 commissioners court receives a petition requesting an election that
16 is signed by at least 50 registered voters who are residents of
17 Hidalgo County.

18 (c) The order calling an election under this section must
19 state:

20 (1) the nature of the election, including the
21 proposition that is 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.

27 (e) The Hidalgo County Commissioners Court shall give

1 notice of an election under this section by publishing a
2 substantial copy of the election order in a newspaper with general
3 circulation in Hidalgo County once a week for two consecutive
4 weeks. The first publication must appear not later than the 30th
5 day before the date set for the election.

6 (f) The ballot for an election under this section must be
7 printed to permit voting for or against the proposition: "The
8 creation of the Hidalgo County Hospital District, providing for the
9 imposition of an ad valorem tax at a rate not to exceed 75 cents on
10 each \$100 valuation on all taxable property in the district."

11 (g) The Hidalgo County Commissioners Court shall find that
12 the Hidalgo County Hospital District is created if a majority of the
13 voters voting in the election held under this section favor the
14 creation of the district.

15 Sec. 1122.022. TEMPORARY DIRECTORS. (a) If the creation
16 of the district is approved at the election held under Section
17 1122.021, the Hidalgo County Commissioners Court shall appoint five
18 temporary directors to represent the district at large.

19 (b) Temporary directors serve until the date of the next
20 regular election of directors that occurs after the date of the
21 election held under Section 1122.021 and that allows sufficient
22 time to comply with other requirements of law.

23 (c) A vacancy on the temporary board of directors shall be
24 filled by appointment by the Hidalgo County Commissioners Court.

25 (d) A person must be a qualified voter of the district to
26 serve as a temporary director.

27 (e) An employee of the district may not serve as a temporary

1 director.

2 Sec. 1122.023. TEMPORARY OFFICERS. (a) The temporary
3 board shall elect a president and a vice president from among the
4 temporary directors.

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

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

9 SUBCHAPTER B. DISTRICT ADMINISTRATION

10 Sec. 1122.051. BOARD ELECTION; TERM. (a) The board
11 consists of five directors elected at large.

12 (b) An election shall be held each year on an authorized
13 uniform election date to elect the appropriate number of directors.

14 (c) Directors serve staggered two-year terms.

15 Sec. 1122.052. NOTICE. Notice of the directors' election
16 shall be published at least once in a newspaper with general
17 circulation in the district in accordance with Section 4.003(a),
18 Election Code.

19 Sec. 1122.053. QUALIFICATION FOR OFFICE. (a) To be
20 eligible to hold office on the board, a person must be:

21 (1) a resident of the district; and

22 (2) a qualified voter.

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

25 Sec. 1122.054. DIRECTOR'S BOND. (a) Before assuming the
26 duties of office, each director must execute a bond in the amount of
27 \$5,000 payable to the district and conditioned on the faithful

1 performance of the director's duties.

2 (b) The bond shall be kept in the permanent records of the
3 district.

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

6 Sec. 1122.055. BOARD VACANCY. If a vacancy occurs in the
7 office of director, the remaining directors shall appoint a
8 director for the remainder of the unexpired term.

9 Sec. 1122.056. OFFICERS. (a) The board shall elect a
10 president and a vice president from among the directors.

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

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

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

16 Sec. 1122.057. COMPENSATION; REIMBURSEMENT. A director or
17 officer serves without compensation but may be reimbursed for
18 actual expenses incurred in the performance of official duties.
19 The expenses must be:

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

21 (2) approved by the board.

22 Sec. 1122.058. VOTING REQUIREMENT. A concurrence of a
23 majority of the directors voting is necessary in matters relating
24 to district business.

25 Sec. 1122.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S
26 BOND. (a) The board may appoint a qualified person as district
27 administrator.

1 (b) The district administrator serves at the will of the
2 board.

3 (c) The district administrator is entitled to compensation
4 determined by the board.

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

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

11 Sec. 1122.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
12 Subject to the limitations prescribed by the board, the district
13 administrator shall:

14 (1) supervise the work and activities of the district;
15 and

16 (2) direct the general affairs of the district.

17 Sec. 1122.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

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

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

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

24 Sec. 1122.062. EMPLOYEES. (a) The district may employ
25 nurses, technicians, fiscal agents, accountants, architects,
26 additional attorneys, and other necessary employees.

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

1 authority to employ persons for the district.

2 Sec. 1122.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

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

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 currently enrolled in health care education courses at an
12 institution of higher education who contracts to become a medical
13 staff member or district employee; or

14 (4) contracting with a full-time medical student or
15 other student in a health occupation who is enrolled in and in good
16 standing at an accredited medical school, college, or university to
17 pay the student's tuition or other expenses for the consideration
18 of the student agreeing to serve as an employee or independent
19 contractor for the district.

20 Sec. 1122.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

21 The board may:

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

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

27 (3) make temporary appointments to the medical staff

1 as the board considers necessary.

2 Sec. 1122.065. 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.

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has
13 full responsibility for operating hospital facilities and
14 providing medical and hospital care for the district's needy
15 residents.

16 Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
17 The board shall manage, control, and administer the hospital system
18 and the money and resources of the district.

19 Sec. 1122.103. RULES. The board may adopt rules governing:

20 (1) the operation of the hospital and hospital system;
21 and

22 (2) the duties, functions, and responsibilities of
23 district staff and employees.

24 Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The
25 board may prescribe:

26 (1) the method of making purchases and expenditures by
27 and for the district; and

1 (2) accounting and control procedures for the
2 district.

3 Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES.

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

6 (b) The district may operate or provide for home health
7 services, long-term care, skilled nursing care, intermediate
8 nursing care, or hospice care.

9 Sec. 1122.106. 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, facilities, and equipment for
16 the district for use in the hospital system;

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

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

21 (4) lease hospital facilities for the district.

22 Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The
23 board may enter into operating or management contracts relating to
24 hospital facilities for the district.

25 Sec. 1122.108. SERVICE CONTRACTS. (a) The board may
26 contract with a public or private hospital, a political subdivision
27 of the state, or a state or federal agency for the district to

1 provide a mobile emergency medical service or other health care
2 services needed to provide for the investigatory or welfare needs
3 of residents of the district.

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

7 Sec. 1122.109. EMINENT DOMAIN. (a) The district may
8 exercise the power of eminent domain to acquire a fee simple or
9 other interest in property located in district territory if the
10 interest is necessary for the district to exercise the rights or
11 authority conferred 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 that the
14 district is not required to deposit with 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 petition for review.

24 Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY. In
25 exercising the power of eminent domain, if the board requires
26 relocating, raising, lowering, rerouting, changing the grade, or
27 altering the construction of any railroad, highway, pipeline, or

1 electric transmission and electric distribution, telegraph, or
2 telephone line, conduit, pole, or facility, the district shall pay
3 the actual cost of that activity to provide a comparable
4 replacement, without enhancement of facilities, after deducting
5 the net salvage value derived from the old facility.

6 Sec. 1122.111. 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 direction, limitation, or provision in
9 writing by the donor that is consistent with the proper management
10 of the district.

11 Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES.
12 (a) When a person who resides in the district is admitted as a
13 patient to a district facility, the district administrator may have
14 an 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 the patient or a relative of the
19 patient who is legally responsible for the patient's support cannot
20 pay for care and treatment provided by the district, the district
21 shall supply the care and treatment without charging the patient or
22 the 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 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 person'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
5 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 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 call witnesses, hear and
11 resolve the question, and issue a final order. The order may be
12 appealed to a district court in any county in which the district is
13 located. The substantial evidence rule applies to an appeal under
14 this subsection.

15 Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board
16 shall require a county, municipality, or public hospital located
17 outside of the district to reimburse the district for the
18 district's care and treatment of a sick or injured person of that
19 county, municipality, or hospital, as provided by Chapter 61,
20 Health and Safety Code.

21 (b) The board shall require the sheriff of Hidalgo County to
22 reimburse the district for the district's care and treatment of a
23 person who is confined in a jail facility of Hidalgo County and is
24 not a resident of the district.

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.

1 Sec. 1122.114. NONPROFIT CORPORATION. (a) The district
2 may create and sponsor a nonprofit corporation under the Business
3 Organizations Code and may contribute money to or solicit money for
4 the corporation.

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

8 (c) The corporation may invest the corporation's money in
9 any manner in which the district may invest the district's money,
10 including investing money as authorized by Chapter 2256, Government
11 Code.

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

14 Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT
15 PURPOSES. Under the authority granted by Section 52-a, Article
16 III, Texas Constitution, the district may loan or grant money to any
17 person for the development of medical education and research in the
18 district.

19 Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may
20 sue and be sued on behalf of the district.

21 Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR
22 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a
23 construction contract on the district's behalf.

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1122.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

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

(1) the outstanding obligations of the district;

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

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

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

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

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

(7) the estimated tax rate required.

Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET.

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

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

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget

1 that the board determines to be in the interests of the taxpayers.

2 (e) The budget is effective only after adoption by the
3 board.

4 Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is
5 adopted, the budget may be amended on the board's approval.

6 Sec. 1122.154. FISCAL YEAR. (a) The district operates
7 according to a fiscal year established by the board.

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

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

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

12 Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual
13 audit made of the financial condition of the district.

14 Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT
15 RECORDS. The annual audit and other district records are open to
16 inspection during regular business hours at the principal office of
17 the district.

18 Sec. 1122.157. FINANCIAL REPORT. As soon as practicable
19 after the close of each fiscal year, the district administrator
20 shall prepare for the board a sworn statement of the amount of
21 district money and an account of the disbursement of that money.

22 Sec. 1122.158. SHORT-TERM FINANCING. The district may
23 borrow money through short-term financing.

24 Sec. 1122.159. DEBT LIMITATION. Except as provided by this
25 chapter and Chapter 1207, Government Code, the district may not
26 incur a debt payable from district revenue other than revenue
27 available in the current fiscal year and the immediately following

1 fiscal year of the district.

2 Sec. 1122.160. DEPOSITORY. (a) The board shall select at
3 least one bank to serve as a depository for district money.

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

7 (c) District money, other than money invested as provided by
8 Section 1122.161 and money transmitted to a bank for payment of
9 bonds or obligations issued or assumed by the district, shall be
10 deposited as received with the depository bank and shall remain on
11 deposit. This subsection does not limit the board's power to place
12 part of the district's money on time deposit or to purchase
13 certificates of deposit.

14 Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may
15 invest operating, depreciation, or building reserves only in funds
16 or securities specified by Chapter 2256, Government Code.

17 SUBCHAPTER E. BONDS

18 Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by
19 an election, the board may issue and sell general obligation bonds
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.

27 Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS.

1 (a) At the time general obligation bonds are issued by the
2 district under Section 1122.201, the board shall impose an ad
3 valorem tax in an amount sufficient to create an interest and
4 sinking fund to pay the principal of and interest on the bonds as
5 the bonds mature.

6 (b) The tax required by this section together with any other
7 tax the district imposes in any year may not exceed the limit
8 approved by the voters at the election authorizing the imposition
9 of taxes.

10 Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The
11 district may issue general obligation bonds only if the bonds are
12 authorized by a majority of the voters voting in an election held
13 for that purpose.

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

- 16 (1) the nature and date of the election;
17 (2) the hours during which the polls will be open;
18 (3) the location of polling places;
19 (4) the amounts of the bonds to be authorized; and
20 (5) the maximum maturity of the bonds.

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

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

24 Sec. 1122.204. REVENUE BONDS. (a) The board may issue
25 revenue bonds to:

26 (1) acquire, purchase, construct, 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 revenues 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 the district property.

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

14 Sec. 1122.205. MATURITY. District bonds must mature not
15 later than 40 years after the date of their issuance.

16 Sec. 1122.206. EXECUTION OF BONDS. (a) The board
17 president shall execute district 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.

20 Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The
21 following are not subject to taxation by the state or by a political
22 subdivision of the 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.

26 SUBCHAPTER F. AD VALOREM TAX

27 Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The

1 board shall impose a tax on all property in the district subject to
2 hospital district taxation.

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

4 (1) indebtedness issued or assumed by the district;
5 and

6 (2) the maintenance and operating expenses of the
7 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.

10 Sec. 1122.252. TAX RATE. (a) The tax rate on all taxable
11 property in the district for all purposes may not exceed 75 cents on
12 each \$100 valuation of the property according to the most recent
13 certified tax appraisal roll of the district.

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

16 Sec. 1122.253. TAX ASSESSOR-COLLECTOR. The board may
17 provide for the appointment of a tax assessor-collector for the
18 district or may contract for the assessment and collection of taxes
19 as provided by the Tax Code.

20 SUBCHAPTER G. DISSOLUTION

21 Sec. 1122.301. 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(a), Election Code, does not apply to an
10 election ordered under this section.

11 Sec. 1122.302. 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 30th day before the date set for the election.

17 Sec. 1122.303. 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 Hidalgo County Hospital
20 District."

21 Sec. 1122.304. 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

of the most recent election to dissolve the district.

Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS.

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

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

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

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

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

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

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

1 tax money.

2 (c) A taxpayer may request that the taxpayer's share of
3 surplus tax money be credited to the taxpayer's county taxes. If a
4 taxpayer requests the credit, the board shall direct the secretary
5 to transmit the funds to the tax assessor-collector for Hidalgo
6 County.

7 Sec. 1122.307. 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 Hidalgo County Commissioners Court
11 summarizing the board's actions in dissolving the district.

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

17 SECTION 2. (a) The members of the board of directors of the
18 Hidalgo County Hospital District elected at the first election held
19 under Section 1122.051, Special District Local Laws Code, as added
20 by this Act, shall draw lots to determine which three directors
21 serve a two-year term and which two directors serve a one-year term.

22 (b) Successor directors shall serve two-year terms.

23 SECTION 3. Proof of publication of the notice required in
24 the enactment of this Act under the provisions of Section 9, Article
25 IX, Texas Constitution, has been made in the manner and form
26 provided by law pertaining to the enactment of local and special
27 laws, and the notice is found and declared proper and sufficient to

1 satisfy the requirement.

2 SECTION 4. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2013.