

By: Lucio, Watson

S.B. No. 2034

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Cameron County Healthcare 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 1121 to read as follows:

CHAPTER 1121. CAMERON COUNTY HEALTHCARE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1121.001. 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 Cameron County Healthcare  
District.

Sec. 1121.002. DISTRICT AUTHORIZATION. The Cameron County  
Healthcare District may be created and, if created, operates and is  
financed as a hospital district as provided by Section 9, Article  
IX, Texas Constitution, and by this chapter.

Sec. 1121.003. ESSENTIAL PUBLIC FUNCTION. The district is  
a public entity performing an essential public function.

Sec. 1121.004. DISTRICT TERRITORY. The boundaries of the  
district are coextensive with the boundaries of Cameron County.

Sec. 1121.005. 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. 1121.006. 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. 1121.021. 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 Cameron County Commissioners Court shall order an  
13 election for the registered voters of Cameron County on the  
14 question of creation of the Cameron County Healthcare District if  
15 the commissioners court receives a petition requesting an election  
16 that is signed by at least 100 registered voters who are residents  
17 of Cameron 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 Cameron 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 Cameron 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 Cameron County Healthcare District, providing for  
9 the imposition of an ad valorem tax at a rate determined by the  
10 board of directors of the district, which rate may not exceed 25  
11 cents on each \$100 valuation of all taxable property in the  
12 district. District funds shall be used for district purposes,  
13 including providing medical and hospital care for the needy  
14 inhabitants of Cameron County, improving health care services for  
15 inhabitants of Cameron County, supporting the School of Medicine at  
16 The University of Texas Rio Grande Valley, training physicians,  
17 nurses, and other health care professionals, obtaining federal or  
18 state funds for health care services, and providing community  
19 health clinics, primary care services, behavioral and mental health  
20 care services, and prevention and wellness programs."

21 (g) The Cameron County Commissioners Court shall find that  
22 the Cameron County Healthcare District is created if a majority of  
23 the voters voting in the election held under this section favor the  
24 creation of the district.

25 SUBCHAPTER B. DISTRICT ADMINISTRATION

26 Sec. 1121.051. DIRECTORS; TERM. (a) If the creation of  
27 the district is approved at the election held under Section

1 1121.021, the district shall be governed by a board of nine  
2 directors, appointed as follows:

3 (1) the county judge of Cameron County shall appoint  
4 one director;

5 (2) each county commissioner serving on the Cameron  
6 County Commissioners Court shall appoint one director; and

7 (3) the governing bodies of the four municipalities  
8 located in Cameron County that have the greatest amounts of taxable  
9 value of property taxable by the district located within their  
10 corporate boundaries shall each appoint one director.

11 (b) Directors serve staggered three-year terms, with three  
12 directors' terms expiring each year. The initial directors  
13 appointed under this section shall draw lots as follows to  
14 determine:

15 (1) for the directors appointed by the governing  
16 bodies of the municipalities in Cameron County described by  
17 Subsection (a), which director serves a one-year term, which two  
18 directors serve a two-year term, and which director serves a  
19 three-year term; and

20 (2) for the directors appointed by the Cameron County  
21 Commissioners Court, including the director appointed by the county  
22 judge of Cameron County, which two directors serve a one-year term,  
23 which director serves a two-year term, and which two directors  
24 serve a three-year term.

25 (c) On expiration of the initial directors' terms,  
26 successor directors shall be appointed for a three-year term by the  
27 person or governing body that appointed the initial director.

1       (d) A director may not serve more than three consecutive  
2 three-year terms.

3       Sec. 1121.052. ELIGIBILITY FOR APPOINTMENT TO BOARD. A  
4 person is not eligible for appointment to the board if the person  
5 is:

6           (1) an employee of Cameron County;

7           (2) an employee of a municipality located in the  
8 district;

9           (3) a district employee; or

10          (4) related within the third degree of consanguinity  
11 or affinity, as determined under Subchapter B, Chapter 573,  
12 Government Code, to a member of the Commissioners Court of Cameron  
13 County, to a member of the governing body of a municipality located  
14 in the district, or to a person described by Subdivision (1), (2),  
15 or (3).

16       Sec. 1121.053. OFFICERS. (a) The board shall elect from  
17 among the directors:

18           (1) a chair; and

19           (2) a vice chair to preside in the chair's absence.

20       (b) The board shall elect a director or the district  
21 administrator to serve as secretary.

22       Sec. 1121.054. COMPENSATION; REIMBURSEMENT. A director or  
23 officer serves without compensation but may be reimbursed for  
24 actual expenses incurred in the performance of official duties.

25 The expenses must be:

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

27           (2) approved by the board.

1       Sec. 1121.055. DIRECTOR'S BOND. (a) Before assuming the  
2 duties of office, each director must execute a bond in the amount of  
3 \$5,000 payable to the district and conditioned on the faithful  
4 performance of the director's duties.

5       (b) The bond shall be kept in the permanent records of the  
6 district.

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

9       Sec. 1121.056. BOARD VACANCY. A vacancy in the office of  
10 director shall be filled for the remainder of the unexpired term by  
11 appointment by the person or governing body that appointed the  
12 vacating director.

13       Sec. 1121.057. VOTING REQUIREMENT. A concurrence of a  
14 majority of the directors voting is necessary in matters relating  
15 to district business.

16       Sec. 1121.058. 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. 1121.059. 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. 1121.060. 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. 1121.061. 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. 1121.062. 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. 1121.063. 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. 1121.064. 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 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1121.101. DISTRICT RESPONSIBILITY. The district has  
4 full responsibility for operating the district's hospital  
5 facilities and providing medical and hospital care for the  
6 district's needy inhabitants.

7 Sec. 1121.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
8 The board shall manage, control, and administer the district and  
9 the money and resources of the district.

10 Sec. 1121.103. RULES. The board may adopt rules governing:  
11 (1) the operation of the district and any district  
12 hospital; and  
13 (2) the duties, functions, and responsibilities of  
14 district staff and employees.

15 Sec. 1121.104. PURCHASING AND ACCOUNTING PROCEDURES. The  
16 board may prescribe:  
17 (1) the method of making purchases and expenditures by  
18 and for the district; and  
19 (2) accounting and control procedures for the  
20 district.

21 Sec. 1121.105. PROVISION OF CERTAIN HEALTH SERVICES.  
22 (a) The district may operate or provide for the operation of a  
23 mobile emergency medical service.  
24 (b) The district may operate or provide for home health  
25 services, long-term care, skilled nursing care, intermediate  
26 nursing care, or hospice care.

27 Sec. 1121.106. DISTRICT PROPERTY, FACILITIES, AND

1 EQUIPMENT. (a) The board shall determine:

2 (1) the type, number, and location of buildings  
3 required to maintain an adequate health care district; and

4 (2) the type of equipment necessary to provide medical  
5 care in the district.

6 (b) The board may:

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

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. 1121.107. OPERATING AND MANAGEMENT CONTRACTS. The  
15 board may enter into operating or management contracts relating to  
16 hospital or other health care facilities for the district.

17 Sec. 1121.108. SERVICE CONTRACTS. (a) The board may  
18 contract with public or private hospitals, clinics, physicians or  
19 other health care providers, political subdivisions of the state,  
20 accredited public or private medical schools and their affiliated  
21 nonprofit entities or faculty practice plans, allied health  
22 education institutions, or state and federal agencies for the  
23 district to provide a mobile emergency medical service or other  
24 medical, hospital, or health care services needed to provide for  
25 the investigatory, welfare, medical, or health care needs of  
26 inhabitants of the district.

27 (b) The board may contract with a person to receive or

1 supply the services the board considers necessary for the effective  
2 operation of the district.

3 Sec. 1121.109. EMINENT DOMAIN. (a) The district may  
4 exercise the power of eminent domain to acquire a fee simple or  
5 other interest in property located in district territory if the  
6 interest is necessary for the district to exercise the rights or  
7 authority 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 that the  
10 district is not required to deposit with 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 bond or other security  
15 for costs in the trial court;

16 (2) provide 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 petition for review.

20 Sec. 1121.110. 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, highway, pipeline, or  
24 electric transmission and electric distribution, telegraph, or  
25 telephone line, conduit, pole, or facility, the district shall pay  
26 the actual cost of that activity to provide a comparable  
27 replacement, without enhancement of facilities, after deducting

1 the net salvage value derived from the old facility.

2 Sec. 1121.111. GIFTS AND ENDOWMENTS. The board may accept  
3 for the district a gift or endowment to be held in trust for any  
4 purpose and under any direction, limitation, or provision in  
5 writing by the donor that is consistent with the proper management  
6 of the district.

7 Sec. 1121.112. PAYMENT FOR TREATMENT; PROCEDURES.

8 (a) When a person who resides in the district is admitted as a  
9 patient to a district facility or receives medical or hospital care  
10 from the district, the district administrator may have an inquiry  
11 made into the financial circumstances of:

12 (1) the patient; and

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

15 (b) To the extent that the patient or a relative of the  
16 patient who is legally responsible for the patient's support cannot  
17 pay for care and treatment provided by the district, the district  
18 shall supply the care and treatment without charging the patient or  
19 the patient's relative.

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

27 (d) The district administrator may collect money owed to the

1 district from the patient's estate or from that of a relative  
2 legally responsible for the patient's support in the manner  
3 provided by law for the collection of expenses in the last illness  
4 of a deceased person.

5 (e) If there is a dispute relating to a person's ability to  
6 pay or if the district administrator has any doubt concerning a  
7 person's ability to pay, the board shall call witnesses, hear and  
8 resolve the question, and issue a final order. The order may be  
9 appealed to a district court in Cameron County. The substantial  
10 evidence rule applies to an appeal under this subsection.

11 Sec. 1121.113. REIMBURSEMENT FOR SERVICES. (a) If the  
12 district provides care or treatment to a sick or injured person who  
13 is not an inhabitant of Cameron County, the board shall require the  
14 county, municipality, or public hospital located outside of the  
15 district and in which the person is an inhabitant to reimburse the  
16 district for the district's care and treatment of that person as  
17 provided by Chapter 61, Health and Safety Code.

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

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

25 Sec. 1121.114. 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 (b) A corporation created under this section may use money  
3 contributed by the district only for a district purpose, including  
4 the provision of health care or other services the district is  
5 authorized to provide under this 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 Sec. 1121.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT  
13 PURPOSES. Under the authority granted by Section 52-a, Article  
14 III, Texas Constitution, the district may loan or grant money to any  
15 person for the development of medical education and research in the  
16 district.

17 Sec. 1121.116. AUTHORITY TO SUE AND BE SUED. The board may  
18 sue and be sued on behalf of the district.

19 Sec. 1121.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR  
20 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a  
21 construction contract on the district's behalf.

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

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 1121.151. BUDGET. (a) The board and the district

1 administrator shall jointly prepare a proposed annual budget for  
2 the district.

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

5 (1) the outstanding obligations of the district;

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

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 revenues and balances  
15 available to cover the proposed budget; and

16 (7) the estimated tax rate required.

17 Sec. 1121.152. NOTICE; HEARING; ADOPTION OF BUDGET.

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

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

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

24 (d) At the conclusion of the hearing, the board shall adopt  
25 a budget by acting on the proposed budget. The board may make a  
26 change in the proposed budget that the board determines to be in the  
27 interests of the taxpayers.

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

3       Sec. 1121.153. AMENDMENT OF BUDGET. After the budget is  
4 adopted, the budget may be amended if the proposed amendment is  
5 adopted by the board.

6       Sec. 1121.154. 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. 1121.155. ANNUAL AUDIT. The board shall have an annual  
13 audit made of the financial condition of the district.

14       Sec. 1121.156. 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. 1121.157. 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. 1121.158. SHORT-TERM FINANCING. The district may  
23 borrow money through short-term financing.

24       Sec. 1121.159. 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. 1121.160. 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 1121.161 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. 1121.161. 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. 1121.201. 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 district  
24 purposes; or

25 (3) acquire and operate a mobile emergency medical  
26 service.

27 Sec. 1121.202. TAX TO PAY GENERAL OBLIGATION BONDS.

1 (a) At the time general obligation bonds are issued by the  
2 district under Section 1121.201, 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. 1121.203. 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. 1121.204. 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 district purposes;

1           (2) acquire sites to be used for district purposes; or  
2           (3) acquire and operate a mobile emergency medical  
3 service to assist the district in carrying out its purposes.

4           (b) The bonds must be payable from and secured by a pledge of  
5 all or part of the revenues derived from the operation of the  
6 district.

7           (c) The bonds may be additionally secured by a mortgage or  
8 deed of trust lien on all or part of the district property.

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

13           Sec. 1121.205. MATURITY. District bonds must mature not  
14 later than 40 years after the date of their issuance.

15           Sec. 1121.206. EXECUTION OF BONDS. (a) The board chair  
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.

19           Sec. 1121.207. BONDS NOT SUBJECT TO TAXATION. The  
20 following are not subject to taxation by the state or by a political  
21 subdivision of the 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.

25                           SUBCHAPTER F. AD VALOREM TAX

26           Sec. 1121.251. IMPOSITION OF AD VALOREM TAX. (a) The  
27 board shall impose a tax on all property in the district subject to

1 taxation by the district.

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

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

4 and

5 (2) the maintenance and operating expenses of the  
6 district.

7 (c) The district may not impose a tax to pay the principal of  
8 or interest on revenue bonds issued under this chapter.

9 Sec. 1121.252. LIMITATION ON TAX RATE. (a) The tax rate on  
10 all taxable property in the district for all purposes may not exceed  
11 25 cents on each \$100 valuation of the property according to the  
12 most recent certified tax appraisal roll of the district.

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

15 (c) Section 285.231, Health and Safety Code, does not apply  
16 to the district.

17 Sec. 1121.253. REDUCTION IN AD VALOREM TAX RATE BY COUNTY.  
18 The Cameron County Commissioners Court, in determining the county  
19 ad valorem tax rate for the first year in which the district imposes  
20 ad valorem taxes on property in the district, shall:

21 (1) take into account the decrease in the amount the  
22 county will spend for health care purposes in that year because the  
23 district is providing health care services previously provided or  
24 paid for by the county; and

25 (2) reduce the county's ad valorem tax rate in  
26 accordance with the decreased amount of required spending described  
27 by Subdivision (1).

1       Sec. 1121.254. RESIDENCE HOMESTEAD TAX PROVISIONS  
2 APPLICABLE. (a) The board shall ensure that all district  
3 residents receive all ad valorem tax exemptions and limitations  
4 that the residents are entitled to receive under the constitution  
5 and the Tax Code.

6       (b) The board shall adopt an exemption from ad valorem  
7 taxation by the district of a portion of the appraised value of a  
8 district resident's residence homestead as provided by Section  
9 11.13(d), Tax Code. Unless the board specifies a larger amount as  
10 provided by Section 11.13(e), Tax Code, the amount of the exemption  
11 required to be adopted by the board under this subsection is \$3,000  
12 of the appraised value of a district resident's residence  
13 homestead. Section 11.13(f), Tax Code, applies to an exemption  
14 adopted by the board under this subsection.

15       Sec. 1121.255. PROHIBITION ON PARTICIPATION IN TAX  
16 INCREMENT FUND. The district may not enter into an agreement to  
17 participate in a reinvestment zone designated by a municipality or  
18 a county under Chapter 311, Tax Code.

19       Sec. 1121.256. TAX ASSESSOR-COLLECTOR. The board may  
20 provide for the appointment of a tax assessor-collector for the  
21 district or may contract for the assessment and collection of taxes  
22 as provided by the Tax Code.

23                               SUBCHAPTER G. DISSOLUTION

24       Sec. 1121.301. DISSOLUTION; ELECTION. (a) The district  
25 may be dissolved only on approval of a majority of the voters voting  
26 in an election held for that purpose.

27       (b) The board may order an election on the question of

1 dissolving the district and disposing of the district's assets and  
2 obligations.

3 (c) The board shall order an election if the board receives  
4 a petition requesting an election that is signed by at least 15  
5 percent of the district's registered voters.

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

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

9 (2) the date of the election;

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

11 (4) the location of the polling places.

12 (e) Section 41.001(a), Election Code, does not apply to an  
13 election ordered under this section.

14 Sec. 1121.302. NOTICE OF ELECTION. (a) The board shall  
15 give notice of an election under this subchapter by publishing a  
16 substantial copy of the election order in a newspaper with general  
17 circulation in the district once a week for two consecutive weeks.

18 (b) The first publication must appear not later than the  
19 30th day before the date set for the election.

20 Sec. 1121.303. 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 Cameron County Healthcare  
23 District."

24 Sec. 1121.304. ELECTION RESULTS. (a) If a majority of the  
25 votes in an election under this subchapter favor dissolution, the  
26 board shall order that the district be dissolved.

27 (b) If a majority of the votes in an election under this

1 subchapter do not favor dissolution, the board shall continue to  
2 administer the district, and another election on the question of  
3 dissolution may not be held before the first anniversary of the date  
4 of the most recent election to dissolve the district.

5 Sec. 1121.305. TRANSFER OR ADMINISTRATION OF ASSETS.

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

8 (1) transfer the land, buildings, improvements,  
9 equipment, and other assets belonging to the district to Cameron  
10 County; or

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

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

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

21 Sec. 1121.306. IMPOSITION OF TAX AND RETURN OF SURPLUS

22 TAXES. (a) After the board determines that the district is  
23 dissolved, the board shall:

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

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

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

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

10       Sec. 1121.307. REPORT; DISSOLUTION ORDER. (a) After the  
11 district has paid all its debts and has disposed of all its money  
12 and other assets as prescribed by this subchapter, the board shall  
13 file a written report with the Cameron County Commissioners Court  
14 summarizing the board's actions in dissolving the district.

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

20       SECTION 2. On the creation of the Cameron County Healthcare  
21 District, or as soon as practicable after the district is created,  
22 the Cameron County Commissioners Court shall transfer to the  
23 district all operating funds, and any funds held in reserve for  
24 operating expenses, that have been budgeted by the county to pay the  
25 costs associated with administering a county program to provide to  
26 residents of the district indigent health care assistance under  
27 Chapter 61, Health and Safety Code, during the fiscal year in which



1 the district is created.

2 SECTION 3. Proof of publication of the notice required to  
3 enact Chapter 1121, Special District Local Laws Code, as added by  
4 this Act, under the provisions of Section 9, Article IX, Texas  
5 Constitution, has been made in the manner and form provided by law  
6 pertaining to the enactment of local and special laws, and the  
7 notice is found and declared proper and sufficient to satisfy the  
8 requirement.

9 SECTION 4. (a) Except as provided by Subsection (b) of  
10 this section, this Act takes effect immediately if it receives a  
11 vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution.

13 (b) If this Act does not receive the vote necessary for  
14 immediate effect:

15 (1) this Act takes effect September 1, 2015; and

16 (2) Section 1121.109, Special District Local Laws  
17 Code, as added by this Act, has no effect.