

HEALTH AND SAFETY CODE

TITLE 4. HEALTH FACILITIES

SUBTITLE D. HOSPITAL DISTRICTS

CHAPTER 282. HOSPITAL DISTRICTS IN COUNTIES OF 75,000 OR LESS

SUBCHAPTER A. CREATION OF DISTRICT

Sec. 282.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of trustees of a district.

(2) "District" means a hospital district created under this chapter.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.002. DISTRICT AUTHORIZATION. (a) The commissioners court of a county with a population of 75,000 or less and an assessed property valuation of at least \$200,000,000 may create one or more hospital districts.

(b) The district may include a municipality or town, or a part of a municipality or town, but the district may not include part of another district.

(c) To be formed the proposed district must be composed of territory having property of an assessed value of more than \$25,000,000.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.003. CREATION ELECTION REQUIRED. The creation of the district must be approved by a majority of the qualified voters of the area of the proposed district who vote at an election ordered and held for that purpose.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.004. PETITION FOR ELECTION. (a) To propose the establishment of a district:

(1) a petition for a creation election signed by at least five percent of the qualified property taxpaying voters of the area of the proposed district must be presented to the commissioners court; and

(2) \$200 in cash must be deposited with the county clerk at the time of the presentation of the petition.

(b) The petition must state:

- (1) the boundaries of the proposed district;
- (2) the public necessity for the proposed district;

and

(3) the name of the proposed district which includes the county name.

(c) The petition may include a request for the commissioners court to provide on the ballot at the creation election for voting for or against:

(1) imposing a tax to provide funds to construct, equip, maintain, or purchase hospital buildings or land for the district; or

(2) the issuance of bonds to acquire sites for and to construct hospital buildings and imposing a tax at the rate necessary to create an interest and sinking fund sufficient to pay the principal of and interest on the bonds.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.005. HEARING; ELECTION ORDER. (a) When the petition is presented to the commissioners court, the commissioners court shall:

(1) set a date for a hearing on the petition at a regular session or special session called for that purpose, not less than 30 days nor more than 60 days after the date on which the petition is presented; and

(2) order the county clerk to give notice of the date and place of the hearing by posting a copy of the petition and the order for at least 20 days before the date of the election at the courthouse door and at four other places in the proposed district.

(b) If the court finds at the hearing that the petition meets the requirements of this chapter, the court shall order an election to be held on the first authorized uniform election date prescribed by the Election Code that allows sufficient time to comply with other requirements of law.

(c) The order must contain a description of the metes and

bounds of the proposed district and must set the date of the election.

(d) The ballot for election shall be printed to provide for voting for or against:

(1) the creation of the district; and

(2) if the petition includes a request under Section 282.004(c), the imposition of a tax or the issuance of bonds according to the terms of the petition.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.006. ELECTION COSTS; DISPOSITION OF DEPOSIT. (a) The county clerk shall retain the amount deposited under Section 282.004(a) until the commissioners court declares the election results.

(b) If at the election the majority of the voters approved the creation of the district, the county clerk shall return that amount to the petitioners or the petitioners' agent or attorney.

(c) If at the election the majority of the voters disapproved the creation of the district, the county clerk shall:

(1) pay from the amount deposited on warrants approved and signed by the county judge, all costs and expenses pertaining to the proposed district, including the costs related to the elections;

(2) return the remaining amount, if any, to the petitioners or the petitioners' agent or attorney.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 282.021. ELECTION OF BOARD. (a) Board members shall be elected from the district at large.

(b) Initial board members shall be elected at the district creation election.

(c) A person who wishes to have his name printed on the ballot as a candidate to serve as an initial district board member must present to the commissioners court a petition requesting that the person's name be placed on the ballot at the district creation

election. The petition must be accompanied by a second petition signed by at least 100 qualified voters of the proposed district requesting that the person's name be placed on the ballot as a candidate for board membership. The petitions must be filed with the commissioners court before the third day before the date on which the election order is issued.

(d) The commissioners court shall declare that the five candidates receiving the highest number of votes at the initial election of board members are district board members. When they are qualified under this chapter, the candidates shall serve as district board members.

(e) The initial board members shall serve as district board members until the next regular election of state and county officers. An election for board members shall be held at that time and at the general election in each second year after that time.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.0211. OPTIONAL FOUR-YEAR TERMS. (a) The board may, on its own motion, order that board members are to be elected in even-numbered years to serve staggered four-year terms.

(b) The first election of board members in an even-numbered year that occurs at least 120 days after the date on which an order is entered under Subsection (a) shall be held as previously scheduled. The three candidates receiving the highest number of votes at that election serve for a term of four years. The remaining two directors elected at that election serve for a term of two years. Subsequent members shall be elected in even-numbered years and shall serve four-year terms.

Added by Acts 1991, 72nd Leg., ch. 645, Sec. 1, eff. June 16, 1991.

Sec. 282.022. OATH AND BOND. (a) Before assuming the duties of office on the board, each district board member elect must:

(1) take and subscribe an oath before the county judge to faithfully and impartially discharge the duties of a board member and to give an account of the member's activities to the commissioners court when requested to do so; and

(2) execute a good and sufficient bond for \$5,000 payable to the county judge for the use and benefit of the district, conditioned on the faithful performance of the person's duties as a board member.

(b) The county clerk shall file and maintain the oath as part of the district records.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.023. COMPENSATION. A board member serves without compensation but is entitled to reimbursement for actual expenses incurred in the performance of official duties.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.024. OFFICERS. The board shall elect from among its members a chairman, a secretary, and other officers the board considers appropriate.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.025. QUORUM; MEETING PROCEDURE AND RECORD. (a) Three board members constitute a quorum.

(b) All board proceedings shall be by motion or resolution and shall be recorded in a book kept for that purpose. The book is a public record.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.026. SEAL. The board shall adopt an official seal.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.027. SUPERINTENDENT; DUTIES. (a) The board shall appoint a superintendent to serve as the district's chief administrator.

(b) The superintendent serves at the will of the board and is responsible to the board for the efficient administration of hospital affairs.

(c) The superintendent is entitled to compensation as determined by the board.

(d) The superintendent may attend board meetings and

meetings of a board committee and may participate in the discussion of matters within the superintendent's functions, but the superintendent may not vote on matters considered by the board.

(e) The superintendent shall:

- (1) control administrative functions of the hospital;
- (2) carry out the board orders;
- (3) ensure that the district complies with state law relating to matters within the superintendent's functions; and
- (4) fully advise the board of the district's financial condition and needs.

(f) At least once a year, the superintendent shall:

- (1) prepare an estimate of administrative expenses for the succeeding fiscal year;
- (2) recommend to the board and estimate the cost of improvements to be made in the succeeding fiscal year;
- (3) certify to the board district bills, allowances, and payrolls, including public works contractors' claims; and
- (4) recommend to the board salary amounts of district employees under the administrator and a salary scale to be paid for different services required by the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.028. OTHER OFFICERS AND DISTRICT EMPLOYEES. (a) The board shall appoint other district officers that the board considers necessary.

(b) A person appointed under Subsection (a) serves at the will of the board and is entitled to receive compensation as determined by the board.

(c) The board may contract with or employ legal, technical, and professional assistance and other employees.

(d) If the superintendent is temporarily incapacitated or absent, the board may designate a competent person to perform the superintendent's powers or duties.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 282.041. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) The board shall manage, control, and administer the district.

(b) The board is a corporate body in the name of the "_____ County Public Hospital District No. _____." Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.042. DISTRICT RULES. The board may adopt rules and bylaws the board considers proper. Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.043. POWERS RELATING TO DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) On the district's behalf, the board may hold, construct, condemn, purchase, acquire, lease, add to, maintain, operate, develop, regulate, sell, and convey land, property, a property right, equipment, a hospital facility, or a hospital system to maintain a district hospital, building, structure, or other facility.

(b) The board may lease an existing hospital, equipment, or property used in connection with a district hospital and equipment at a rate the board considers proper.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.044. CONTRACTING AUTHORITY. (a) In performing its powers under this subchapter the board may contract with:

- (1) the federal government;
- (2) this state;
- (3) a municipality; and
- (4) another hospital district.

(b) The district may incur indebtedness or borrow money for district purposes on the credit of the district or secured by the revenues of a district hospital.

(c) The district may contract with another community, corporation, or individual for services provided by the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.045. PURCHASING PROCEDURES. The district is subject to the County Purchasing Act (Subchapter C, Chapter 262,

Local Government Code), and the board shall comply with the competitive bidding or proposal procedures prescribed by that Act. Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.046. EMINENT DOMAIN. (a) On a resolution by the board, the district may exercise the power of eminent domain for the acquisition of property necessary to carry out the powers and duties of the district, including preventing damage to district property, property rights, equipment, hospital facilities and systems, and property adjacent to district property.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, for the exercise of that power by a municipality.

(c) The district may not exercise the power of eminent domain against:

(1) a hospital, clinic, or sanatorium operated as a charitable, nonprofit establishment or operated by a religious organization; or

(2) a privately owned or operated hospital or clinic, whether or not incorporated.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.047. GIFTS AND ENDOWMENTS. The board may accept bequests and contributions on behalf of the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.048. AUTHORITY TO SUE AND BE SUED; DISTRICT LIABILITY. (a) The board may sue and be sued on behalf of the district.

(b) A suit against the district must be brought in the county in which the district is located.

(c) The district is not liable for negligence for an act of a district officer, agent, or employee.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.049. OTHER BOARD POWERS. The board may:

(1) promote health in the district;

(2) print and publish information; and

(3) do any other thing necessary to the performance of the board's duties under this chapter.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.050. PROVISION OF HOSPITAL SERVICES. (a) The district shall provide adequate hospital services for the district. A person who resides in the district is entitled to receive those services at available district hospital facilities at a rate determined by the board and in any manner the board considers expedient or necessary under existing conditions. The district may provide the services in hospitals located outside the district.

(b) The district may furnish hospital services to a person who does not reside in the district at a reasonable and fair rate the board considers proper, but the district shall give priority to a district resident in the provision of hospital services.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER D. DISTRICT FINANCES

Sec. 282.061. ANNUAL REPORT. (a) Not later than June 1 of each year, the board shall prepare and file with the commissioners court a full, detailed report of the condition of the district. The report must include:

(1) an estimate of the cost of maintenance, operation, and needed repairs for the succeeding year;

(2) an inventory of all funds and other property of the district; and

(3) a list of all legal demands, debts, and obligations against the district.

(b) The board shall verify the report.

(c) The commissioners court shall carefully investigate and consider the report before setting a tax rate.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.062. TREASURER. (a) The county treasurer of the county in which the district is located serves as treasurer of the

construction and maintenance fund and the interest and sinking fund of the district.

(b) All money to be credited to the construction and maintenance fund or the interest and sinking fund shall be paid to the treasurer.

(c) The treasurer may not pay money from the construction and maintenance fund or the interest and sinking fund unless the treasurer receives a warrant ordering the payment signed by the district board chairman or another district officer designated by the board.

(d) The treasurer shall open a construction and maintenance fund account and an interest and sinking fund account with the district and shall keep a record of all of the district's money received for the accounts and paid from the accounts. The treasurer may not pay money from the accounts except on a voucher signed by the chairman or two board members.

(e) The treasurer shall maintain a file of the payment orders from the accounts.

(f) As required by the board or the commissioners court, the treasurer shall give a correct accounting to the board or the commissioners court of all matters relating to the accounts.

(g) For services on behalf of the district, the treasurer is entitled to receive an amount equal to:

(1) one-fourth of one percent of all money received by the treasurer for the construction and maintenance fund or the interest and sinking fund; and

(2) one-eighth of one percent of all money received by the treasurer and paid out of the construction and maintenance fund or the interest and sinking fund of the district.

(h) The treasurer is not entitled to receive a commission under Subsection (g) on district money the treasurer receives from the preceding treasurer.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 14, Sec. 119, eff. Sept. 1, 1991.

Sec. 282.063. DISTRICT FUNDS; INVESTMENT OF FUNDS. (a) The treasurer shall maintain a construction and maintenance fund

and an interest and sinking fund for the district and shall place money in those funds as required by this chapter or as the board by resolution directs. All other money received by the district shall be placed in a fund or funds as provided by the board.

(b) The amount of taxes collected that is necessary to pay the principal of and interest on the bonds as they mature shall be credited to the interest and sinking fund. All money received by the district from the sale of bonds shall be credited to the construction and maintenance fund.

(c) The treasurer shall pay from the construction and maintenance fund or from a fund or funds designated by the board the expenses, debts, and obligations of the district created after the filing of the original petition and incurred in the creation, operation, and maintenance of the district, other than the principal of and interest on bonds.

(d) The interest and sinking fund may be invested for the benefit of the district in bonds and securities approved by the attorney general.

(e) The construction and maintenance fund and interest and sinking fund shall be held for the purposes for which they were created. If money is improperly paid from either fund, the commissioners court may require the county treasurer to transfer to the fund from the district account the amount necessary to restore that amount.

(f) District funds shall be deposited in the county depositories in the manner required by law for county depositories. Interest collected on those funds belongs to the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 14, Sec. 119, eff. Sept. 1, 1991.

Sec. 282.064. FISCAL YEAR. (a) The district operates on the fiscal year established by the board.

(b) The fiscal year may not be changed if revenue bonds of the district are outstanding.

(c) The fiscal year may not be changed more than once in any 24-month period.

Added by Acts 1991, 72nd Leg., ch. 14, Sec. 120, eff. Sept. 1, 1991.

Sec. 282.065. ANNUAL AUDIT; OPEN RECORDS. (a) The board annually shall have an audit made of the financial condition of the district.

(b) The audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 1991, 72nd Leg., ch. 14, Sec. 120, eff. Sept. 1, 1991.

SUBCHAPTER E. DISTRICT BONDS

Sec. 282.071. GENERAL OBLIGATION BONDS. The commissioners court may issue and sell bonds in the district's name and on the district's faith and credit to acquire or construct hospital buildings or land if the bonds are approved by a majority of the qualified voters at the election to create the district in accordance with Subchapter A.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.072. INTEREST, MATURITY, AND DENOMINATION. (a) District bonds mature not more than 30 years after their date and bear interest at a rate ordered by the commissioners court but not more than six percent annually.

(b) The bonds must provide the interest rate and the time, place, manner, and conditions of payment as ordered by the commissioners court.

(c) The bonds may be payable annually or semiannually.

(d) The bonds must be issued in denominations of not less than \$100 nor more than \$1,000.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.073. EXECUTION OF BONDS. The county judge shall sign the bonds, and the county clerk shall attest the signature and place the seal of the court on the bonds.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.074. APPROVAL AND REGISTRATION OF BONDS. (a)

Before the bonds are offered for sale, the district shall forward to the attorney general:

- (1) a copy of the bonds to be issued;
- (2) a certified copy of the court order imposing the tax to pay the interest on the bonds and provide a sinking fund;
- (3) a statement of the total bonded indebtedness of the district, including the series of bonds proposed;
- (4) the assessed value of property for the purpose of taxation as shown by the most recent official county assessment; and
- (5) any other information that the attorney general requires.

(b) The attorney general shall:

- (1) examine the bonds; and
- (2) certify the bonds if the attorney general determines that the bonds are issued in conformity with the constitution and law and that they are valid and binding obligations of the district.

(c) When the bonds are approved by the attorney general, the comptroller shall register the bonds in a book kept for that purpose and maintain the certificate of approval for the bonds.

(d) On approval and registration under this section, the bonds are incontestable for any cause. The certificate of approval or a certified copy of the certificate is admissible evidence in a suit to enforce the collection of the bonds as prima facie proof of the validity of the bonds with attached coupons. In that suit, only forgery or fraud may be offered as a defense against the validity of the bonds.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.075. BOND RECORD BOOK. (a) Before issuing the bonds, the commissioners court shall provide to the county clerk a well-bound book in which the clerk shall record all bonds issued, including the following information:

- (1) the bond numbers, amount, rate of interest, and date of issue;
- (2) the date when the bonds are due;

- (3) the place where the bonds are payable;
- (4) the amount received for each bond;
- (5) the annual assessment made to pay bond interest and to provide a sinking fund to pay the bonds; and
- (6) the payment made of each bond.

(b) The record book must be open for inspection at all times by a taxpayer of the district or a bondholder.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.076. COMPENSATION OF COUNTY CLERK. For recording services provided to the district, the county clerk is entitled to receive fees as provided by Chapter 118, Local Government Code.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.077. BOND OF COUNTY JUDGE. (a) When the bonds are registered, the county judge shall execute a good and sufficient bond, approved by the board and payable to the board, for an amount not less than the amount of the bonds issued. The bond must be conditioned on the faithful performance of the judge's duties.

(b) If the bond is executed by a satisfactory surety, the district may pay from the district construction and maintenance fund a reasonable premium on the bond on receipt of an invoice for the premium. If the amount of the premium is disputed as unreasonable, a court of competent jurisdiction may determine whether or not the premium is reasonable.

(c) The board may charge the cost of the bond premium against the commission allowed the county judge on the sale of district bonds.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.078. SALE OF THE BONDS. (a) When the bonds are registered, the county judge, under the direction of the commissioners court, shall advertise and sell the bonds on the best terms and for the best price possible, but for a price not less than the sum of the amounts of the par value and the accrued interest.

(b) The county judge shall give the money received from the sale of a bond to the county treasurer.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.079. DISPOSITION OF UNNEEDED BONDS. With the consent of the commissioners court made of record, bonds that are not required for the purpose for which they were voted may be sold and the proceeds may be used to maintain, preserve, and operate the district hospital and to pay district debts and other obligations.
Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.080. ADDITIONAL BOND ISSUE AND ELECTION. (a) The board shall certify to the commissioners court the necessity for an additional bond issue if:

(1) the proceeds of the original bond issue are insufficient to complete the construction, equipment, maintenance, or purchase of hospital buildings or land for the district; or

(2) the board decides to provide for additional construction, equipment, maintenance, or purchase of hospital buildings or land.

(b) The certification must state:

(1) the amount required;

(2) the purpose for the funds;

(3) the rate of interest of the proposed bonds; and

(4) the maturity date of the proposed bonds.

(c) When the commissioners court receives the certification, the commissioners court shall order an election on the issuance of the bonds to be held in the district on the first uniform election date prescribed by the Election Code that allows sufficient time to comply with other requirements of law.

(d) The sum of the amount of any outstanding bonds and the amount of additional bonds issued under this section may not exceed one-fourth of the assessed value of the real property in the district, as shown by the most recent annual assessment made for county taxation.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.081. CHANGE IN USE OF BOND PROCEEDS AFTER BOND ISSUANCE. (a) After the issuance of bonds, the board may change

the use of the bond proceeds to include a change or improvement to the district hospital if the change or improvement will not increase the cost of the proposed project beyond the amount of the authorized bonds.

(b) The board may make the change in the use of the bond proceeds by:

(1) entering in the minutes of the board a notation of the change; and

(2) by giving notice of the change by publication of the notation and the page number of the board minutes on which the notation was entered.

(c) The publication must be in English and must run for two successive weeks in a newspaper of general circulation in the county in which the district is located.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER F. TAXES TO PAY BONDS

Sec. 282.101. TAXES TO PAY BONDS. (a) When the bonds have been approved by the voters at the election authorizing the levy of taxes, the commissioners court shall impose a property tax for the benefit of the district. The tax rate must be sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as they become due.

(b) After investigation and consideration of the annual report in accordance with Section [282.061](#), the commissioners court shall impose and collect taxes annually on all taxable property in the district. The amount of tax revenue:

(1) must be sufficient to maintain, preserve, and operate the district hospital and to pay all legal district debts and other obligations; and

(2) may not exceed two-tenths of one percent of the annual total assessed valuation of the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 282.102. TAX ASSESSOR-COLLECTOR. (a) The county tax assessor-collector shall levy and collect taxes for the district.

(b) After receiving a petition of at least five percent of the qualified taxpaying voters of a created district, the commissioners court may order an election to determine whether the district should have a tax assessor and collector other than the county tax assessor-collector. The commissioners court may order the election after:

(1) the district is created; and

(2) giving notice in the manner as provided for the creation election.

(c) If the voters determine by a two-thirds vote that the district should have a district tax assessor-collector, the board shall appoint a suitable person to serve in that position.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER G. CONVERSION OF DISTRICTS

Sec. 282.121. AUTHORITY TO CONVERT. A district created in accordance with this chapter may be converted into a district operating under Article IX, Section 9, of the Texas Constitution.

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.

Sec. 282.122. CONVERSION HEARING AND ELECTION. (a) A district may be converted under this subchapter only if the conversion is approved by a majority of the qualified voters of the district who vote at an election called and held for that purpose.

(b) The board by order may set a time and place to hold a hearing on the question of converting the district under this subchapter. The board shall set a date for the hearing that is after the 30th day after the date on which the board issues the order.

(c) If after the hearing the board finds that conversion of the district would be in the best interest of the district, the board may order an election on the question of converting the district.

(d) The election shall be held not later than the 60th day after the date on which the election is ordered. Section 41.001(a), Election Code, does not apply to an election ordered under this

section.

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.

Sec. 282.123. BALLOT PROPOSITION. The ballot for the election shall be printed to permit voting for or against the proposition: "The conversion of the _____ County Public Hospital District No. _____ (name of district) from a district operating under Chapter 282, Health and Safety Code, to a district operating under Article IX, Section 9, of the Texas Constitution, and the levy of annual taxes for hospital purposes at a rate not to exceed _____ (insert amount not to exceed 75 cents) on each \$100 valuation of all taxable property in the district."

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.

Sec. 282.124. EFFECTIVE DATE OF CONVERSION. If a majority of the qualified voters participating in the election vote in favor of the proposition, the conversion becomes effective on the 30th day after the date that the election results are declared.

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.

Sec. 282.125. RESPONSIBILITY OF COUNTY. On conversion of a district under this subchapter, the county in which the district is located shall convey or transfer to the district:

(1) money held by the county treasurer for the district under Subchapter D, including any money in the district's construction and maintenance fund or interest and sinking fund; and

(2) taxes levied by the county for the benefit of the district under Subchapter F.

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.

Sec. 282.126. DISTRICT RESPONSIBILITIES. On conversion of the district under this subchapter, the district assumes any outstanding indebtedness incurred by the county under Subchapter E.

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.

Sec. 282.127. EFFECT OF CONVERSION. (a) A district

converted under this subchapter is governed by Article IX, Section 9, of the Texas Constitution and by Chapter 206, Acts of the 71st Legislature, Regular Session, 1989 (Article 4494q-1, Vernon's Texas Civil Statutes), as if it had been originally created under that section and that Act, except that the board shall continue to be elected as provided by this chapter.

(b) The district's identity is not affected by the conversion, and the district is liable for all outstanding debts and obligations assumed or incurred by the district.

(c) Notwithstanding any other provision of law, the board may impose taxes for the entire year in which the district is converted unless the county has imposed taxes for the benefit of the district for that year.

Added by Acts 1991, 72nd Leg., ch. 94, Sec. 1, eff. May 15, 1991.