

HEALTH AND SAFETY CODE
TITLE 4. HEALTH FACILITIES
SUBTITLE D. HOSPITAL DISTRICTS
CHAPTER 283. OPTIONAL HOSPITAL DISTRICT LAW OF 1957

SUBCHAPTER A. CREATION OF DISTRICT

Sec. 283.001. SHORT TITLE. This Act may be cited as the Optional Hospital District Law of 1957.

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

Sec. 283.002. DEFINITIONS. In this chapter:

(1) "Board" means the board of hospital managers 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. 283.003. DISTRICT AUTHORIZATION. (a) A county authorized to establish a hospital district under Article IX, Section 4, of the Texas Constitution may create a hospital district and provide for the establishment of a countywide hospital or hospital system to furnish medical aid and hospital care to indigent and needy persons residing in the district.

(b) If the county authorized to establish a hospital district under Article IX, Section 4, of the Texas Constitution owns and operates a hospital or hospital system for indigent or needy persons, separately or jointly with a municipality, the countywide hospital district may take over the hospital or hospital system to furnish medical aid and hospital care to indigent and needy persons residing in the district.

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

Sec. 283.004. CREATION ELECTION REQUIRED. (a) The district may be created only if the creation is approved by a majority of the qualified voters of the county in which the proposed district will be located who vote at an election called and held for

that purpose.

(b) The commissioners court may order a creation election to be held on its own motion or on the presentation of a petition for a creation election signed by at least 100 qualified property taxpaying voters of the county.

(c) When the commissioners court orders the election, the court shall determine, subject to Section 283.121(c)(2), a rate of property tax that produces the amount of tax revenue necessary:

(1) to operate and maintain the proposed district's hospital system; and

(2) to pay when due the principal of and interest on bonds assumed by the district.

(d) The election shall 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.

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

Sec. 283.005. BALLOT PROPOSITIONS. (a) Except as provided by Subsection (b), the ballot for an election under this subchapter shall be printed to provide for voting for or against the proposition: "The creation of a hospital district under the Optional Hospital District Law of 1957 and the levy of a tax not to exceed _____ cents (the amount determined by the commissioners court in the election order) on each \$100 of the taxable value of property taxable by the district."

(b) If the county or a municipality in the county has any outstanding bonds issued for hospital purposes, the ballot for an election under this subchapter shall be printed to provide for voting for or against the proposition: "The creation of a hospital district, the levy of a tax not to exceed (the amount determined by the commissioners court in the election order) on each \$100 of the taxable value of property taxable by the district, and the assumption by the district of all outstanding bonds previously issued for hospital purposes by _____ County and by any municipality in the county."

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

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 283.021. DISTRICT BOARD; OFFICERS. (a) The commissioners court of a county in which a district is created under this chapter serves as the district board of hospital managers.

(b) The county judge of the county in which the district is located serves as the district board chairman.

(c) The county clerk serves as the district board secretary.
Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 283.022. COMPENSATION. A board member serves without compensation other than the compensation provided by law for a county judge or a commissioner.

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

Sec. 283.023. RECORD OF BOARD MEETING. The secretary shall keep a suitable record of each board meeting.

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

Sec. 283.024. ADMINISTRATOR; DUTIES. (a) The board shall appoint an administrator for the district. The person must be qualified by training and experience.

(b) The administrator holds an office for a term of not more than two years but is subject to removal by the board at any time.

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

(d) Before assuming duties, the administrator shall execute a bond payable to the district in the amount of not less than \$10,000, conditioned on the faithful performance of the administrator's duties and any other requirements determined by the board.

(e) Subject to the limitations prescribed by the board, the administrator shall:

- (1) perform duties required by the board;
- (2) supervise the work and activities of the district;

and

- (3) generally direct the affairs of the district.

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

Sec. 283.025. ASSISTANT ADMINISTRATOR. (a) If the administrator is absent or unable to perform any of the administrator's duties, the board may designate an assistant administrator to perform any of the administrator's functions or duties, subject to limitations prescribed by board order.

(b) The assistant administrator and other employees shall execute a bond as required by board order.

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

Sec. 283.026. STAFF. (a) The board may hire doctors, technicians, nurses, and other employees the board considers advisable for the district's efficient operation.

(b) An employment contract may not exceed two years.

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

Sec. 283.027. RETIREMENT PROGRAMS. The commissioners court may include district employees in:

(1) an existing county employees' pension or retirement program; or

(2) an employees' pension or retirement program established for the benefit of district employees.

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

Sec. 283.028. SEAL. The commissioners court's seal is the district seal. The seal shall be used to authenticate the board's acts.

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

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 283.041. TRANSFER OF COUNTY AND MUNICIPAL HOSPITAL PROPERTY AND FUNDS. (a) On the creation of a district under this chapter and the appointment and qualification of the district board, the county owning a hospital or hospital system located in the district, or the county and municipality jointly operating a

hospital or hospital system located in the district, shall execute and deliver to the district board a written instrument conveying to the district the title to land, buildings, and equipment jointly or separately owned by the county or municipality and used to provide medical services or hospital care, including geriatric care, to indigent or needy persons of the county or municipality.

(b) On the creation of a district under this chapter and the appointment and qualification of the district board, the county owning the hospital or hospital system, or the county and municipality jointly operating a hospital or hospital system, shall, on the receipt of a certificate executed by the board's chairman stating that a depository for the district has been chosen and qualified, transfer to the district:

(1) the unspent proceeds of any bonds assumed by the district under Section 283.043; and

(2) all unspent joint or separate county or municipal funds that have been established or appropriated by the county or municipality to support and maintain the hospital facilities for the year in which the district is created.

(c) Funds transferred to the district under this section may be used only for a purpose for which the county or the municipality that transferred the funds could lawfully have used the funds if the funds had remained the property and funds of the county or municipality.

(d) As soon as practical after the declaration of the election results, the county or municipal board of managers shall transfer to the district board all county and municipal hospital system records, property, and affairs and shall cease to exist.

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

Sec. 283.042. ASSUMPTION OF CONTRACT OBLIGATIONS. On the creation of the district, the district assumes without prejudice to the rights of third parties any outstanding contract obligations legally incurred by the county or municipality, or both, for the construction, support, or maintenance of hospital facilities before the creation of the district.

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

Sec. 283.043. ASSUMPTION OF BONDED INDEBTEDNESS; CANCELLATION OF UNSOLD MUNICIPAL OR COUNTY BONDS. (a) On the creation of the district, the district assumes:

(1) any outstanding bonded indebtedness incurred by the county or municipality, or both, in the acquisition of land, buildings, and equipment transferred to the district or in the construction and equipping of hospital facilities; and

(2) any other outstanding bonds issued by the county or municipality for hospital purposes, the proceeds of which are in whole or in part unexpended.

(b) A county or municipality in the district that issued bonds for hospital purposes is no longer liable for the payment of bonds assumed by the district or for providing interest and sinking fund requirements on those bonds.

(c) This section does not limit or affect the rights of a bondholder against the county or municipality if there is a default in payment of the principal or interest on the bonds in accordance with their terms.

(d) If the issuance of bonds to provide hospital facilities was approved at a bond election but the bonds have not been sold on the date on which the hospital district is created under this chapter, the bond authority is canceled and the bonds may not be sold.

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

Sec. 283.044. LIMITATION ON TAXING POWER BY GOVERNMENTAL ENTITY; DISPOSITION OF DELINQUENT TAXES. (a) On or after the creation of the district, the county or a municipality located in the district may not levy taxes for hospital purposes.

(b) The county or a municipality located in the district that collects delinquent taxes owed to the county or municipality on levies for county and municipal hospital systems or for the payment of bonds issued for the systems shall pay the amount of the collected delinquent taxes to the district, and the district shall apply that money to the purposes for which the taxes were originally levied.

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

Sec. 283.045. DISTRICT RESPONSIBILITY FOR MEDICAL AID AND HOSPITAL CARE. The district assumes full responsibility for furnishing medical and hospital care for indigent and needy persons residing in the district.

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

Sec. 283.046. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital or hospital system of the district.

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

Sec. 283.047. DISTRICT RULES. The board may adopt rules governing the operation of the hospital or hospital system.

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

Sec. 283.048. PURCHASING AND ACCOUNTING METHODS AND PROCEDURES. (a) The commissioners court may prescribe:

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

(2) accounting and control procedures for the district.

(b) A county officer, employee, or agent shall perform any function or service required by the commissioners court under this section.

(c) The district shall pay salaries and expenses necessarily incurred by the county or by a county officer or agent in performing a duty prescribed or required under this section.

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

Sec. 283.049. DISTRICT INSPECTIONS. (a) The district facilities may be inspected by a representative of the Department of State Health Services or any other state agency or board authorized to supervise a hospital.

(b) A resident district officer shall:

(1) admit an inspector into the district facilities;

and

(2) on demand give the inspector access to records, reports, books, papers, and accounts related to the district.

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

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. 219), Sec. 3.0833, eff. April 2, 2015.

Sec. 283.050. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in real, personal, or mixed property located in the district if the property interest is necessary or convenient for the exercise of the rights or authority conferred on the district by this chapter.

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

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

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

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

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

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

Sec. 283.051. GIFTS AND ENDOWMENTS. (a) On behalf of the district, the board may accept gifts and endowments to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are consistent with the proper management of the district.

(b) The board may contract with the state to receive a payment or grant provided by the state for the care or treatment of hospital patients or patients in district facilities.

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

Sec. 283.052. AUTHORITY TO SUE AND BE SUED; LEGAL REPRESENTATION. (a) The board may sue and be sued.

(b) The county attorney, district attorney, or criminal district attorney, as appropriate, with the duty to represent the county in civil matters shall represent the district in all legal matters.

(c) The board may employ additional legal counsel when the board determines that additional counsel is advisable.

(d) The district shall contribute sufficient funds to the general fund of the county for the account of the budget of the county attorney, district attorney, or criminal district attorney, as appropriate, to pay all additional salaries and expenses incurred by that officer in performing the duties required by the district.

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

SUBCHAPTER D. MEDICAL TREATMENT AND CARE

Sec. 283.071. ADMISSION CRITERIA AND PAYMENT; CRIMINAL PENALTY. (a) The board shall enter an order in district records defining "indigent or needy person" for the purpose of determining qualifications for admission to district hospital facilities.

(b) An order under Subsection (a) must detail the criteria for an emergency admission to district facilities without regard to indigency and for the length and basis of the stay at the facility.

(c) The board may require evidence of indigency that it considers appropriate, including an affidavit of inability to pay.

(d) The board may hire personnel necessary to determine the eligibility of an applicant for admission to district facilities and to process admissions.

(e) A person commits an offense if the person is able to pay for the person's hospital care at a district facility and makes a false statement for the purpose of obtaining admission to a district hospital facility. An offense under this subsection is a misdemeanor and punishable by a fine not to exceed \$200.

(f) A person who violates Subsection (e) is also liable for the cost of the person's hospital care.

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

SUBCHAPTER E. DISTRICT FINANCES

Sec. 283.081. BUDGET. (a) The administrator shall prepare an annual budget.

(b) The budget and all budget revisions shall be approved by the commissioners court.

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

Sec. 283.082. ADMINISTRATOR'S REPORT. (a) As soon as practicable after the close of the fiscal year, the administrator shall make a report to the commissioners court, executive commissioner of the Health and Human Services Commission, and comptroller.

(b) The report must:

(1) contain a sworn statement of all money and choses in action received by the administrator and the disposition of the money and actions; and

(2) detail the operations of the district for the fiscal year.

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

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 3.0834, eff. April 2, 2015.

Sec. 283.083. DEPOSITORY. (a) Not later than the 30th day after the appointment of the board, the board shall:

(1) select a depository for district funds in the manner provided by law for the selection of a county depository; or

(2) elect to use the county depository.

(b) If the board selects a depository in accordance with Subsection (a)(1), the depository shall serve as the district depository for two years and until its successor is selected and qualified.

(c) All income of the district shall be deposited in the district depository.

(d) The county clerk's signature is not required on warrants against district funds.

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

SUBCHAPTER F. DISTRICT BONDS

Sec. 283.101. 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, purchase, construct, equip, or enlarge the hospital or hospital system if:

(1) a tax may be imposed at a rate that:

(A) is sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds; and

(B) when added to the rates of other taxes imposed by the district, does not exceed the maximum tax rate of the district; and

(2) the bonds are authorized by majority vote of the qualified voters of the district voting at an election held for the purpose.

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

Sec. 283.102. BOND ELECTION. (a) A bond election may be held at any time the commissioners court considers advisable, except that it may not be held within two years after the date of a previous election.

(b) The election must be:

(1) ordered and held in accordance with Chapter 1251, Government Code; and

(2) conducted in the same manner as other countywide elections.

(c) The district shall pay for the cost of the election and shall provide for payment before the commissioners court orders the election.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.262, eff. Sept. 1, 2001.

Sec. 283.103. REFUNDING BONDS. (a) Refunding bonds of the district may be issued to refund outstanding bonded indebtedness the district has issued or assumed.

(b) The bonds must be issued in the manner provided for other bonds of the district except that an election to authorize their issuance is not required.

(c) The refunding bonds may be:

(1) sold and the proceeds applied to the payment of outstanding bonds; or

(2) exchanged in whole or in part for not less than a similar principal amount of the outstanding bonds plus the unpaid, matured interest on those bonds.

(d) The average annual interest cost on the refunding bonds, computed in accordance with recognized standard bond interest cost tables, may not exceed the average annual interest cost so computed on the bonds to be discharged from the proceeds of the refunding bonds, unless the total interest cost on the refunding bonds, computed to their respective maturity dates, is less than the total interest cost so computed on the bonds to be discharged from those proceeds. In those computations, any premium required to be paid on the bonds to be refunded as a condition to payment in advance of their stated maturity dates shall be taken into account as an addition to the net interest cost to the district of the refunding bonds.

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

Sec. 283.104. EXECUTION OF BONDS. The county judge of the county in which the district is created shall execute the bonds in the name of the district, and the county clerk shall countersign the bonds.

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

Sec. 283.105. APPROVAL AND REGISTRATION OF BONDS. (a) District bonds must be approved by the attorney general and registered by the comptroller subject to the same requirements for approval and registration of bonds issued by the county.

(b) The attorney general's approval of district bonds has the same effect as that approval for other bonds issued by the county.

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

SUBCHAPTER G. TAXES

Sec. 283.121. TAX ASSESSMENT AND COLLECTION. (a) If the district has issued or assumed bonds payable from taxes, the commissioners court shall impose a tax for the benefit of the district on all property subject to district taxation.

(b) The commissioners court may impose a tax for:

- (1) the entire year in which the district is created;
- (2) maintenance and operation of the district; and
- (3) improvements and additions to the hospital system.

(c) The total tax rate of the district may not exceed:

- (1) the rate authorized by the voters of the district;

or

- (2) the constitutional tax rate limit.

(d) The tax revenue may be used:

(1) to create an interest and sinking fund for bonds that may be assumed or issued by the district for hospital purposes in accordance with this chapter;

(2) to provide for the operation and maintenance of the hospital or hospital system; and

(3) to make improvements and additions to the hospital system, including the acquisition of necessary sites.

(e) The county tax assessor-collector shall collect the tax.

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

Sec. 283.122. ELECTION TO INCREASE TAX AMOUNT. (a) The tax rate approved in the creation of the district may be increased only if the increase is approved by a majority of the qualified voters of the district who vote in an election called and held for that purpose.

(b) The commissioners court may order an election to

increase the allowable tax rate to be held on its own motion or on the presentation of a petition for an election signed by at least 100 qualified property taxpaying voters of the district.

(c) When the commissioners court orders the election, the court shall determine the amount of tax necessary for the proper maintenance of the hospital district.

(d) The election shall be held on the first authorized uniform election date prescribed by the Election Code that allows sufficient time to comply with the other requirements of law and that occurs at least 30 days after the date on which the court orders the election.

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

Sec. 283.123. BALLOT PROPOSITION FOR TAX INCREASE. The ballot for a tax increase under this subchapter shall be printed to provide for voting for or against the proposition: "The increase of the hospital district tax from (the existing tax levy) to (the amount of existing tax plus the increase determined by the commissioners court in its order calling the election) on each \$100 of the taxable value of property taxable by the district."

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

SUBCHAPTER H. DISTRICT CONVERSION

Sec. 283.131. DISTRICT CONVERSION AUTHORITY. A hospital district created in accordance with Chapter 281 may be converted into a district subject to this chapter, or a district created in accordance with this chapter may be converted into a district subject to Chapter 281.

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

Sec. 283.132. CONVERSION ELECTION REQUIRED. (a) A district may be converted under this subchapter only if the conversion is approved by a majority of the qualified voters of the county in which the district is located who vote at an election called and held for that purpose.

(b) The commissioners court shall order a conversion

election not later than the 20th day after the date of presentation of a petition for conversion signed by at least five percent of the qualified property taxpaying voters of the county.

(c) If the election is on the question of conversion of a district created in accordance with Chapter 281, when the commissioners court orders the election, the court shall determine the amount of tax necessary:

(1) to operate and maintain the district's hospital system;

(2) to make improvements and additions to the hospital system, including the acquisition of necessary sites; and

(3) to pay when due the principal of and interest on district bonds assumed by the original district but excluding bonds issued by the original district.

(d) The election shall 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 and that occurs at least 30 days after the date on which the court orders the election.

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

Sec. 283.133. BALLOT PROPOSITIONS. (a) The ballot for the election held to determine the question of conversion of a district created under this chapter shall be printed to provide for voting for or against the proposition: "The conversion of the hospital district from a district operated under the Optional Hospital District Law of 1957 to a district operated under Chapter 281, Health and Safety Code, and the levy of a tax not to exceed 75 cents on each \$100 of the taxable value of property taxable by the district."

(b) The ballot for an election held to determine the question of conversion of a district created in accordance with Chapter 281, if no bonds issued by the district are outstanding, shall be printed to provide for voting for or against the proposition: "The conversion of the hospital district from a district operated under Chapter 281, Health and Safety Code, to a district operated under the Optional Hospital District Law of 1957,

and the levy of a tax not to exceed (the amount determined by the commissioners court in the election order) on each \$100 of the taxable value of property taxable by the district."

(c) The ballot for an election held to determine the question of conversion of a district created in accordance with Chapter 281, if bonds issued by the district are outstanding, shall be printed to provide for voting for or against the proposition: "The conversion of the hospital district from a district operated under Chapter 281, Health and Safety Code, to a district operated under the Optional Hospital District Law of 1957, and the levy of a tax not to exceed 75 cents on each \$100 of the taxable value of property taxable by the district until presently outstanding bonds issued by the district have been retired, and thereafter the levy of a tax not to exceed (the amount determined by the commissioners court in the election order) on each \$100 of the taxable value of property taxable by the district."

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

Sec. 283.134. 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.

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

Sec. 283.135. EFFECT OF CONVERSION. (a) 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.

(b) Any bonds voted by a district originally created under Chapter 281 which have not been issued on the date of the conversion election may not be issued.

(c) On conversion of a district from one operated under Chapter 281 to one operated under this chapter, the district may not impose a tax in excess of the amount determined by the commissioners court in the election order for any purposes other than to pay the principal of and interest on the unpaid bonds issued by the district before the date of conversion.

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

Sec. 283.136. LIMITATION ON FURTHER ELECTIONS. (a) If the proposition fails to carry at the conversion election, the district may not hold another election on the proposition for two years after the date of the election.

(b) A district that has converted under this subchapter may hold an election for reconversion after five years after the date of the conversion. The election for reconversion must be held in the same manner as provided in this subchapter for the conversion.

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