

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1009.001. 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 Cochran Memorial Hospital District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.002. AUTHORITY FOR CREATION. The Cochran Memorial Hospital District is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cochran County, Texas.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility. Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1009.051. BOARD; ELECTION. (a) The board consists of five elected directors.

(b) One director is elected from each county commissioners precinct and one director is elected from the district at large. Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.052. TERM. Directors serve staggered two-year terms unless a four-year term is established under Section 285.081, Health and Safety Code. Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.053. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Cochran County. Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.054. BALLOT PETITION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must file a petition requesting that action.

(b) The petition must be:

- (1) signed by at least 10 qualified voters; and
- (2) filed at least 25 days before the date of the

election.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.055. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:

(1) be a resident of Cochran County; and

(2) own property in Cochran County subject to taxation.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.056. FILING OF OATH. The constitutional oath of office executed by a director must be filed in the district's office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.057. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, the county judge of Cochran County may fill the vacancies by appointment.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.058. OFFICERS. The board shall elect from among its members a president, vice president, and secretary.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.059. COMPENSATION. A director is entitled to compensation at a rate determined by the board. The rate may not exceed \$10 for each board meeting.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.060. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

(a) The board shall:

(1) keep an account of all board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.062. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant to the district administrator.

(c) The district administrator and any assistant administrator serves at the will of the board and is entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than \$10,000 to be set by the board that:

(1) is conditioned on the administrator performing the administrator's required duties; and

(2) contains other conditions the board may require.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.

April 1, 2007.

Sec. 1009.063. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

- (1) supervise the work and activities of the district;
- and
- (2) direct the affairs of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.064. EMPLOYEES. The board may employ nurses, technicians, and other lay personnel considered necessary for the efficient operation of the district or may delegate that authority to the district administrator.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.065. RETIREMENT PROGRAM. The board may enter into a contract or agreement with this state or the federal government to establish or continue a retirement program for the benefit of the district's employees.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1009.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

- (1) operating all hospital facilities for providing medical and hospital care of indigent patients; and
- (2) providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.102. RESTRICTION ON POLITICAL SUBDIVISION

TAXATION AND DEBT. Cochran County or a municipality in Cochran County may not levy taxes or issue bonds or other obligations for hospital purposes or medical care.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the district's hospitals and hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:

- (1) purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;
- (2) equipping the buildings; and
- (3) administering the buildings and equipment for hospital purposes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

- (1) the method and manner of making purchases and expenditures by and for the district; and
- (2) all accounting and control procedures.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.107. RATES AND CHARGES. The board shall establish

the rates and charges for:

- (1) services;
- (2) supplies; and
- (3) the use of district facilities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.108. HOSPITAL LEASE. The board may lease a district hospital to a qualified doctor or group of doctors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.110. GIFTS AND ENDOWMENTS. The board may accept on behalf of the district a gift or endowment to be held in trust and administered by the board for a purpose and under a written direction, limitation, or provision prescribed by the donor that is not inconsistent with the proper management and objectives of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. (a) The board may contract with a county or a municipality located outside Cochran County for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal

agency for the treatment of a sick or injured person for whom the state or the federal government is responsible.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an indigent patient has been admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

- (1) the patient; and
- (2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from a relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

- (1) resolve the dispute or doubt; and
- (2) issue an appropriate order.

(f) A party to the dispute who is not satisfied with the order may appeal to the district court. The appeal shall be by trial de novo as that term is used in an appeal from a justice court to the county court.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.

April 1, 2007.

Sec. 1009.113. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1009.151. BUDGET; NOTICE OF HEARING. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1009.152.

(b) Not later than August 31 of each year, the board shall give notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Cochran County at least 10 days before the date of the hearing.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.152. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.153. ANNUAL AUDIT. (a) The district annually shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money;
and

(2) a complete account of the disbursement of that money.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.155. DEPOSITORY. (a) The board shall select one or more banks in Cochran County to serve as a depository for district money.

(b) All district money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to the appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER E. BONDS

Sec. 1009.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, or renovate buildings and improvements and to equip the buildings and improvements for a hospital and the hospital system.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1009.201, the board shall impose an ad valorem tax in an amount sufficient to:

- (1) create an interest and sinking fund; and
- (2) pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on each \$100 assessed value of all taxable property in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board shall call the election. The election must be held in accordance with Chapter 1251, Government Code.

(c) The bond election order must specify:

- (1) the date of the election;
- (2) the amount of bonds to be authorized;
- (3) the maximum maturity of the bonds;
- (4) the maximum interest rate of the bonds;
- (5) the location of the polling places; and
- (6) the presiding election officers.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds as provided by Chapter 618, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding general obligation bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged in whole or in part for not less than a like principal amount of the bonds to be refunded.

(c) If a refunding bond is sold, the bond must be issued and the payments must be made in the manner provided by Subchapters B and C, Chapter 1207, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer of the bonds; and

(3) the bond revenues and profits made in the sale of the bonds.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

SUBCHAPTER F. TAXES

Sec. 1009.251. IMPOSITION OF AD VALOREM TAX. The board shall impose a tax on all property in the district subject to district taxation in the manner provided by law for county taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff. April 1, 2007.

Sec. 1009.252. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector of Cochran County shall collect taxes imposed by the district and promptly transfer the money collected to a district depository.

(b) The assessor-collector shall receive the compensation provided for by contract with the district, except the compensation may not exceed the amount allowed for assessment and collection of county taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.01, eff.

April 1, 2007.