

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 3. HEALTH  
SUBTITLE A. HOSPITAL DISTRICTS  
CHAPTER 1012. CHILDRESS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1012.001. 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 Childress County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Childress County, Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.005. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.006. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

#### SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1012.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Unless four-year terms are established under Section [285.081](#), Health and Safety Code:

(1) directors serve staggered two-year terms, with three directors elected in even-numbered years and four directors elected in odd-numbered years; and

(2) a director's election shall be held each year on the May uniform election date prescribed by Section [41.001](#), Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.052. QUALIFICATIONS FOR OFFICE. (a) To be eligible to hold office as a director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) An employee of the district may not serve as a director. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.053. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.054. OFFICERS. (a) The board shall elect a president and vice president from among its members.

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

(c) The president has the same right to vote as any other director.

(d) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.055. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in attending to district business. The expenses must be:

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

(2) approved by the remainder of the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.056. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.057. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.058. INDIVIDUAL LIABILITY OF DIRECTORS. A director is individually liable only for the director's individual misapplication of public money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.059. CHIEF EXECUTIVE OFFICER; ASSISTANT CHIEF EXECUTIVE OFFICER. (a) The board shall appoint a qualified person to be known as the chief executive officer of the district.

(b) The chief executive officer may appoint an assistant to the chief executive officer.

(c) The chief executive officer is entitled to the compensation determined by the board.

(d) The board may execute an employment contract with the chief executive officer for a term of not more than three years. The employment contract may be renewed or extended annually.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.060. GENERAL DUTIES OF CHIEF EXECUTIVE OFFICER. The chief executive officer shall:

(1) stay informed on the latest methods of hospital administration and the care of hospital patients; and

(2) subject to the limitations prescribed by the board:

(A) supervise the work and activities of the district; and

(B) direct the affairs of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.061. EMPLOYEES. The board shall authorize the chief executive officer to employ nurses, technicians, and other employees for the efficient operation of the district.  
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.062. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES. The board may employ legal counsel or contract for other professional services as the board considers advisable.  
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.063. RECRUITMENT OF MEDICAL PERSONNEL. (a) The board may spend district money to recruit physicians, nurses, and other trained medical personnel.

(b) The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:

(1) is enrolled in and is in good standing at an accredited medical school, college, or university; and

(2) contractually agrees to become a district employee or independent contractor in return for that assistance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.064. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the hospital facilities.

(b) The term of the contract may not exceed 25 years.  
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.065. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract for the provision of educational programs or courses for district employees and medical staff.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.066. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) electing to participate in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1012.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care to indigent persons in the district; and

(2) providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION AND DEBT. Childress County or a municipality in Childress County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical treatment of indigent persons in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

(a) The board shall manage, control, and administer the district's hospitals and hospital system.

(b) The board may delegate to the chief executive officer the authority to manage, control, and administer the hospital, the

hospital system, and the district's business, money, and resources under the board's oversight.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.104. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

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

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may:

- (1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and
- (2) mortgage or pledge the property as security for

the payment of the purchase price.

(c) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(d) The board may sell or otherwise dispose of the district's property, including facilities or equipment.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.108. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.110. CONSTRUCTION CONTRACTS. A construction contract that requires the expenditure of more than the amount provided by Section [271.024](#), Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter [271](#), Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR



CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries 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 this state or the agency is responsible.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the chief executive officer 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 chief executive officer determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

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

(d) The chief executive officer 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) The board may institute a suit to collect an amount owed to the district by a patient who has not been determined under this section to be unable to pay.

(f) If there is a dispute as to the ability to pay, or doubt

in the mind of the chief executive officer, the board shall hold a hearing and, after calling witnesses, shall:

- (1) resolve the dispute or doubt; and
- (2) issue any appropriate orders.

(g) A final order of the board may be appealed to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.113. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.114. FACILITIES OR SERVICES FOR PERSONS WHO ARE ELDERLY OR DISABLED. (a) The district may:

(1) purchase, construct, acquire, repair, renovate, equip, or administer the following types of facilities or services for the care of persons who are elderly or disabled:

(A) a nursing home or similar long-term care facility;

(B) elderly housing;

(C) assisted living;

(D) home health;

(E) personal care;

(F) special care; or

(G) continuing care; and

(2) purchase, acquire, repair, or equip durable medical equipment to provide services to persons who are elderly or disabled.

(b) For a facility or service described by Subsection (a), the board may:

(1) lease or enter into an operating or management agreement relating to all or part of a facility or service that is owned by the district;

(2) close, transfer, sell, or otherwise convey all or

part of a facility; and

(3) discontinue all or part of a service.

(c) The board may issue general obligation bonds, revenue bonds, and other notes to acquire, construct, or improve a facility for the care of persons who are elderly or disabled or to implement the delivery of a service for the care of persons who are elderly or disabled.

(d) For the purposes of this section, a facility or service described by Subsection (a) is a hospital project under Chapter 223, Health and Safety Code, notwithstanding Section 223.002 of that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 177 (S.B. 628), Sec. 1, eff. May 28, 2011.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1012.151. BUDGET. The chief executive officer shall prepare an annual budget for approval by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in accordance with Chapter 551, Government Code.

(c) The board must approve the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.153. AMENDMENT OF BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to

the budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

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

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.156. ANNUAL AUDIT. (a) The board 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the chief executive officer 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.158. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) 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 disqualifies the bank from being selected as a depository bank.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.159. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.160. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

#### SUBCHAPTER E. BONDS

Sec. 1012.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district, for hospital or hospital system purposes, to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements; or

(3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section

1012.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax the district imposes may not exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) Section 41.001(a), Election Code, does not apply to a bond election ordered by the board.

(c) Except as otherwise provided by this chapter, the election shall be conducted in accordance with Chapter 1251, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.204. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.205. REVENUE BONDS. (a) The board may issue and sell revenue bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospitals and the hospital system; or

(2) acquire sites to be used for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.

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

(d) The bonds must be issued in the manner provided by Sections [264.042](#), [264.043](#), and [264.046-264.049](#), Health and Safety Code, for issuance of revenue bonds by a county hospital authority. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.207. 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 and issuance of the bonds; and
- (3) profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

#### SUBCHAPTER F. TAXES

Sec. 1012.251. IMPOSITION OF AD VALOREM TAXES. (a) The board may impose a tax on property in the district subject to district taxation.

(b) The tax may be used to pay:

- (1) indebtedness issued or assumed by the district;
- and
- (2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds.



Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each \$100 valuation of taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

#### SUBCHAPTER G. DISSOLUTION

Sec. 1012.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;

(2) the date of the election;

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

(4) the location of the polling places.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Childress County Hospital District."

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements,

equipment, and other assets that belong to the district to Childress County or another governmental entity in Childress County;

(2) sell the assets and liabilities to another person;

or

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

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

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts under Subsection (a)(3), the district is dissolved when all money is disposed of and all district debts have been paid or settled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

#### Sec. 1012.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

(a) The dissolution of the district and the sale or transfer of the district's assets or liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid

in satisfaction.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

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

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

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

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1012.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Childress County summarizing the board's actions in dissolving the district.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.