

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1024. ECTOR COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1024.001. 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 Ector County Hospital District.

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

Sec. 1024.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

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

Sec. 1024.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

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

Sec. 1024.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Ector County, Texas.

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

Sec. 1024.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district.

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

eff. April 1, 2009.

Sec. 1024.006. 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. 1024.051. BOARD ELECTION; TERMS. (a) The district is governed by a board of seven directors elected from single-member districts.

(b) Repealed by Acts 2019, 86th Leg., R.S., Ch. 548 (H.B. [4569](#)), Sec. 4, eff. June 10, 2019.

(c) Directors serve staggered four-year terms.

(d) An election shall be held on the uniform election date in May of each odd-numbered year to elect the appropriate number of directors.

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

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 548 (H.B. [4569](#)), Sec. 1, eff. June 10, 2019.

Acts 2019, 86th Leg., R.S., Ch. 548 (H.B. [4569](#)), Sec. 4, eff. June 10, 2019.

Sec. 1024.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district.

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

Sec. 1024.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that

action. The petition must:

(1) be signed by at least 50 registered voters of the district as determined by the most recent official list of registered voters;

(2) be filed not later than 5 p.m. on the same day that an application for a place on the ballot must be filed under Section [144.005](#), Election Code; and

(3) specify the single-member district the candidate wants to represent.

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

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 246 (H.B. [969](#)), Sec. 1, eff. June 17, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 692 (H.B. [2688](#)), Sec. 2, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1053 (H.B. [3097](#)), Sec. 1, eff. June 14, 2013.

Sec. 1024.054. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

(1) a district resident; and

(2) a qualified voter.

(b) In addition to Subsection (a), a person who is elected from a single-member district or who is appointed to fill a vacancy for a single-member district must be a resident of that single-member district.

(c) A district employee 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.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 548 (H.B. [4569](#)), Sec. 2, eff. June 10, 2019.

Sec. 1024.0545. GROUNDS FOR REMOVAL. (a) It is a ground for removal from the board that a director is absent from more than

half of the regularly scheduled board meetings that the director is eligible to attend in any 12-month period without an excuse approved by a majority vote of the board.

(b) The validity of an action of the board is not affected by the fact that the action is taken when a ground for removal of a director exists.

(c) A director may be removed for a ground provided by this section using the procedures provided by Subchapter B, Chapter 87, Local Government Code, for removing a county official.

Added by Acts 2019, 86th Leg., R.S., Ch. 548 (H.B. 4569), Sec. 3, eff. June 10, 2019.

Sec. 1024.055. BOND OR INSURANCE. (a) Before assuming the duties of office, each director must execute a bond payable to the district or purchase an appropriate insurance policy that names the district as its sole beneficiary, conditioned on the faithful performance of the director's duties.

(b) For each director, the board shall determine the appropriate type and value of the bond or insurance policy.

(c) The board may pay for a director's bond or pay for a director's insurance policy and premiums with district money.

(d) Each director's bond or insurance policy shall be kept in the district's permanent records.

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

Sec. 1024.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors 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. 1024.057. OFFICERS. (a) The board shall elect a president and a vice president from among its members.

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

(c) Each officer of the board serves for a term of one year.

(d) The board shall fill a vacancy in a board office 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. 1024.058. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

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

(2) approved by the board.

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

Sec. 1024.059. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary 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. 1024.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

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

(c) Before assuming the duties of district administrator, the administrator must execute a bond in the amount determined by the board of not less than \$5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the administrator's duties under this chapter.

(d) The board may pay for the bond with district money.

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

Sec. 1024.061. 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 general 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. 1024.062. ASSISTANT DISTRICT ADMINISTRATORS. (a) The district administrator may appoint one or more qualified persons as assistant district administrators for the district.

(b) An assistant district administrator:

(1) serves at the will of the district administrator;
and

(2) is entitled to the compensation determined by the board.

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

Sec. 1024.063. ATTORNEY. (a) The board may appoint a qualified person as the attorney for the district.

(b) The attorney for the district serves at the will of the board and is entitled to the compensation determined by the board.

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

Sec. 1024.064. APPOINTMENT OF STAFF. The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

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

Sec. 1024.065. EMPLOYEES. (a) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

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

eff. April 1, 2009.

Sec. 1024.066. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating 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. 1024.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; 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. 1024.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Ector County may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

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

Sec. 1024.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospital system and the district's money and resources.

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

Sec. 1024.104. RULES. The board may adopt rules governing:

- (1) the operation of the hospital and hospital system;
and
- (2) the duties, functions, and responsibilities of district staff and employees.

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

Sec. 1024.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)
The board 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) The board may act as a governmental entity under Chapter [2269](#), Government Code, for purposes of using the procurement procedures authorized by that chapter. For purposes of this subsection, notice under Section [2269.052\(c\)](#), Government Code, must be provided by the district in the same manner as provided for a conservation and reclamation district created under Section [59](#), Article XVI, Texas Constitution.

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

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 306 (H.B. [473](#)), Sec. 1, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. [628](#)), Sec. 4.06, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 22.002(32), eff. September 1, 2013.

Sec. 1024.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

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

Sec. 1024.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire property, including facilities and equipment, for the district for 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 hospital facilities for the district.

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

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

Sec. 1024.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary to exercise a right or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter [21](#), Property Code, except 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 provide a bond or other security for costs in the trial court;

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

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

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

Sec. 1024.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

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

Sec. 1024.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

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

Sec. 1024.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section [271.024](#), Local Government Code, 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. 1024.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

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

Sec. 1024.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

- (1) furnish a mobile emergency medical service; or
- (2) provide for the investigatory or welfare needs of district inhabitants.

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

Sec. 1024.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

- (1) the patient; or
- (2) a relative of the patient who is legally responsible for the patient's support.

(b) The district without charge shall provide to a patient who resides in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

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

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative who was legally responsible for the patient's support in the manner provided by law for collection of expenses of the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

- (1) call witnesses;
- (2) hear and resolve the question; and

(3) issue a final order.

(f) A final order of the board may be appealed to a district court in Ector County. 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. 1024.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Ector County or the police chief of the City of Odessa to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Ector County or the City of Odessa and is not a district resident.

(c) The board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

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

Sec. 1024.116. AUTHORITY TO SUE AND BE SUED; VENUE; NONWAIVER OF IMMUNITY. (a) The board may sue and be sued on behalf of the district.

(b) An action against the board, the district, or the district's hospital system must be brought in Ector County.

(c) This chapter may not be construed to waive the district's sovereign or governmental immunity.

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

Sec. 1024.117. EMPLOYMENT OF DISTRICT PEACE OFFICERS. (a) The board may employ and commission peace officers for the district.

(b) The jurisdiction of a peace officer commissioned under this section includes the property owned or controlled by the district.

(c) In a district peace officer's jurisdiction, the peace officer has the authority granted by Chapter 14, Code of Criminal Procedure.

Added by Acts 2011, 82nd Leg., R.S., Ch. 584 (H.B. 3815), Sec. 1, eff. June 17, 2011.

Sec. 1024.118. MENTAL HEALTH SERVICES. (a) The district may provide mental health services, including by contract in the manner prescribed by Chapter 579, Health and Safety Code.

(b) The district's provision of mental health services does not prohibit another political subdivision of this state from providing, or taxing to provide for, mental health services inside the boundaries of the district, as provided by Section 13, Article IX, Texas Constitution.

Added by Acts 2023, 88th Leg., R.S., Ch. 120 (H.B. 492), Sec. 2, eff. September 1, 2023.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1024.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

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

- (1) the outstanding obligations of the district;
- (2) the amount of cash on hand in each district fund;
- (3) the amount of money received by the district from all sources during the previous year;
- (4) the amount of money available to the district from all sources during the ensuing year;
- (5) the amount of the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated amount of revenue and balances available to cover the proposed budget; and
- (7) the estimated tax rate required.

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

Sec. 1024.152. 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 a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

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

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers.

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

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

Sec. 1024.153. AMENDMENTS TO BUDGET. After adoption, the annual budget may be amended on the board's approval.

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

Sec. 1024.154. 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. 1024.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) when 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. 1024.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition.

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

Sec. 1024.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours 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. 1024.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money; and

(2) an account of the disbursements of that money.

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

Sec. 1024.159. DEPOSITORY. (a) The board shall select at least one bank in Ector County to serve as a depository for district money.

(b) District money, other than money invested as provided by Section [1024.160](#)(c) and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and must remain on deposit. This subsection does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(c) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond

or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

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

Sec. 1024.160. SPENDING AND INVESTMENT RESTRICTIONS. (a) The district may acquire, sell, lease, or contract for personal property in accordance with Subchapter [A](#), Chapter [271](#), Local Government Code.

(b) Except as provided by Subsection (a) and Sections [1024.111](#), [1024.201](#), [1024.204](#), and [1024.205](#), the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately following district fiscal years.

(c) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter [2256](#), Government Code.

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

SUBCHAPTER E. BONDS

Sec. 1024.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election in the name and on the faith and credit of the district to:

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

(2) equip buildings or improvements for hospital purposes; or

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

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

Sec. 1024.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under

Section 1024.201, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund 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 in any year 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. 1024.203. 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) The board may order a bond election.

(c) The order calling the election must specify:

- (1) the nature and date of the election;
- (2) the hours during which the polls will be open;
- (3) the location of the polling places;
- (4) the amount of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

(e) The board shall declare the results of the election.

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

Sec. 1024.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;
- (2) acquire sites to be used for hospital purposes; or
- (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue received by the district, other than ad

valorem taxes.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district 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. 1024.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) Refunding bonds may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

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

Sec. 1024.206. MATURITY OF BONDS. District bonds must mature not later than 50 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. 1024.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner 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. 1024.208. 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) any transaction relating to 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. 1024.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all 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 issued under this chapter.

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

Sec. 1024.252. 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 all 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. 1024.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum ad valorem tax rate. The board shall order the election if the board receives a petition requesting an election that is signed by at least 50 registered voters in the district.

(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed

_____ (insert amount) cents on the \$100 valuation of all taxable property in the district."

(c) If the board finds that the election results favor the proposition, the board may impose taxes as authorized by the proposition. If the board finds that the election results do not favor the proposition, another election on the question of raising the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

(d) 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. 1024.254. 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.