

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1031. GARZA COUNTY HEALTH CARE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1031.001. 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 Garza County Health Care District.

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

Sec. 1031.002. AUTHORITY FOR OPERATION. The district operates in accordance with and has the powers and responsibilities provided by Section 9, Article IX, Texas Constitution.

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

Sec. 1031.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

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

Sec. 1031.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Garza County.

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

Sec. 1031.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

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

Sec. 1031.006. PUBLIC PURPOSE; TAX EXEMPTION. All property owned by the district:

- (1) shall be held for public purposes; and
- (2) is exempt from taxation of every character.

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. 1031.051. BOARD ELECTION; TERM. (a) The board consists of five 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; and
- (2) an election shall be held on the uniform election date in May of each 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.

Sec. 1031.052. 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 Garza County.

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

Sec. 1031.053. QUALIFICATIONS FOR OFFICE. To be eligible to serve as a director, a person must:

- (1) be a district resident; and
- (2) have resided in the district for at least six months immediately preceding the date on which the person:
 - (A) files for election; or
 - (B) is appointed or elected as provided by

Section 1031.055, if filling a vacancy in the office of director.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02,
eff. April 1, 2009.

Sec. 1031.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
OF OFFICE. (a) Each director may be required to execute a good and
sufficient bond for \$1,000 that is:

- (1) payable to the district; and
- (2) conditioned on the faithful performance of the
director's duties.

(b) The board may pay for a director's bond with district
money.

(c) Each director's bond and constitutional oath or
affirmation of office shall be deposited with the district's
depository bank for safekeeping.

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

Sec. 1031.055. 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, a district court, on
application of a district voter or taxpayer, may order the
directors to hold the election.

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

Sec. 1031.056. OFFICERS. The board shall:

- (1) elect a president from among its members; and
- (2) appoint a secretary from among its members.

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

Sec. 1031.057. COMPENSATION; EXPENSES. A director serves

without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the board.

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

Sec. 1031.058. VOTING REQUIREMENT. A concurrence of three 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. 1031.059. MEETINGS. (a) A board meeting may be called by the president or any three directors.

(b) Notice of the time and place of a board meeting must be given to each director at least 72 hours before the time of the meeting.

(c) This section does not prevent the board by resolution from establishing a regular time and place for meetings for which special notice is not required.

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

Sec. 1031.060. DISTRICT ADMINISTRATOR. (a) The board shall appoint a district administrator.

(b) The district administrator may not receive an employment contract for a specified term and may be terminated at any time by the board.

(c) The district administrator may be required to execute a good and sufficient bond for \$10,000 that is:

(1) payable to the district; and

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

(d) The district administrator's bond shall be deposited with the district's depository bank for safekeeping.

(e) 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. 1031.061. EMPLOYMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ a general manager and other necessary professional and clerical personnel.

(b) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. 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. 1031.062. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the operation of the health care facilities.

(b) The term of the contract may not exceed five years.

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

Sec. 1031.063. 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.

Sec. 1031.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Sections 1031.054 and 1031.060, all district

records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours.

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

Sec. 1031.065. SEAL. The board may adopt a seal for the district.

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. 1031.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical, hospital, and health care for the district's needy and indigent residents.

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

Sec. 1031.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Garza County or a municipality in Garza County may not impose a tax for health care purposes.

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

Sec. 1031.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

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

Sec. 1031.104. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in

booklet form at district expense and made available to any taxpayer on request.

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

Sec. 1031.105. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

- (1) all accounting and control procedures; and
- (2) the method of purchasing necessary supplies, materials, and equipment.

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

Sec. 1031.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board may:

- (1) purchase or lease property, including facilities or equipment, for the district to use in the health care system; and
- (2) mortgage or pledge the property as security for the payment of the purchase price.

(b) The board may lease district health care facilities to individuals, corporations, or other legal entities for a term not to exceed 20 years.

(c) 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. 1031.107. COMPETITIVE BIDDING. The district may not enter into a contract that requires the district to spend at least \$15,000 and creates or imposes any type of obligation or liability on the district, unless the district first submits the contract to competitive bids.

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

Sec. 1031.108. EMERGENCY MEDICAL SERVICES. The board may spend district money to support emergency medical services in Garza County.

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

Sec. 1031.109. 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. 1031.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who claims to be indigent is admitted to a district facility, the board 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 an agent designated by the district to handle the inquiry determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the health care facility, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's depository or treasurer 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 district may collect the amount from the patient's estate, or from any 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 designated district agent, the board shall hold a hearing and, after calling witnesses, shall:

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

(f) The order may be appealed to the district court.

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

Sec. 1031.111. NONINDIGENT RESIDENTS. The board may provide access to medical care to a nonindigent resident of Garza County if the nonindigent resident is charged the reasonable and customary cost of services.

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

Sec. 1031.112. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1031.151. BUDGET. The board annually shall require a budget to be prepared for the next fiscal year that includes:

- (1) proposed expenditures and disbursements;
- (2) estimated receipts and collections; and
- (3) the amount of taxes required to be imposed for the year.

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

Sec. 1031.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published in a newspaper

of general circulation in Garza County in accordance with Chapter 551, Government Code.

(c) Any district resident is entitled to:

(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

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

Sec. 1031.153. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

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

Sec. 1031.154. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records for the fiscal year.

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

Sec. 1031.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All district money shall be secured in the manner provided for securing county funds.

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

Sec. 1031.156. 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 during the 12-month period following the date of the pledge 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.

SUBCHAPTER E. BONDS

Sec. 1031.201. GENERAL OBLIGATION BONDS. The board may issue general obligation bonds 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 health care purposes; 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. 1031.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1031.201, 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 maintenance and operation tax the district imposes may not exceed the tax rate 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. 1031.203. 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. The election shall be conducted as provided by Chapter [1251](#), Government Code.

(c) 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. 1031.204. REVENUE BONDS. (a) The district may issue revenue bonds for any health care purpose, including a purpose described by Section 1031.201, only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(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 health care system.

(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. 1031.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds in the manner provided by this subchapter to refund outstanding bonds issued 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 wholly or partly for not less than a similar principal amount of the outstanding bonds and the unpaid matured interest on the bonds.

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

eff. April 1, 2009.

Sec. 1031.206. MATURITY OF BONDS. District bonds must mature not later than the 40th anniversary of 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. 1031.207. 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. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1031.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to:

(1) pay the interest on and create a sinking fund for warrants issued by the district for health care purposes;

(2) pay for the maintenance and operation expenses of the district and health care system;

(3) pay for indebtedness issued or assumed by the district;

(4) make improvements and additions to the health care system; and

(5) acquire necessary sites for the health care system by purchase, lease, or condemnation.

(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. 1031.252. 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.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.253. ELECTION TO INCREASE MAXIMUM TAX RATE. The board may call an election to increase the maximum tax rate of the district to a specified rate allowed by law on each \$100 valuation of the taxable property in the district if the board determines that an increase is necessary to carry out the purposes for which the initial tax rate was authorized.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1031.254. TAX ASSESSOR-COLLECTOR. (a) 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.

(b) The tax assessor-collector shall assess and collect taxes imposed by the district.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER G. DISSOLUTION

Sec. 1031.301. 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 at least 10 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. 1031.302. 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. 1031.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Garza County Health Care District."

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

Sec. 1031.304. 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. 1031.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

(a) If a majority of the votes in the election held under this

subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Garza County or another governmental entity in Garza 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 of the district under Subsection (a)(3), the district is dissolved when all money has been 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. 1031.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

(a) The dissolution of the district and the sale or transfer of the district's assets and 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. 1031.307. 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. 1031.308. 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 Garza County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Garza 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.