

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1036. HAMILTON COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1036.001. 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 Hamilton County Hospital District.

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

Sec. 1036.002. 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. 1036.003. 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. 1036.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Commissioners Precincts 1, 2, and 4 of Hamilton County as those boundaries existed on June 14, 1989, unless the district's boundaries are expanded to be coextensive with the boundaries of the county under Subchapter G.

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. 610 (S.B. [490](#)), Sec. 1, eff.

September 1, 2011.

Sec. 1036.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This 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. 1036.006. 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. 1036.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors.

(b) One director is elected from each commissioners precinct included in the district and two directors are elected from the district at large. If the district is expanded under Subchapter G so that the boundaries are coextensive with the boundaries of the county, one director is elected from each commissioners precinct and one director is elected from the district at large. The board shall determine which director position elected from the district at large will convert into a position elected from the additional precinct.

(c) 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.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. [490](#)), Sec. 2, eff.

September 1, 2011.

Sec. 1036.052. NOTICE OF ELECTION. Notice of the election shall be published in accordance with Section 4.003, Election Code, 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.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 3, eff. September 1, 2011.

Sec. 1036.053. BALLOT APPLICATION. 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 an application in accordance with Chapter 144, Election Code.

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. 610 (S.B. 490), Sec. 4, eff. September 1, 2011.

Sec. 1036.054. 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) A person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(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.

Sec. 1036.055. 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. 1036.056. 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. 1036.057. 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. 1036.058. 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. 1036.059. 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. 1036.060. 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. 1036.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

(a) The board may appoint qualified persons as:

- (1) the assistant district administrator; and
- (2) the attorney for the district.

(b) The assistant district administrator and the attorney
for the district serve at the will of the board and are 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. 1036.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) 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.

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

(c) 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. 1036.063. 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.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1036.101. 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. 1036.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Hamilton 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. 1036.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the 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. 1036.104. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system;
and

(2) the duties, functions, and responsibilities of the

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. 1036.105. PURCHASING AND ACCOUNTING PROCEDURES. 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.

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

Sec. 1036.106. 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. 1036.107. 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 the 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. 1036.108. 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 property interest is necessary for the district 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 that 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. 1036.109. 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, 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. 1036.110. 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. 1036.111. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves an expenditure of more than the amount prescribed 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. 1036.112. 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. 1036.113. 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. 1036.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

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

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot

pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(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 the 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 in the last illness of a deceased person.

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

- (1) call witnesses;
- (2) hear and resolve the question; and
- (3) issue a final order.

(f) The final order of the board may be appealed to a district court in Hamilton 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. 1036.115. 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 Hamilton County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Hamilton County and is not a district resident.

(c) On behalf of the district, 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. 1036.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.
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. 1036.151. 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. 1036.152. 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. 1036.153. AMENDMENT OF 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. 1036.154. 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. 1036.155. 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. 1036.156. 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. 1036.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

RECORDS. The annual audit and other district records shall be 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. 1036.158. 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. 1036.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section [1036.160](#)(b) 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. 1036.160. SPENDING AND INVESTMENT RESTRICTIONS.

(a) Except as provided by Sections [1036.111](#), [1036.161](#), [1036.201](#), [1036.204](#), [1036.205](#), and [1036.210](#), 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 the immediately following district fiscal years.

(b) 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.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 5, eff. September 1, 2011.

Sec. 1036.161. 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 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 6, eff. September 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1036.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell 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 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. 1036.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1036.201, 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. 1036.203. BOND ELECTION. (a) The district may issue general obligation bonds or other bonds secured wholly or partly by an ad valorem tax, other than refunding bonds, only if the bonds are authorized by a majority of the 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. 1036.204. 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 derived from the operation of the district's hospital 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. 1036.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund an 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. 1036.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section [1036.202](#) and revenue and other sources authorized by Section [1036.204](#).

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

Sec. 1036.207. 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. 1036.208. EXECUTION OF BONDS. (a) The board president shall execute district 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. 1036.209. 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.

Sec. 1036.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and

(B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 7, eff. September 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1036.251. 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. 1036.252. 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. 1036.253. 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. EXPANSION OF DISTRICT TERRITORY

Sec. 1036.301. EXPANSION OF DISTRICT TERRITORY TO ENTIRE COUNTY. The district may expand its territory boundaries to be coextensive with the boundaries of the county in the manner provided by Section 286.101, Health and Safety Code, for the expansion of the territory of a hospital district created under Chapter 286, Health and Safety Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

SUBCHAPTER H. DISSOLUTION

Sec. 1036.401. 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 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 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.402. 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 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.403. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hamilton County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.404. 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 on the question of dissolution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.405. TRANSFER 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 Hamilton County or another governmental entity in Hamilton County; or

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.406. 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 appropriate county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. 490), Sec. 8, eff. September 1, 2011.

Sec. 1036.407. 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 Hamilton County summarizing the board's actions in dissolving

the district.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 610 (S.B. [490](#)), Sec. 8, eff. September 1, 2011.