

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1039. HEMPHILL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1039.001. 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 Hemphill County Hospital District.

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

Sec. 1039.002. AUTHORITY FOR OPERATION. The district operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

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

Sec. 1039.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

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

Sec. 1039.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hemphill County, Texas.

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

Sec. 1039.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not

become a charge against or obligation of this state.

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

Sec. 1039.006. 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. 1039.051. BOARD ELECTION; TERM. (a) Except as provided by Section [1039.052](#), the board consists of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section [285.081](#), Health and Safety Code.

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

Sec. 1039.052. ALTERNATIVE DIRECTOR ELECTION. (a) As an alternative to electing directors at large, the board may:

(1) provide for all or some directors to be elected from single-member districts; and

(2) devise and implement for the directors' election a plan of apportionment as determined to be in the best interest of the district and district inhabitants.

(b) Before implementing the apportionment plan, the plan must be approved by a majority of the district voters voting at an election held for that purpose.

(c) The election must be held in the same manner as an election required for the issuance of bonds.

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

Sec. 1039.053. NOTICE OF ELECTION. At least 30 days before

the date of an election of directors, notice of the election shall be published one time in a newspaper or newspapers that individually or collectively have 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. 1039.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

- (1) a district resident; and
- (2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is:

- (1) the district administrator; or
- (2) a district employee.

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

Sec. 1039.055. 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. 1039.056. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its members; and

- (2) a secretary, who need not be a director.

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

(c) 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. 1039.057. 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. 1039.058. 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. 1039.059. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person to serve as district administrator of the hospital system and ancillary health care system.

(b) The board may appoint an assistant administrator.

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

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than \$5,000 that:

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

(2) contains other conditions the board may require.

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

Sec. 1039.060. 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 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. 1039.061. EMERGENCY ACTION. (a) In an emergency, the district administrator may take any lawful action necessary to preserve district assets or protect patient health and safety.

(b) As soon as practicable after an emergency action is taken, the district administrator shall report the action to the board, and the board shall amend the annual budget to reflect any costs of the action.

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

Sec. 1039.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the hospital system and the ancillary health care system and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and additional attorneys the board considers proper.

(c) The board may delegate to the district administrator the authority to hire employees, including technicians and nurses, for the district, the hospital system, and the ancillary health care system.

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. 1039.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities for 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. 1039.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located wholly or partly within the district 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. 1039.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and ancillary health care 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. 1039.104. HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital system by:

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

(b) The hospital system and ancillary health care system may include equipment, facilities, and services the board considers necessary for hospital care and ancillary health care, including:

- (1) domiciliary care and treatment of sick or injured patients;
- (2) geriatric services;
- (3) outpatient clinics;
- (4) rural health clinics;
- (5) convalescent home facilities;
- (6) physician's offices;
- (7) home health services;
- (8) long-term care;
- (9) skilled nursing care;
- (10) intermediate nursing care;
- (11) assisted living facilities;
- (12) hospice care;
- (13) ambulatory surgery centers;
- (14) urgent care facilities; and
- (15) 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. 1039.105. RULES. The board may adopt rules governing the operation of the district, the hospital system and ancillary health care system, and the district's staff and employees.

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

Sec. 1039.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) all accounting and control procedures.

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

Sec. 1039.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT, AND SERVICES. (a) The board shall determine the type, number, and location, either inside or outside the district, of facilities and services required to maintain an adequate hospital system and ancillary health care system.

(b) The board may:

(1) acquire by lease, purchase, or lease to purchase property, including facilities, supplies, and equipment, for the district for use in the hospital system and ancillary health care system; and

(2) mortgage or pledge the property as security for the payment of the purchase price.

(c) The board may lease, sell, or otherwise dispose of all or part of the district's property of any nature, including the district's hospital, ancillary health care or other facilities, buildings, supplies, or equipment, to a public or private entity on terms the board finds are in the best interest of the district's inhabitants.

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

Sec. 1039.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right, power, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, 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. 1039.109. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, or pipeline, 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. 1039.110. 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. 1039.111. CONSTRUCTION CONTRACTS. A construction contract must be made in the manner 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. 1039.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract with one or more public or private entities relating to a district facility or service.

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

Sec. 1039.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR TREATMENT. The board may contract with a county, a municipality, this state, or a federal agency for the 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. 1039.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services as to the medical, hospital, 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. 1039.115. JOINT OWNERSHIP ARRANGEMENT. The board may enter into a joint ownership arrangement for the district with a

public or private entity to provide management or operating services if the board determines that the joint ownership arrangement is in the district's best interest and does not violate Section 52, Article III, Texas Constitution.

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

Sec. 1039.116. 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 circumstances of:

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

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

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's care and support. The amount ordered must be proportionate to the person's financial ability.

(d) The district administrator 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 district administrator, the board shall hold a hearing and, after calling witnesses, shall:

- (1) resolve the dispute or doubt; and
- (2) issue a final order.

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

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

eff. April 1, 2009.

Sec. 1039.117. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

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

Sec. 1039.118. ELECTION DATE. Notwithstanding Section 41.001(a), Election Code, the board may choose the date for an election held under this chapter.

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. 1039.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

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

- (1) the outstanding obligations of the district;
- (2) the cash on hand in each district fund;
- (3) the money received by the district from all sources during the previous year;
- (4) the money available to the district from all sources during the ensuing year;
- (5) the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated 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. 1039.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) Notice of the hearing must be published one time in a newspaper of general circulation in the district at least 10 days

before the date of the hearing.

(c) Any district resident may 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 and that the law warrants.

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

Sec. 1039.153. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

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

Sec. 1039.154. 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. 1039.155. FISCAL YEAR. (a) The district operates on a fiscal year established by the board.

(b) The fiscal year may not be changed 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. 1039.156. ANNUAL AUDIT. (a) As soon as practicable after the end of each district fiscal year, the board shall have an audit made of the district's finances that contains a detailed accounting of disbursements.

(b) The board shall select a qualified independent accounting firm to perform the audit.

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

eff. April 1, 2009.

Sec. 1039.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection 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. 1039.158. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section [1039.159](#)(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 shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit of a state or national bank that is a member of the Federal Deposit Insurance Corporation.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount insured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or provides other security in an amount sufficient to secure from loss the district money that exceeds the amount insured 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. 1039.159. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section [1039.107](#)(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by

Subchapter A, Chapter 2256, Government Code.

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

Sec. 1039.160. TAX EXEMPTION. All property owned by the district is exempt from taxation by this state or 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.

SUBCHAPTER E. BONDS

Sec. 1039.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for:

(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital and ancillary health care purposes.

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

Sec. 1039.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1039.201, 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 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. 1039.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue bonds payable from taxes only if the bonds are authorized by a majority of the district voters.

(b) The order calling the election shall provide for clerks as in county elections and must specify:

- (1) the date of the election;
- (2) the location of the polling places;
- (3) the presiding and alternate election judges for each polling place;
- (4) the amount of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(c) Notice of a bond election shall be given by publishing a copy of the election order in a newspaper of general circulation in the district once a week for two consecutive weeks. The first publication must appear at least 30 days before the date of the election.

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

Sec. 1039.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital and ancillary health care purposes; or
- (2) acquire sites to be used for hospital and ancillary health care 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, hospital system, or ancillary 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 and in accordance with the procedures and requirements prescribed 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. 1039.205. REFUNDING BONDS. (a) The board may, without

an election, issue refunding bonds payable from taxes or revenue to refund outstanding indebtedness issued, incurred, or assumed by the district.

(b) A refunding bond may be:

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

(2) exchanged wholly or partly for not less than the 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. 1039.206. MATURITY OF BONDS. District bonds payable from taxes or revenue must mature not later than 40 years after the date of issuance.

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

Sec. 1039.207. EXECUTION OF BONDS. (a) The board president shall execute, in the district's name, district bonds payable from taxes or revenue.

(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. 1039.208. 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) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds.

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

SUBCHAPTER F. TAXES

Sec. 1039.251. IMPOSITION OF AD VALOREM TAX. (a) The board

shall annually impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax 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. 1039.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each \$100 valuation of taxable property in the district.

(b) 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. 1039.253. 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.