

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1043. HOPKINS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1043.001. 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 Hopkins County Hospital District.

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

Sec. 1043.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section [11](#), 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. 1043.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:

(1) a public entity performing an essential public function; and

(2) 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. 1043.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hopkins County.

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

Sec. 1043.005. 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.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1043.051. BOARD ELECTION; TERM. (a) The board consists of seven elected directors.

(b) Directors serve staggered three-year terms.

(c) 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. 1043.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in a newspaper of general circulation in the district in accordance with Section [4.003](#), 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 2009, 81st Leg., R.S., Ch. 1011 (H.B. [4139](#)), Sec. 1, eff. June 19, 2009.

Sec. 1043.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

- (1) a district resident;
- (2) a qualified voter of the district; and
- (3) more than 21 years of age at the time of election or appointment.

(b) 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. 1043.0535. GROUNDS FOR REMOVAL. (a) It is a ground

for removal from the board that a director is absent from at least four 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 2011, 82nd Leg., R.S., Ch. 743 (H.B. 1144), Sec. 1, eff. June 17, 2011.

Sec. 1043.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall 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) 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. 1043.055. 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 less than the number that constitutes a majority 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. 1043.056. OFFICERS. The board shall elect a president, vice president, and secretary.

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

Sec. 1043.057. 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 entire board.

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

Sec. 1043.058. VOTING REQUIREMENT. A concurrence of a majority of the 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. 1043.059. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ an attorney, bookkeeper, and architect.

(a-1) The board may delegate to the chief executive officer the authority to hire, terminate, and make all other personnel decisions relating to district employees.

(b) The board may spend district money to recruit physicians, nurses, or other trained medical personnel to the hospital staff.

(c) The board may agree to pay all or part of the tuition or other costs of a medical technician or nursing student who:

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

(2) contractually agrees to serve as a district employee on terms prescribed by the board.

(d) Subject to Subsection (e), the board may provide financial inducements to a full-time medical intern or physician who contractually agrees to:

(1) reside and practice in Hopkins County; and

(2) provide care and treatment to its needy residents.

(e) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1011, Sec. 6, eff. June 19, 2009.

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. 1011 (H.B. 4139), Sec. 2, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 6, eff. June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 795 (S.B. 1473), Sec. 1, eff. June 14, 2013.

Sec. 1043.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1043.054, 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. 1043.061. 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.

Sec. 1043.062. CHIEF EXECUTIVE OFFICER. (a) The board shall appoint a qualified person as the chief executive officer of the district.

(b) The chief executive officer serves at the will of the board and is entitled to the compensation determined by the board.

(c) Subject to the limitations prescribed by the board, the chief executive officer shall:

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

(2) direct the affairs of the district.

(d) If the board delegates to the chief executive officer the authority to hire, terminate, and make all other personnel decisions relating to district employees, the chief executive officer has exclusive authority over personnel matters and the board may not participate in or make any decisions regarding the employment of district employees other than the chief executive officer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 795 (S.B. [1473](#)), Sec. 2, eff. June 14, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1043.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital 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. 1043.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Hopkins County or a municipality in Hopkins County may not impose a tax for hospital purposes.

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

Sec. 1043.103. 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. 1043.104. HOSPITAL SYSTEM. The district may provide for the establishment of a hospital or hospital system to provide medical and hospital care to the district's needy residents.

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

Sec. 1043.105. 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. 1043.106. 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. 1043.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location, either inside or outside the district, of facilities required to maintain an adequate hospital system and ancillary health care system and the type of equipment necessary for hospital care and ancillary health care services, 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) durable medical equipment;
- (9) long-term care;
- (10) skilled nursing care;
- (11) intermediate nursing care;
- (12) hospice care;

- (13) ambulatory surgery centers;
- (14) urgent care facilities;
- (15) operation of a mobile emergency medical service;
- (16) extended care facilities;
- (17) assisted living facilities; and
- (18) any other facility or equipment the board considers necessary for the delivery of hospital, medical, and ancillary health care services.

(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 for the district, including facilities, supplies, or equipment, to a public or private entity, but only to the extent necessary to maintain an adequate hospital system for the residents of Hopkins County.

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

Sec. 1043.108. PROPERTY, FACILITIES, AND EQUIPMENT FOR HEALTH CARE PROVIDERS. (a) The board shall determine the type, number, and location of buildings required to establish and maintain office facilities for health care providers as necessary to provide adequate health care services.

(b) The board may:

- (1) acquire property, including equipment, and construct facilities for the district for use by health care providers; and

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

(c) The board for the district may:

- (1) lease the office facilities and equipment to health care providers; and

(2) sell or otherwise dispose of the property, including facilities and equipment.

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. 1011 (H.B. [4139](#)), Sec. 3, eff. June 19, 2009.

Sec. 1043.109. 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, real, personal, or mixed, located in district territory, if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district 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. 1043.110. 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 any nonprofit purpose 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. 1043.111. JOINT OWNERSHIP ARRANGEMENT. (a) The board may enter into a joint ownership arrangement for the district with one or more public or private entities for:

(1) the provision of management or operating services; and

(2) the ownership of all or part of real property, facilities, equipment, or supplies.

(b) Before the board enters into the arrangement, the board must determine that the arrangement is:

(1) in the district's best interest; and

(2) for a public purpose of the district.

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

Sec. 1043.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient 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) 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) 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 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 district's designated 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) Either party to the dispute may appeal the order 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. 1043.113. NONPROFIT CORPORATION. (a) The district may become a member of a nonprofit corporation or enter into an agreement with a nonprofit corporation to serve the purposes of this chapter. Under an agreement with a nonprofit corporation, the district may require that:

(1) the nonprofit corporation grant the district the power to appoint one or more members of the corporation's board of directors;

(2) the nonprofit corporation obtain the district's consent before changing the corporation's articles of incorporation or bylaws or before taking other action; and

(3) the district receive all or part of the net assets of the nonprofit corporation on the corporation's dissolution, merger, or consolidation.

(b) The district is not liable for any debt, obligation, or other liability of the nonprofit corporation.

(c) This section does not affect the district's authority to make payments to or otherwise provide money to the nonprofit corporation.

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

Sec. 1043.114. 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. 1043.151. 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. 1043.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The board shall hold a public hearing on the proposed budget.

(b) Notice of the hearing must be published at least once in a newspaper of general circulation in Hopkins County not later than the 10th day before the date of the hearing.

(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.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1011 (H.B. 4139), Sec. 4, eff. June 19, 2009.

Sec. 1043.153. 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. 1043.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the fiscal year.

(b) Not later than December 31 each year, the audit shall be filed at the district office.

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. 1011 (H.B. [4139](#)), Sec. 5, eff. June 19, 2009.

Sec. 1043.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Hopkins County as the district's depository or treasurer. A designated bank serves for three years and until a successor is designated.

(b) All income received by the district shall be deposited with the district depository.

(c) 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.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 743 (H.B. [1144](#)), Sec. 2, eff. June 17, 2011.

Sec. 1043.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) If the board declares that money is not available to meet authorized district obligations, the board may:

(1) by majority vote borrow money to satisfy the obligations in an amount not to exceed, at any one time in the aggregate, 10 percent of the annual district operational expenses for the prior fiscal year; and

(2) by unanimous vote borrow additional money if the obligations exceed the amount described by Subdivision (1).

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

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

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

(c) A loan for which taxes are pledged must mature and be paid not later than the first anniversary of the date the loan is

made.

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

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

(2) if district taxes are pledged to pay the loan, the purposes for which the pledged taxes were imposed.

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

SUBCHAPTER E. BONDS

Sec. 1043.201. 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 any purpose relating to:

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

(2) equipping buildings or improvements for hospital or medical purposes.

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

Sec. 1043.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) 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 general obligation bonds issued by the district under Section 1043.201 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:

(1) 25 cents on each \$100 valuation of all taxable property in the district; or

(2) the maximum tax rate approved under Section 1043.253, which 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. 1043.203. 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 the election on its own motion.

(c) The order calling the election must specify:

- (1) the location of the polling places;
- (2) the presiding election officers;
- (3) the purpose of the bond issuance;
- (4) the amount of the bonds to be authorized;
- (5) the maximum interest rate of the bonds; and
- (6) the maximum maturity of the bonds.

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Hopkins County once a week for two consecutive weeks before the date of the election. The first publication must occur at least 14 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. 1043.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

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

Sec. 1043.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

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

Sec. 1043.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements, including necessary equipment and furnishings, for hospital purposes and the hospital system;

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical or air ambulance service to assist the district in carrying out its hospital purpose.

(b) The bonds may be secured by a mortgage or deed of trust lien on all or part of district property.

(c) 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. 1043.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed 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 amount of 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. 1043.208. 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. 1043.251. 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 for all hospital district purposes mentioned in this chapter and in Section 11, Article IX, Texas Constitution, including to:

(1) pay the indebtedness issued or assumed by the district; and

(2) maintain and operate the district.

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

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

Sec. 1043.252. TAX RATE. The board may impose the tax at a rate not to exceed 25 cents on each \$100 valuation of all taxable property in the district unless the tax rate is increased as provided by Section 1043.253.

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

Sec. 1043.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each \$100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) The board shall give notice in the manner provided for a bond election under Section 1043.203.

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

Sec. 1043.254. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Hopkins

County shall assess and collect taxes imposed by the district.

(b) The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

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

SUBCHAPTER G. DISSOLUTION

Sec. 1043.301. DISSOLUTION; ELECTION. (a) The district may be dissolved and the district's assets and liabilities sold or transferred to another person only on approval of a majority of the district voters voting at an election held for that purpose.

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

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

(c-1) The election shall be called not later than the 60th day after the date the petition is presented to the board.

(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.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.017, eff. September 1, 2009.

Sec. 1043.302. 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 at least 35 days 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. 1043.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hopkins County Hospital District and the transfer of its assets and liabilities in the following manner: _____ (insert provisions for transfer)."

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

Sec. 1043.304. ELECTION RESULTS. (a) If the board finds the election results favor the proposition to dissolve the district, the board shall:

(1) issue an order declaring the district dissolved; and

(2) proceed with the sale or transfer of the district's assets and liabilities according to the plan proposed on the ballot.

(b) If the board finds the election results do not favor the proposition to dissolve the district, another dissolution election may not be held before the first anniversary of the date of the election in which voters disapproved the proposition.

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

Sec. 1043.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

(a) The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer

of the district's assets and liabilities may not:

(1) contravene a trust indenture or bond resolution relating to the district's outstanding bonds; or

(2) diminish or impair the rights of the holders of any outstanding bonds, warrants, or other obligations of the district.

(c) 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 district residents, including the residents' collective property rights in the district's assets.

(d) 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 agency that serves the district; and

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

(e) 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.