

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1052. LOCKNEY GENERAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1052.001. 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 Lockney General Hospital District.

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

Sec. 1052.002. AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution. The district has the rights, powers, and duties conferred by this chapter and general laws relating to hospital districts.

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

Sec. 1052.003. 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. 1052.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precinct No. 2 of Floyd County as those boundaries existed on January 1, 1973.

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

Sec. 1052.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution.

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

Sec. 1052.006. 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.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1052.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Unless four-year terms are established under Section [285.081](#), Health and Safety Code:

(1) directors serve staggered two-year terms; and

(2) the terms of three directors expire in odd-numbered years and the terms of two directors expire in even-numbered years.

(c) The election order must state the time, place, and purpose of the election.

(d) A director may not serve more than three successive terms.

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

Sec. 1052.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in a newspaper of general circulation in the area of 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. 1074 (H.B. [4745](#)), Sec. 1, eff. June 19, 2009.

Sec. 1052.054. 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 a district employee.

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. 1074 (H.B. [4745](#)), Sec. 2, eff. June 19, 2009.

Sec. 1052.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote 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. 1052.056. OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1074, Sec. 8, eff. June 19, 2009.

(c) If the president is absent or fails and declines to act, the vice president shall perform the president's duties and exercise the president's powers under this chapter.

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. 1074 (H.B. [4745](#)), Sec. 8, eff. June 19, 2009.

Sec. 1052.057. COMPENSATION; EXPENSES. A director serves

without compensation but may receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

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

Sec. 1052.058. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(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. 1052.059. 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. 1052.060. 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 board shall determine the type, number, and location of district employees required to maintain an adequate hospital

system. The board may employ fiscal agents, accountants, architects, attorneys, and other employees the board considers proper.

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

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

Sec. 1052.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

(a) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

- (1) advertising and marketing;
- (2) paying travel, recruitment, and relocation expenses; and
- (3) providing a loan or scholarship to a physician or a person who:

(A) is currently enrolled in health care education courses at an institution of higher education; and

(B) contractually agrees to become a district employee or medical staff member.

(b) The board may spend district money, enter into agreements, and take other necessary action to pay tuition or other expenses of a full-time medical student or other student who:

(1) is currently enrolled and in good standing in a medical school or another health care program at an institution of higher education; and

(2) contractually agrees to become a district employee or independent contractor for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 4, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1052.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's

indigent residents.

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

Sec. 1052.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes for the area of the district or to provide medical care for district inhabitants.

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

Sec. 1052.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

(a) The board shall manage, control, and administer the hospital system and the district's money and resources.

(b) Unless specifically stated otherwise in this chapter, the board has the power to do anything which, in their opinion, is necessary for the good maintenance, operation, and welfare of the district and the district's employees, patients, and property.

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

Sec. 1052.104. 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 buildings and equipment for hospital purposes.

(b) The hospital system may include:

(1) facilities for domiciliary care of the sick, injured, or geriatric;

(2) facilities for outpatient clinics;

(3) dispensaries;

(4) convalescent home facilities;

(5) necessary nurses' domiciliaries and training centers;

(6) blood banks;

(7) research centers or laboratories; and

(8) ambulances and other facilities or services the board considers necessary for hospital care.

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

Sec. 1052.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital 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. 1052.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method and manner 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. 1052.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type of equipment and the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the

best interest of the district's inhabitants. The board may not sell or dispose of any real property unless the board affirmatively finds that the real property is not needed for the operation of the hospital system.

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

Sec. 1052.108. 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 for the district to exercise a power, right, 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. 1052.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment for hospital purposes 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. 1052.110. CONSTRUCTION CONTRACTS. A construction

contract that involves the expenditure of more than the amount provided by Section [271.024](#), Local Government Code, may be made only after competitive bidding 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.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 3, eff. June 19, 2009.

Sec. 1052.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

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

Sec. 1052.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with 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. 1052.113. 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 for 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. 1052.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into

the 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 any appropriate orders.

(f) The 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. 1052.115. 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.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1052.151. BUDGET. (a) The district administrator

shall prepare an annual budget for approval by the board.

(b) The proposed 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;
- (7) the estimated tax rate required; and
- (8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

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

Sec. 1052.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(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 final 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. 1052.153. 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. 1052.154. 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. 1052.155. AUDIT. (a) The board shall have an independent audit made of the district's financial condition for the fiscal year.

(b) As soon as the audit is completed, the audit shall be filed 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. 1052.156. INSPECTION OF AUDIT AND DISTRICT RECORDS. The 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. 1052.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1) a complete sworn statement of all district money; and

(2) a complete 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. 1052.158. 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 1052.159(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.

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

Sec. 1052.159. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1052.107(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 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. 1052.160. GENERAL 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 in the next 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) a district bond that has 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 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 5, eff. June 19, 2009.

SUBCHAPTER E. BONDS

Sec. 1052.201. 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; and
- (2) equipping buildings or improvements for hospital purposes.

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

Sec. 1052.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1052.201, 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 tax rate approved by the voters at the election authorizing the imposition of the tax.

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

Sec. 1052.203. 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.

(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;

(5) the maximum maturity of the bonds; and

(6) the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section [1251.003](#), Government Code.

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

Sec. 1052.204. REVENUE BONDS. (a) The board may, without an election, issue revenue bonds to:

(1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes; or

(2) acquire sites to be used for 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 hospitals.

(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. 1052.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness 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 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. 1052.206. MATURITY OF BONDS. District 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. 1052.207. EXECUTION OF BONDS. (a) The board president shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

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

Sec. 1052.208. 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.

Sec. 1052.209. 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 1052.202 and revenue and other sources authorized by Section 1052.204.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 6, eff. June 19, 2009.

Sec. 1052.210. 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) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 6, eff. June 19, 2009.

SUBCHAPTER F. TAXES

Sec. 1052.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system, based on the final budget;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

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

Sec. 1052.252. 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. 1052.253. TAX ASSESSOR-COLLECTOR. (a) The board shall appoint a tax assessor-collector to assess and collect taxes imposed by the district.

(b) The district tax assessor-collector is not required to reside in the district.

(c) The board shall set for the district tax assessor-collector:

(1) the terms of employment; and

(2) compensation.

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

SUBCHAPTER G. DISSOLUTION

Sec. 1052.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

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

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 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 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Lockney General Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election on the question of dissolution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. 4745), Sec. 7, eff. June 19, 2009.

Sec. 1052.305. TRANSFER OF 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 Floyd County or another governmental entity in Floyd 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 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 7, eff. June 19, 2009.

Sec. 1052.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 7, eff. June 19, 2009.

Sec. 1052.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money

and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Floyd County summarizing the board's actions in dissolving the district.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1074 (H.B. [4745](#)), Sec. 7, eff. June 19, 2009.