

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1055. MARION COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1055.001. 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 Marion County Hospital District.

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

Sec. 1055.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution.

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

Sec. 1055.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

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

Sec. 1055.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Marion County, Texas.

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

Sec. 1055.005. 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. 1055.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven 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. 1055.052. NOTICE OF ELECTION. Not later than the 10th day before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Marion County.

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

Sec. 1055.053. QUALIFICATIONS FOR OFFICE. A person may not be elected or appointed as a director unless the person is a district resident.

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

Sec. 1055.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION. (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) The district shall pay for the directors' bonds.

(c) Each director's bond and the 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. 1055.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four 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. 1055.056. DIRECTOR RIGHTS AND RESPONSIBILITIES. All directors have the same rights and responsibilities with regard to voting and other matters.

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

Sec. 1055.057. OFFICERS. The board shall elect from among its members a president and a secretary.

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

Sec. 1055.058. 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 a majority of the board.

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

Sec. 1055.059. VOTING REQUIREMENT. A concurrence of four 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. 1055.060. EMPLOYEES. The board may employ a general manager, attorneys, bookkeepers, architects, or any other employees considered necessary for the efficient operation of the district.

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

Sec. 1055.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section [1055.054](#), 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. 1055.062. SEAL. The board may adopt a seal for the district.

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1055.101. 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. 1055.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Marion County or a municipality in the district may not impose a tax on property in the district for hospital purposes.

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

eff. April 1, 2009.

Sec. 1055.103. 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. 1055.104. 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. 1055.105. 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. 1055.106. 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 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. 1055.107. AUTHORITY TO LEASE DISTRICT FACILITIES. (a) The district may lease district facilities acquired or constructed under this chapter to any person for consideration the board determines is reasonable and adequate.

(b) The terms of a lease entered under this section may include a provision that requires the lessee to:

(1) agree to maintain the district's hospital facilities; or

(2) care for and treat the indigent or needy patients of Marion County.

(c) If a lease under this section includes a provision described by Subsection (b)(2), Marion County may:

(1) spend money and make payments to the lessee for the care and treatment;

(2) impose ad valorem taxes; or

(3) pledge any of the county's money or resources to payments made under the contract.

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

Sec. 1055.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board shall have an inquiry made into the

circumstances of:

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

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

(c) If the board determines 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 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. 1055.109. 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. 1055.151. 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. 1055.152. 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 Marion County not later than the 10th day before the date of the hearing.

(c) Any district taxpayer is entitled to:

- (1) appear at the time and place designated in the notice; and
- (2) be heard regarding any item included in the proposed budget.

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

Sec. 1055.153. 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. 1055.154. 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:

- (1) with the comptroller; and
- (2) at the district office.

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

eff. April 1, 2009.

Sec. 1055.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank in Marion County as the district's depository or treasurer. A designated bank serves for two years 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.

SUBCHAPTER E. BONDS AND OTHER FINANCIAL ARRANGEMENTS

Sec. 1055.201. GENERAL OBLIGATION BONDS AND OTHER FINANCIAL ARRANGEMENTS. The board may issue and sell general obligation bonds, secure long-term loans, or make other financial arrangements as district obligations in the name and on the faith and credit of the district. The money shall be used for any purpose relating to:

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

(2) equipping buildings or improvements for hospital purposes; and

(3) the operation of the district.

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

Sec. 1055.202. TAX TO PAY GENERAL OBLIGATION BONDS OR OTHER FINANCIAL ARRANGEMENTS. (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 or other financial arrangements made under Section [1055.201](#) as the bonds or other arrangements 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. 1055.203. ELECTION FOR GENERAL OBLIGATION BONDS OR OTHER FINANCIAL ARRANGEMENTS. (a) The district may issue general obligation bonds or make other financial arrangements secured by tax revenue only if 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 date of the election;

(2) the location of the polling places;

(3) the presiding election officers;

(4) the purpose for which the bonds are to be issued or the financial arrangements made;

(5) the amount of the bonds or other financial arrangements to be authorized;

(6) the maximum interest rate for the bonds or other financial arrangements; and

(7) the maximum maturity of the bonds.

(d) Notice of an election under this section shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Marion 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. 1055.204. 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. 1055.205. REVENUE BONDS; OTHER FINANCIAL ARRANGEMENTS.

(a) The board may, without an election, issue revenue bonds or make other financial arrangements payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system. The district may use the money 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 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. 1055.206. MATURITY OF BONDS. General obligation bonds and revenue 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.

SUBCHAPTER F. TAXES

Sec. 1055.251. 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 board shall impose the tax to:

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

(2) provide for the operation and maintenance of the district and hospital system;

(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. 1055.252. TAX RATE. The board may impose the tax at a rate not to 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. 1055.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Marion County shall assess and collect taxes imposed by the district.

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