

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1064. MOORE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1064.001. 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 Moore County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.002. AUTHORITY FOR OPERATION. The Moore County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Moore County, Texas, unless the boundaries are expanded under Subchapter D.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.005. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.006. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.007. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1064.051. DEFINITION. In this subchapter, "medical staff" means physicians who:

(1) are licensed to practice medicine in this state; and

(2) hold medical staff privileges granted by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.052. BOARD; TERM. (a) The board consists of seven directors, appointed as follows:

(1) six directors appointed by the Commissioners Court of Moore County; and

(2) one director appointed by the medical staff of the district's hospital in accordance with procedures prescribed by the directors appointed under Subdivision (1).

(b) The director appointed under Subsection (a)(2) must be a

member of the medical staff of the district's hospital. If the director is no longer a member of the medical staff, the person vacates the position.

(c) Directors appointed under Subsection (a)(1) serve staggered three-year terms. The director appointed under Subsection (a)(2) serves a two-year term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed as a director unless the person is:

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

(b) Except as provided by Section 1064.052(a)(2), a person is not eligible to serve as a director if the person is:

- (1) a district administrator;
- (2) a district employee; or
- (3) a member of the medical staff.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.054. BOARD VACANCY. If a vacancy occurs in the office of a director, the entity that appointed the vacating director shall appoint a director for the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.055. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.056. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.058. ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The 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 \$500,000 that:

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

(2) contains any other conditions the board requires.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.060. APPOINTMENT OF STAFF; EMPLOYEES. (a) The board may appoint doctors to the staff as the board considers necessary for the efficient operation of the district and may make temporary appointments to the staff if warranted.

(b) The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

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

(d) The board may delegate to the district administrator the authority to employ technicians, nurses, and other district employees, except physicians.

(e) This section does not authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.061. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules related to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for a district employee continuously employed in the operation or management of hospital facilities:

(A) constructed by the district; or

(B) acquired by the district, including facilities acquired when the district was created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1064.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.102. 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 or to provide medical care.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.104. HOSPITAL SYSTEM; ANCILLARY HEALTH CARE SERVICES 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 and treatment of the sick or injured;
- (2) facilities for outpatient clinics;
- (3) dispensaries;
- (4) facilities for geriatric care, including assisted living facilities and independent elderly living facilities;
- (5) nursing home facilities;
- (6) necessary nurses' domiciliaries and training centers;

(7) blood banks;

(8) community mental health centers;

(9) research centers or laboratories; and

(10) any other facilities the board considers necessary for hospital care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 748 (H.B. 1293), Sec. 1, eff. June 17, 2011.

Sec. 1064.105. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.106. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine 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.

(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.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.108. 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 petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.109. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.110. CONSTRUCTION AND PURCHASE CONTRACTS. (a) A construction or purchase contract that involves the expenditure of more than the amount provided by Section [271.024](#), Local Government

Code, may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.

(b) Section 271.059, Local Government Code, relating to performance and payment bonds, applies to construction contracts let by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 748 (H.B. 1293), Sec. 2, eff. June 17, 2011.

Sec. 1064.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.112. CONTRACTS FOR CERTAIN SERVICES. The board may contract with any state, the United States, an agency or political subdivision of those entities, or a charitable or other private entity inside or outside the district for the district to:

(1) furnish a mobile emergency medical service; or

(2) provide for the investigatory or welfare needs of district inhabitants or of persons for whom the public or private entity has an obligation to provide care.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.113. CONTRACTS FOR HEALTH CARE. The board may contract with any public or private entity, including a charitable organization or a political subdivision, to provide health care or related services inside or outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.114. 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 patient's 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) determine the patient's ability to pay; and
- (2) issue any appropriate orders.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.115. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter [61](#), Health and Safety Code.

(b) The board shall require the sheriff of Moore County to reimburse the district for the district's care and treatment of a

person confined in a Moore County jail facility who is not indigent and does not reside in the district.

(c) The board shall require the police department of a municipality located in Moore County to reimburse the district for the district's care and treatment of a person confined in a jail facility of that municipality who is not indigent and does not reside in the district.

(d) The board may contract with this or any other state, the United States, or an agency or political subdivision of those entities to reimburse the district for the care and treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.116. SALE OR LEASE OF HOSPITAL. (a) In this section, "long-term lease" means a lease for a term that exceeds 10 years.

(b) The board may not sell a hospital owned and operated by the district, including real property, or lease the hospital under a long-term lease that relinquishes control of the hospital to the lessee unless:

(1) the agreement for the sale or lease of the hospital provides for indigent care in the district;

(2) in the event of a sale of the hospital, the board has published notice of the proposed sale twice in a newspaper with general circulation in Moore County, with the first publication occurring not later than the 61st day before the date of the proposed sale, and the second publication occurring not earlier than the 30th day or later than the eighth day before the date of the proposed sale; and

(3) the majority of the votes cast by district voters at an election held for that purpose approve the sale or lease, as appropriate.

(c) Notice required by Subsection (b)(2) must include the:

- (1) date of the proposed sale;
- (2) name and address of the proposed buyer; and
- (3) proposed purchase price.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.117. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1064.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:

- (1) Moore County;
- (2) the boundaries of another hospital district; or
- (3) the proposed boundaries of another hospital district authorized by the legislature under Section 9, Article IX, Texas Constitution.

(b) Territory may be annexed in one or more tracts. Each tract must be contiguous to:

- (1) the district; or
 - (2) territory proposed to be annexed to the district.
- Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.152. PETITION TO ANNEX TERRITORY. (a) A petition requesting that territory be annexed to the district may be presented to the board. The petition must:

- (1) describe the tract or tracts of land to be annexed; and
- (2) be signed by 100 or a majority of the registered voters who:
 - (A) reside in the territory to be annexed; and
 - (B) own property that will be subject to district taxation.

(b) This chapter does not prohibit simultaneous action on

several petitions for annexation. Each ballot proposition must be submitted for each different territory proposed to be annexed, and an election held in each territory represented by a petition.

(c) If the board receives two or more petitions for annexation that include all or part of the same territory to be annexed to the district, the petition filed first with the board shall be considered and another petition that includes any of the same territory has no effect.

(d) The board may consider all petitions for annexation presented to it and may approve or reject each petition. The board may not partly approve or partly reject any petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.153. ELECTION ORDER. (a) If, on receipt of a petition under Section 1064.152, the board finds that annexing the territory is in the district's best interest, the board shall within 90 days of the board's finding:

- (1) approve the petition; and
- (2) order an election on the question of annexing the territory to the district.

(b) The election order shall provide for a separate election:

- (1) in the territory proposed to be annexed; and
- (2) in the district.

(c) The election order 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 form of ballot; and
- (4) the presiding judge and alternate judge for each polling place.

(d) The election order may provide that:

- (1) the entire district is one election precinct; or
- (2) the county election precincts be combined for the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec.

1.01, eff. April 1, 2011.

Sec. 1064.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Moore County Hospital District with extended boundaries and establishment of a hospital district tax at a rate not to exceed 75 cents on the \$100 valuation on all taxable property in the extended boundaries of the hospital district that is subject to hospital district taxation for hospital purposes."

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.155. NOTICE OF ELECTION. (a) Notice of the election shall be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper or newspapers that individually or collectively have general circulation in the county or district.

(b) The first publication must appear at least 30 days before the date of the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.156. ELECTION RESULTS. (a) Territory may not be annexed to the district unless:

(1) an election is held in accordance with this subchapter; and

(2) the annexation is approved by a majority of the voters voting in the election in:

(A) the district; and

(B) the territory proposed to be annexed.

(b) If the territory is annexed to the district, a certified copy of the order canvassing the returns of the election shall be filed and recorded in the deed records.

(c) An election may not be held under this subchapter within 12 months of an election previously held under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.157. EFFECT OF ANNEXATION. (a) Territory annexed to the district is part of the district for all purposes.

(b) The annexation of territory to the district does not change the manner in which the board or district officers are selected.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1064.201. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.202. 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 budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that, in the board's sole judgment and discretion:

(1) applicable federal and state law warrants and allows; and

(2) the interest of district residents requires in furtherance of hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.205. FISCAL YEAR. The district operates according to a fiscal year that begins on July 1 and ends on June 30. Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.206. AUDIT. (a) The district 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 office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec.

1.01, eff. April 1, 2011.

Sec. 1064.207. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.208. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.209. DEPOSITORY. (a) The board shall select one or more depositories for district money.

(b) District money, other than money invested as provided by Section 1064.210(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 and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

(1) place a part of district money on time deposit or other forms of deposit; or

(2) purchase certificates of deposit.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Section 1064.107(c) and by Subchapter F, 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 fund reserves only in any funds or securities authorized by law, including Chapter [2256](#), Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER F. BONDS

Sec. 1064.251. GENERAL OBLIGATION BONDS, CERTIFICATES OF OBLIGATION, AND OTHER FINANCING. The board may issue and sell general obligation bonds, certificates of obligation, or any other type of financing authorized by the laws of this state, including that type of financing authorized by Chapter [271](#), Local Government Code, 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section [1064.251](#), 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.253. 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 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 interest rate of the bonds; and
- (6) the maximum maturity of the bonds.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.254. REVENUE BONDS. (a) The board may 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](#), [264.046](#), [264.047](#), [264.048](#), and [264.049](#), Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.255. 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 outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.256. MATURITY OF BONDS. District bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.257. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.258. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

SUBCHAPTER G. TAXES

Sec. 1064.301. 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;

(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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.302. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.303. ASSESSMENT AND COLLECTION OF TAXES IN SAME MANNER AS COUNTY. (a) This section applies unless the board elects to have taxes assessed and collected under Section [1064.304](#).

(b) District taxes shall be assessed and collected in the same manner as provided by law for the assessment and collection of county taxes.

(c) The tax assessor-collector shall assess and collect taxes imposed by the district.

(d) The tax assessor-collector shall charge and deduct from payments to the district an amount as fees for assessing and collecting the taxes at a rate determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1064.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made before December 1 and governs the manner in which taxes are assessed and

collected, until changed by a similar resolution.

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

- (1) the terms of employment;
- (2) compensation; and
- (3) the requirement for bond to assure the faithful performance of the tax assessor-collector's duties.

(c) A bond required under Subsection (b)(3) must be set in an amount of not less than \$100,000.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.