

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1070. HANSFORD COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1070.001. 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 Hansford County Hospital District.

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

Sec. 1070.002. AUTHORITY FOR OPERATION. The 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.003. 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. 1070.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hansford County, Texas, unless the boundaries are expanded under Subchapter D.

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

Sec. 1070.005. 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. 1070.006. 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.

Sec. 1070.007. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1070.051. BOARD; TERM. (a) The board consists of six directors appointed by the Commissioners Court of Hansford County unless the method for selecting directors is changed under Section [1070.052](#).

(b) Directors serve staggered two-year terms.

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

Sec. [1070.052](#). PETITION TO CHANGE METHOD FOR SELECTING DIRECTORS; ELECTION. (a) The Commissioners Court of Hansford County shall order an election on the question of electing directors if the court receives a petition requesting that action signed by at least 250 registered district voters who own taxable property in the district as of the date the petition is presented to the court. The election shall be held within 90 days of the date the petition is presented and notice of the election is given as provided by Section [1251.003](#), Government Code.

(b) The order calling the election must:

(1) specify the date of the election, the location of the polling places, and the presiding judge and alternate judge for each voting place; and

(2) provide for clerks as in a county election.

(c) The ballot shall be prepared to allow voting for or against the proposition: "Providing the office of director of the Hansford County Hospital District shall hereafter be an elective office."

(d) If a majority of the district voters voting in the election favor the proposition:

(1) directors in office at the time of the election shall serve the terms for which the directors were appointed; and

(2) successor directors shall be elected as provided by Section [1070.053](#).

(e) Another election on the question of electing directors may not be held before the third anniversary of the date of the most recent election on electing directors.

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

Sec. 1070.053. DIRECTORS' ELECTION. (a) If a majority of the votes in an election under Section [1070.052](#) favor electing the directors, an election shall be held on the uniform election date in May of each year.

(b) The order calling a directors' election must specify the time, place, and purpose of the election.

(c) A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must be:

(1) signed by at least 50 registered voters; and

(2) filed at least 25 days before the date of the election.

(d) At least five days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in the district.

(e) Unless four-year terms are established under Section

[285.081](#), Health and Safety Code, elected directors serve staggered two-year terms.

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

Sec. 1070.054. QUALIFICATIONS FOR OFFICE. (a) A person may not serve as a director unless the person is:

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

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

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

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

Sec. 1070.055. BOARD VACANCY. (a) If a vacancy occurs in the office of an appointed director, the commissioners court shall appoint a director for the unexpired term.

(b) If a vacancy occurs in the office of an elected 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. 1070.056. OFFICERS. (a) The board shall elect:

- (1) a president and a vice president from among its members; and
- (2) a secretary, who need not be a director.

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

(c) The board shall fill a vacancy in a board office for the unexpired term.

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

Sec. 1070.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for

actual expenses incurred in the performance of official duties. The expenses must be:

- (1) reported in the district's records; and
- (2) approved by the board.

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

Sec. 1070.058. 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. 1070.059. ADMINISTRATORS; ASSISTANT ADMINISTRATORS.

(a) The board shall appoint qualified persons as administrators of the district or the ancillary health care facilities.

(b) The board may appoint assistant administrators.

(c) The administrators and any assistant administrators 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. 1070.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district administrator shall:

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

(2) direct the affairs of the district; and

(3) have overall management responsibility for ancillary health care facilities.

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

eff. April 1, 2009.

Sec. 1070.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The board may appoint to the staff any doctors and allied health personnel the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.

(b) The district may employ fiscal agents, accountants, architects, and attorneys 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. 1070.062. RECRUITMENT OF STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians, ancillary and allied health professionals, and other persons to serve on the district's medical staff or to be employed by the district, including:

- (1) advertising and marketing;
- (2) paying travel, recruitment, and relocation expenses;
- (3) providing a loan or scholarship to a physician or other person who:
 - (A) is 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; and
- (4) providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.

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

Sec. 1070.063. HEALTH CARE AND PROFESSIONAL EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, and take other necessary action to conduct, participate

in, or otherwise assist in providing health care and professional educational, development, or retraining programs for current or prospective medical staff members or district employees.

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

Sec. 1070.064. DAY-CARE SERVICES. (a) The board may take any action to provide day-care services for the district's medical staff members, allied health professionals, officers, directors, and employees, including:

- (1) spending district money;
- (2) entering into agreements; and
- (3) acquiring by lease, purchase, or lease to purchase facilities, supplies, and equipment.

(b) The district may provide day-care services to district residents as space permits.

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

Sec. 1070.065. 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 or ancillary health care facilities:

- (A) constructed by the district; or
- (B) acquired by the district, including facilities acquired when the district was created.

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

Sec. 1070.066. LIABILITY INSURANCE; INDEMNIFICATION. (a) The board may defend or indemnify an officer, director, board appointee, medical staff member, or district employee against or from a claim, expense, or liability arising from duties performed

in that capacity, including a duty performed at a district facility.

(b) The board may purchase and maintain liability insurance coverage or establish a self-insurance program to fund an indemnity obligation under this section.

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. 1070.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for providing hospital services for the district's indigent residents.

(b) The district may assume full responsibility for providing ancillary health care services 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. 1070.102. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

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

Sec. 1070.104. 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 and ancillary health care services systems may include:

(1) facilities and equipment to provide domiciliary care and treatment of the sick or injured;
(2) outpatient clinics;
(3) dispensaries;
(4) geriatric domiciliary care;
(5) convalescent home facilities;
(6) physicians' 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) rural health clinics;
(16) operation of a mobile emergency medical service;
(17) necessary nurses' domiciliaries and training centers;
(18) blood banks;
(19) research centers or laboratories; and
(20) any other facilities or equipment the board considers necessary to provide hospital and ancillary health care services.

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

Sec. 1070.105. RULES. The board may adopt rules governing:

(1) the operation of the hospital, ancillary health care facilities, hospital system, and ancillary health care system; and

(2) the duties, functions, and responsibilities of

district staff, employees, contractors, or agents.

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

Sec. 1070.106. 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. 1070.107. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile emergency medical service.

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

Sec. 1070.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location, either inside or outside the district, of buildings required to maintain an adequate hospital system and ancillary health care services system.

(b) The board may lease all or part of the district's buildings, facilities, or equipment 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, by purchase, lease, or lease to purchase, equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase or lease 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, lease, 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 otherwise dispose of any real property unless the board

affirmatively finds that the sale, lease, or disposition is in the best interest of the district's inhabitants.

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

Sec. 1070.109. 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 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](#), 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. 1070.110. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

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

Sec. 1070.111. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than \$10,000 may be made only after advertising in the manner provided by Chapter [252](#),

Local Government Code, or 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 2023, 88th Leg., R.S., Ch. 848 (H.B. 3191), Sec. 16, eff. September 1, 2023.

Sec. 1070.112. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract with a public or private entity relating to the district's facilities, equipment, or services.

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

Sec. 1070.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR TREATMENT. The board may contract with this state, another state, a political subdivision of this or another 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. 1070.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the hospital, ancillary health care, 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. 1070.115. PROVISION OF SERVICES OUTSIDE DISTRICT. The board may provide health care services outside the district for the care and treatment of the sick or injured persons of any jurisdiction.

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

Sec. 1070.116. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient 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 provided to the patient by the district and that payment is not available from any other source, 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.117. 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 performing only governmental functions are entitled.

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

eff. April 1, 2009.

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1070.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:

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

Sec. 1070.152. 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 if the territory is annexed.

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

Sec. 1070.153. ELECTION ORDER. (a) If, on receipt of a petition, 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 annexation of the territory described in 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 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Hansford County Hospital District with extended boundaries and establishment of a hospital district tax at a rate not to exceed 50 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.155. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.156. 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 of each county in which the district is located following the annexation election.

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

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

Sec. 1070.157. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1070.201. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.202. 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 property taxpayer of the district is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.

(d) At the conclusion of the hearing, the board shall adopt

a budget by acting on the budget proposed by the district administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

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

Sec. 1070.203. AMENDMENTS TO BUDGET. The annual 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. 1070.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

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

Sec. 1070.205. 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. 1070.206. 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 office.

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

Sec. 1070.207. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.208. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.209. 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 [1070.210](#)(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 bank 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;

(2) purchase certificates of deposit; or

(3) make other investments authorized 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. 1070.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by Sections [1070.062](#), [1070.063](#), [1070.064](#), [1070.108](#)(c), and [1070.211](#) 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 money 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. 1070.211. AUTHORITY TO BORROW MONEY; SECURITY. (a) The district may borrow money for district operating expenses in an amount not to exceed the amount of tax or other revenue the district expects to receive during the fiscal year in which the money is borrowed.

(b) To repay the debt, the board may pledge all or part of the tax or other revenue received during the fiscal year in which the board borrows money under this section.

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

SUBCHAPTER F. BONDS

Sec. 1070.251. OBLIGATIONS AND CREDIT AGREEMENTS. The district may issue, sell, and deliver obligations and execute corresponding credit agreements in the manner provided by Chapters [1201](#) and [1371](#), Government Code.

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

Sec. 1070.252. 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 and ancillary health care purposes.

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

Sec. 1070.253. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section

[1070.252](#), 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. 1070.254. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.255. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital or ancillary health care purposes; or
- (2) acquire sites to be used for hospital or ancillary health care purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the

district's hospitals or ancillary health care facilities.

(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. 1070.256. REFUNDING BONDS. (a) The board may 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.257. 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. 1070.258. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.259. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

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

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

SUBCHAPTER G. TAXES

Sec. 1070.301. 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 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.02, eff. April 1, 2009.

Sec. 1070.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 50 cents on each \$100 valuation of taxable property in the district unless the maximum tax rate is increased as provided by Section [1070.303](#).

(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. 1070.303. 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) An election held under this section must be ordered and notice must be given in the manner provided for a bond election under Subchapter F.

(d) The election order must specify:

- (1) the ballot proposition;
- (2) the proposed maximum tax rate;
- (3) the time of the election;
- (4) the location of the polling places; and
- (5) the presiding judge for each polling place.

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

Sec. 1070.304. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

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