

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1071. OCHILTREE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1071.001. 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 Ochiltree County Hospital District.

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

Sec. 1071.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section [11](#), Article IX, Texas Constitution.

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

Sec. 1071.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:

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

(2) a political subdivision of this state.

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

Sec. 1071.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Ochiltree County.

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

Sec. 1071.005. 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. 1071.051. 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) an election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

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

Sec. 1071.052. NOTICE OF ELECTION. Not earlier than the 30th day or 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 Ochiltree County.

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

Sec. 1071.053. BALLOT APPLICATION. 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 an application in accordance with Chapter [144](#), 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 2017, 85th Leg., R.S., Ch. 783 (H.B. [1631](#)), Sec. 1, eff. September 1, 2017.

Sec. 1071.054. 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) more than 21 years of age.

(b) An employee or medical staff member of the district may not serve as a director.

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

Sec. 1071.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall execute a good and sufficient bond for \$1,000 that is:

- (1) payable to the district; and
- (2) conditioned on the faithful performance of the director's duties.

(b) The district may pay for the directors' bonds with district money.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository bank for safekeeping.

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

Sec. 1071.056. 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 three 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. 1071.057. 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. 1071.058. 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 the entire board.

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

Sec. 1071.059. VOTING REQUIREMENT. A concurrence of three 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. 1071.060. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board and receives the compensation determined by the board.

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

Sec. 1071.061. 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 general 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. 1071.062. EMPLOYEES. (a) The board may employ a general manager, attorney, bookkeeper, and architect.

(b) The board may employ technicians, nurses, health care providers other than physicians, fiscal agents, accountants, and other necessary employees.

(c) The board may delegate to the district administrator the authority to hire employees under Subsection (b).

(d) The board may employ physicians, but only as provided by Section 1071.0625.

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

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 379 (S.B. 311), Sec. 1, eff. June 17, 2011.

Sec. 1071.0625. EMPLOYMENT OF PHYSICIANS. (a) The board may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital owned or operated by the district if the board satisfies the requirements of this section.

(b) The board shall:

(1) appoint a chief medical officer for the district; and

(2) adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients.

(c) The policies adopted under this section must include:

(1) policies relating to:

(A) credentialing;

(B) quality assurance;

(C) utilization review;

(D) peer review; and

(E) medical decision-making; and

(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(d) The policies adopted under this section:

(1) must be approved by the chief medical officer of the district; and

(2) shall prevail over a conflicting policy of the district.

(e) For all matters relating to the practice of medicine,

each physician employed by the board shall ultimately report to the chief medical officer of the district.

(f) The chief medical officer will report immediately to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) The board may not delegate to the district administrator the authority to hire a physician.

(h) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 379 (S.B. [311](#)), Sec. 2, eff. June 17, 2011.

Sec. 1071.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. 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;

(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; 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. 1071.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

(a) The board may appoint to or remove from the medical staff any doctors as necessary for the efficient operation of the district

and may make temporary appointments as necessary.

(b) The board may adopt policies relating to the appointment and removal of medical staff members.

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

Sec. 1071.065. HEALTH CARE EDUCATIONAL PROGRAMS. The board may spend district money, enter into agreements, or take other necessary action to conduct, participate in, or assist in providing health care educational programs for current or prospective medical staff members or employees of the district.

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

Sec. 1071.066. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

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

Sec. 1071.067. 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.

(b) The board may purchase 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.

Sec. 1071.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1071.055, 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. 1071.069. 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. 1071.101. 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. 1071.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Ochiltree County or a municipality in Ochiltree County may not impose a tax for hospital purposes.

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

Sec. 1071.103. MANAGEMENT AND CONTROL. The management and control of the district is vested in the board.

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

Sec. 1071.104. HOSPITAL SYSTEM. (a) The district may provide for the establishment of a hospital or hospital system to provide medical and hospital care to the district's needy



residents.

(b) The hospital system may include:

- (1) facilities and equipment for domiciliary care and treatment of sick, injured, or geriatric patients;
- (2) outpatient clinics;
- (3) rural health clinics;
- (4) convalescent home facilities;
- (5) assisted living or personal care facilities;
- (6) physicians' offices;
- (7) home health care services;
- (8) durable medical equipment;
- (9) long-term care;
- (10) skilled nursing care;
- (11) intermediate nursing care;
- (12) hospice care;
- (13) community mental health centers;
- (14) alcohol or chemical dependency centers; and
- (15) any other facilities or equipment the board considers necessary for hospital purposes.

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

Sec. 1071.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request.

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

Sec. 1071.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

- (1) all accounting and control procedures; and
- (2) the method of purchasing necessary supplies,

materials, and equipment.

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

Sec. 1071.107. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or assist in the operation of a mobile emergency medical service as part 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. 1071.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of facilities required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire by lease, purchase, or lease to purchase or may construct, repair, or renovate property, including facilities or equipment, for use in the district's hospital system; and

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

(c) The board may lease hospital facilities for the district.

(d) The board may lease, sell, or otherwise dispose of all or part of the district's property for the district, including facilities or equipment, to a public or private entity.

(e) The district may operate any facility covered by this section or contract with any person to manage or operate the facility.

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

Sec. 1071.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory, if the interest is necessary or

convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court;

(2) provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or writ of error.

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

Sec. 1071.110. 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. 1071.111. CONTRACTS FOR CARE AND TREATMENT. (a) The board may contract with a hospital, hospital authority, or political subdivision of this state located outside the district's boundaries to reimburse the district for the care and treatment of a sick or injured person of that entity.

(b) The board may contract with this state or a federal agency for the state or agency to reimburse the district 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. 1071.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency to provide investigatory or other services related to facilities for the medical care, 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. 1071.113. PROVISION OF SERVICES OUTSIDE DISTRICT. Subject to board approval the district may provide primary care, emergency services, preventative medical services, and other health-related services outside the district, provided that the services serve the purpose of the district as established by this chapter. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.02, eff. April 1, 2009.

Sec. 1071.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH CARE SERVICES. (a) To provide joint administration or delivery of health care services, the district may contract with, affiliate with, or enter into another arrangement with:

- (1) a managed care system;
- (2) a preferred provider organization;
- (3) a health maintenance organization;
- (4) another provider of an alternative health care or delivery system; or
- (5) a private hospital.

(b) The district may spend district money to establish and maintain a partnership, corporation, or other entity involved in the delivery of health care services.

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

Sec. 1071.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in Ochiltree County 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 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 it is determined that the patient or those relatives are liable to pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue an appropriate order.

(f) Either party to the dispute may appeal the order to the district court.

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

Sec. 1071.116. 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 for whom that county, municipality, or public hospital has an obligation to provide care, as provided by Chapter [61](#), Health and Safety Code.

(b) The board shall seek reimbursement under Article [104.002](#), Code of Criminal Procedure, for the district's care and

treatment of a person who is confined in an Ochiltree County jail facility and is not a district resident.

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

Sec. 1071.117. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(a-1) Expired.

(b) The corporation may use money, other than money the corporation pays to the district, only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter [2256](#), Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

(e) Expired.

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

Sec. 1071.118. 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. 1071.151. 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. 1071.152. 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 Ochiltree 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. 1071.153. 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. 1071.154. 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. 1071.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Ochiltree County as the district's depository or treasurer. A designated bank serves for three years and until a successor is designated.

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

in 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.

Sec. 1071.156. AUTHORITY TO BORROW MONEY. The board may borrow money for district purposes on district credit or secured by district revenue.

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

#### SUBCHAPTER E. BONDS

Sec. 1071.201. 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 health care purposes and 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. 1071.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1071.201, 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 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. 1071.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may order the election on its own motion.

(c) The order calling the election must specify:

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

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Ochiltree 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. 1071.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

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

Sec. 1071.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds.

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

Sec. 1071.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) purchase, construct, acquire, repair, renovate,

or equip buildings or improvements for hospital or health care purposes; or

(2) acquire sites for hospital or 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 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 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. 1071.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar amount of outstanding bonds and the unpaid matured interest on the bonds.

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

Sec. 1071.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) any transaction relating to the bonds; and

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

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

## SUBCHAPTER F. TAXES

Sec. 1071.251. 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 issued or assumed by the district for hospital purposes;

(2) provide for operation and maintenance of the hospital 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. 1071.252. 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. 1071.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Ochiltree 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.