

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 3. HEALTH  
SUBTITLE A. HOSPITAL DISTRICTS  
CHAPTER 1072. RUNNELS COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1072.001. 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 Runnels County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.002. AUTHORITY FOR OPERATION. The Runnels County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Runnels County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01,

eff. June 19, 2009.

Sec. 1072.006. 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. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1072.021. ELECTION ON CREATION OF DISTRICT. (a) The Commissioners Court of Runnels County shall order an election for the registered voters of Runnels County who do not reside in the Ballinger Memorial Hospital District or the North Runnels County Hospital District on the question of creating the Runnels County Hospital District if the commissioners court receives notice that:

(1) the board of directors of the Ballinger Memorial Hospital District intends to order an election to dissolve the Ballinger Memorial Hospital District and create the Runnels County Hospital District under Subchapter [D-1](#), Chapter [1004](#); and

(2) the board of directors of the North Runnels County Hospital District intends to order an election to dissolve the North Runnels County Hospital District and create the Runnels County Hospital District under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969.

(b) The Commissioners Court of Runnels County shall notify the boards of directors of the Ballinger Memorial Hospital District and the North Runnels County Hospital District that the commissioners court intends to hold the election under this section.

(c) The election held under this section shall be held on the same date as the elections to dissolve the Ballinger Memorial Hospital District and the North Runnels County Hospital District and to create the Runnels County Hospital District. The Commissioners Court of Runnels County shall coordinate with the boards of directors of the Ballinger Memorial Hospital District and the North Runnels County Hospital District in setting the election

date under this section.

(d) The order calling the election under this section must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001, Election Code, does not apply to an election ordered under this section.

(f) The Commissioners Court of Runnels County shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Runnels County once a week for two consecutive weeks. The first publication must appear not later than the 35th day before the date set for the election.

(g) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Runnels County Hospital District, providing for the imposition of an ad valorem tax at a rate not to exceed \_\_\_\_ cents (insert any rate not to exceed 75 cents) on each \$100 valuation of taxable property in Runnels County.

(h) The Commissioners Court of Runnels County shall find that the Runnels County Hospital District is created if:

(1) a majority of the votes in an election held on the same date under Subchapter D-1, Chapter 1004, favor dissolution of the Ballinger Memorial Hospital District and creation of the Runnels County Hospital District;

(2) a majority of the votes in an election held on the same date under Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969, favor dissolution of the North Runnels County Hospital District and creation of the Runnels County Hospital District; and

(3) a cumulative majority of the votes held in the election called by the commissioners court and in the elections described by Subdivisions (1) and (2) favor creation of the Runnels County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 18.001, eff. September 1, 2013.

Sec. 1072.022. TEMPORARY DIRECTORS. (a) If the creation of the district is approved at the elections held under Subchapter [D-1](#), Chapter [1004](#), Section 20c, Chapter 206, Acts of the 61st Legislature, Regular Session, 1969, and Section [1072.021](#), the following persons shall serve as temporary directors of the Runnels County Hospital District:

- (1) Lewis Bergman;
- (2) Charles Brown;
- (3) Mike Dankworth;
- (4) Rodney Flanagan;
- (5) Bill Hunter;
- (6) Paul Sklenarik;
- (7) Dewey Whitfield.

(b) The temporary board shall serve as the temporary directors of the district until the initial elected directors take office under Section [1072.025](#).

(c) A vacancy on the temporary board of directors shall be filled by the Commissioners Court of Runnels County.

(d) To serve as a temporary director, a person must be:

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

(e) An employee of the district may not serve as a temporary director.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.023. TEMPORARY OFFICERS. (a) The temporary board shall elect a president and a vice president from among the temporary directors.

(b) The temporary board shall appoint a secretary, who need not be a temporary director.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.024. ELECTION OF INITIAL ELECTED DIRECTORS. (a) The temporary directors shall hold an election to elect seven initial directors on the first uniform election date in May that occurs after the date the district is created. One initial director shall be elected from each commissioners precinct of Runnels County and three initial directors shall be elected from the district at large.

(b) The temporary directors may postpone the election under Subsection (a) for not more than one year or until the next uniform election date if the temporary directors determine that there is not sufficient time to comply with the requirements of this section or if the temporary directors determine that it is in the best interests of the district to maintain the temporary directors for another year.

(c) Notice of the election of the initial directors shall be published at least once in a newspaper of general circulation in the district in accordance with Section 4.003(a), Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.025. INITIAL ELECTED DIRECTORS. (a) The candidate receiving the highest number of votes from each commissioners precinct of Runnels County is the initial elected director for that precinct, and the three candidates receiving the highest number of votes from the district at large are the initial elected directors for the district at large.

(b) Initial elected directors serve three-year terms.

(c) To be a candidate for or to serve as an initial elected director, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(d) An employee of the district may not serve as an initial

elected director.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.026. INITIAL ELECTED OFFICERS. (a) The initial elected board shall elect a president and a vice president from among the initial elected directors.

(b) The initial elected board shall appoint a secretary, who need not be an initial elected director.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.027. PROCEDURE FOR ELECTION OF PERMANENT DIRECTORS. Not later than the date the terms of the initial elected directors expire, the initial elected board shall adopt a procedure for the election of directors under Section [1072.051](#). The procedure must provide for appropriate representation of the residents of the district and must provide for the first election of permanent directors to occur on the first uniform election date in May that occurs at the end of the initial directors' terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1072.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected in the manner prescribed by the initial directors under Section [1072.026](#).

(b) An election shall be held each year on the uniform election date in May to elect the appropriate number of directors.

(c) Directors serve staggered three-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.052. NOTICE. Notice of the directors' election

shall be published at least once in a newspaper with general circulation in the district in accordance with Section 4.003(a), Election Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.053. QUALIFICATIONS FOR OFFICE. (a) To be a candidate for or to serve as a director, a person must be:

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

(b) An administrator or an employee of the district may not serve as a director.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of \$5,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond shall be kept in the permanent records of the district.

(c) The board may pay for a director's bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves a one-year term.

(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.057. COMPENSATION; REIMBURSEMENT. 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. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than \$5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

(e) The board may pay for the bond with district money.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.060. 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;  
and

(2) direct the general affairs of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

(a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.062. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

(1) advertising and marketing;  
(2) paying travel, recruitment, and relocation expenses;

(3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical

staff member or district employee; or

(4) contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;

(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and

(3) make temporary appointments to the medical staff as the board considers necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.065. 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 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1072.101. DISTRICT RESPONSIBILITY. The district has

full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.103. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system; and

(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

(1) the method of making purchases and expenditures by and for the district; and

(2) accounting and control procedures for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

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

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

(b) The board may:

(1) acquire property, facilities, and equipment for the district for use in the hospital system;

(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;

(3) sell or otherwise dispose of property, facilities, or equipment for the district; or

(4) lease hospital facilities for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or

other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with 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 bond or other security for costs in the trial court;

(2) provide 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 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

- (1) the patient; and
- (2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in the county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located

outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Runnels County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Runnels County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.114. 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.

(b) A corporation created under this section may use money contributed by 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.115. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a

construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1072.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

- (1) the outstanding obligations of the district;
- (2) the amount of cash on hand to the credit of each fund of the district;
- (3) the amount of money received by the district from all sources during the previous year;
- (4) the amount of money available to the district from all sources during the ensuing year;
- (5) the amount of the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated amount of revenues and balances available to cover the proposed budget; and
- (7) the estimated tax rate required.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(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 a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of

district money and an account of the disbursement of that money.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.159. DEBT LIMITATION. Except as provided by Chapter [1207](#), Government Code, and Sections 1072.116, 1072.201, and 1072.204, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section [1072.161](#) 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. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

(d) The district may deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation only if the bank first executes a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code. Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER E. BONDS

Sec. 1072.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

- (1) purchase, construct, acquire, repair, or renovate buildings or improvements;
- (2) equip buildings or improvements for hospital purposes; or
- (3) acquire and operate a mobile emergency medical service.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1072.201, the board shall impose an ad valorem tax in an amount 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 tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

- (1) the nature and date of the election;
- (2) the hours during which the polls will be open;
- (3) the location of polling places;
- (4) the amounts of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter [1251](#), Government Code.

(d) The board shall declare the results of the election.  
Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;
- (2) acquire sites to be used for hospital purposes; or
- (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided 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 county hospital authorities.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.206. 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. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the 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 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER F. AD VALOREM TAX

Sec. 1072.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.

(b) The tax may be used to pay:

- (1) indebtedness issued or assumed by the district;
- and
- (2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. 2517), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.252. TAX RATE. (a) The board may impose an annual tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of a tax.

(b) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each \$100 valuation of the

property according to the most recent certified tax appraisal roll of the district.

(c) In setting the tax rate, the board shall consider district income from sources other than taxation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.253. 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 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

#### SUBCHAPTER G. DISSOLUTION

Sec. 1072.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

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

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section [41.001](#), Election Code, does not apply to an election ordered under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.302. NOTICE OF ELECTION. (a) The board shall

give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the North Runnels County Hospital District."

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Runnels County or another governmental entity in Runnels County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the district makes a transfer under Subsection (a)(1), the county or governmental entity assumes all debts and

obligations of the district at the time of the transfer. The district is dissolved at the time of the transfer.

(c) If the district administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

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

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

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01, eff. June 19, 2009.

Sec. 1072.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Runnels County summarizing the board's actions in dissolving the district.

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



obligation.

Added by Acts 2009, 81st Leg., R.S., Ch. 876 (S.B. [2517](#)), Sec. 3.01,  
eff. June 19, 2009.