

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1077. GAINESVILLE HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1077.001. 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 Gainesville Hospital District.

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

Sec. 1077.002. AUTHORITY FOR OPERATION. The Gainesville Hospital District operates in accordance with Section 9, Article IX, Texas Constitution.

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

Sec. 1077.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

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

Sec. 1077.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cooke County, Texas, except that the district does not include territory located in the Muenster Hospital District on the date the election to approve the creation of the Gainesville Hospital District was called.

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

Sec. 1077.005. PUBLIC PURPOSE; TAX EXEMPTION. All property

owned by the district:

(1) shall be held for public purposes; and

(2) is exempt from taxation of every character by this state or a political subdivision of this state.

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

Sec. 1077.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

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

Sec. 1077.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

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

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1077.051. BOARD ELECTION; TERM. (a) The district is governed by a board of nine directors.

(b) Directors serve staggered three-year terms.

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

Sec. 1077.052. NOTICE OF ELECTION. Notice of an election of directors shall be published in a newspaper of general circulation in the area of the district in accordance with Section 4.003, Election Code.

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

Sec. 1077.053. QUALIFICATIONS FOR OFFICE. To be qualified

to hold office as a director, a person must be:

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

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

Sec. 1077.054. MEETING ATTENDANCE REQUIREMENT. (a) A director who fails to attend at least four regular meetings in any 12-month period is considered to have resigned the director's position, effective immediately on the date of the fourth absence. Further action is not required by the director or the board to effectuate a vacancy under this subsection.

(b) A vacancy created by a resignation under this section shall be filled as provided by Section [1077.055](#).

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

Sec. 1077.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

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

Sec. 1077.056. OFFICERS. The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.

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

Sec. 1077.057. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to receive actual expenses incurred in attending to district business on approval of the expenses by the remainder of the board.

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

Sec. 1077.058. DISTRICT ADMINISTRATOR; ASSISTANT

ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The district administrator and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board.

(d) On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than \$5,000 that:

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

(2) contains other conditions the board may require.

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

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

Sec. 1077.059. 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 affairs of the district.

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

Sec. 1077.060. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES. (a) The board may appoint to or dismiss from the medical staff the physicians, dentists, and podiatrists the board determines necessary for the efficient operation of the district.

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

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

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

Sec. 1077.061. PERSONNEL CONTRACTS. (a) The board may contract with a nonprofit corporation for the corporation to provide administrative and other personnel for the operation of the hospital facilities.

(b) The term of the contract may not exceed 25 years from the date the contract is executed.

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

Sec. 1077.062. RETIREMENT BENEFITS. The board may enter into any contract or agreement with this state or the federal government that is required to establish or continue a retirement program for the benefit of the district's employees.

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1077.101. DISTRICT RESPONSIBILITY. (a) The district has full responsibility for operating all hospital facilities for providing medical and hospital care of the indigent persons in the district.

(b) The district shall provide medical and hospital care for the district's needy inhabitants.

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

Sec. 1077.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision in the district, other than the district, may not impose a tax or issue bonds or other obligations for hospital purposes for medical treatment of indigent persons in the district.

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

Sec. 1077.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system

and the district's money and resources.

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

Sec. 1077.104. RULES. The board may adopt rules governing the operation of the district and as required to administer this chapter.

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

Sec. 1077.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

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

(2) all accounting and control procedures.

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

Sec. 1077.106. DISTRICT PROPERTY, FACILITIES, EQUIPMENT, AND SERVICES. (a) The board has exclusive authority to determine the type, character, and use of facilities in the hospital system.

(b) The district may:

(1) purchase, construct, acquire, repair, or renovate buildings and improvements;

(2) mortgage or pledge the buildings and improvements as security for the payment of the purchase price, subject to Subsection (c); and

(3) equip buildings and improvements for hospital purposes.

(c) The total amount of debt secured by the district's buildings and improvements may not exceed \$2.5 million.

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

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 863 (H.B. [1307](#)), Sec. 1, eff. June 18, 2015.

Sec. 1077.107. 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 or convenient 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.

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

Sec. 1077.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

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

Sec. 1077.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the agency is responsible.

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

Sec. 1077.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an indigent patient who resides in the district is admitted to a district facility or a person who does not reside in the district is admitted as an emergency patient to a district facility, the district administrator 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 the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district as care for indigents.

(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 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 administrator may collect the amount from the estate of the patient, 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) resolve the dispute or doubt; and

(2) issue any appropriate orders.

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

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

Sec. 1077.111. AUTHORITY TO SUE AND BE SUED. As a governmental entity, the district, through the board, may sue and be sued in its own name in any court of this state.

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1077.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The budget must be for the next fiscal year and must include:

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

Sec. 1077.152. 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 Cooke 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.153. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in a 36-month period.

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

Sec. 1077.154. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office.

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

Sec. 1077.155. FINANCIAL REPORT. As soon as practical after the close of each fiscal year, the district administrator shall prepare for the board:

- (1) a complete sworn statement of all district money; and
 - (2) a complete account of the disbursements of that money.
- Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.156. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository bank to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being designated as a depository bank.

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

SUBCHAPTER E. BONDS

Sec. 1077.201. BONDS. The board may issue and sell bonds to:

- (1) purchase, construct, acquire, repair, or renovate buildings and improvements; and
- (2) equip buildings and improvements for hospital purposes.

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

1.01, eff. April 1, 2011.

Sec. 1077.202. TAX TO PAY BONDS. (a) The board may issue bonds under Section 1077.201 payable from ad valorem taxes. If the bonds are payable from ad valorem taxes, the board shall impose an ad valorem tax to create an interest and sinking fund sufficient 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.203. BOND ELECTION. (a) The district may issue bonds under Section 1077.201 that are payable from taxes 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 date of the election;
- (2) the location of the polling places;
- (3) the presiding election officers;
- (4) the purpose of the bond issuance;
- (5) the amount of the bonds to be authorized; 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 the district once each 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1077.204. REVENUE BONDS. (a) The board may issue bonds under Section 1077.201 payable from the district's

revenue. The board may issue the revenue bonds without an election.

(b) The bonds must be payable from all or part of the revenue derived from the operation of the district's hospitals.

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

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections [264.042](#), [264.043](#), [264.046](#), [264.047](#), [264.048](#), and [264.049](#), Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

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

Sec. 1077.205. MATURITY OF TAX BONDS. District bonds payable from taxes must mature not later than 40 years after the date of issuance.

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

Sec. 1077.206. EXECUTION OF BONDS. (a) The board president shall execute the district bonds in the district's name.

(b) The board secretary shall countersign the bonds.

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

SUBCHAPTER F. TAXES

Sec. 1077.251. 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; and

(2) care for indigents.

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

Sec. 1077.252. TAX RATE. (a) 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.

(b) Not more than 65 cents of the rate authorized by Subsection (a) may be imposed in any year to pay the interest on and create a sinking fund for bonds issued or assumed by the district for hospital purposes.

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

Sec. 1077.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Cooke County shall assess and collect taxes imposed by the district.

(b) The board may appoint a district tax assessor-collector under Section 285.041, Health and Safety Code.

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