

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1084. PALO PINTO COUNTY

HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1084.001. 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 Palo Pinto County Hospital District.

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

Sec. 1084.002. AUTHORITY FOR OPERATION. The Palo Pinto County 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. 1084.003. 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. 1084.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Palo Pinto County, Texas.

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

Sec. 1084.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by

resolution may provide an alternative procedure that conforms with the constitution.

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

#### SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1084.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors as follows:

- (1) six directors elected by place; and
- (2) the chief of staff elected by the medical staff under Section 1084.063.

(b) Unless four-year terms are established under Section 285.081, Health and Safety Code, the directors elected to the board serve staggered three-year terms.

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

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 615 (H.B. 3783), Sec. 1, eff. June 12, 2017.

Sec. 1084.052. NOTICE OF ELECTION. Notice of each directors' election shall be published in a newspaper of general circulation in Palo Pinto County in accordance with Chapter 4, Election Code.

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

Sec. 1084.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed to an elected position on the board unless the person is:

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

(b) In addition to the requirements prescribed by Subsection (a), a person is not eligible to serve as a director if the person:

- (1) directly or indirectly has an ownership or

investment interest in a health care facility located in Palo Pinto County; or

(2) directly or in conjunction with another person or entity has an ownership interest in another business or entity that:

(A) is related to health care; and

(B) provides a good or service to the area served by the district that is the same as or substantially similar to a good or service provided by the district.

(c) Subsection (b) does not apply to:

(1) an ownership or investment interest in publicly available shares of a registered investment company, such as a mutual fund, that owns publicly traded equity securities or debt obligations issued by:

(A) a health care facility;

(B) a business or entity described by Subsection (b); or

(C) an entity that owns the health care facility, business, or entity; or

(2) a physician's ownership interest in the physician's own medical practice.

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

Sec. 1084.054. GROUNDS FOR REMOVAL. (a) It is a ground for removal from the board that a director violates a prohibition established by Section 1084.053(b). A director may be removed for the violation in accordance with the procedures provided by Subchapter B, Chapter 87, Local Government Code, for removing a county official.

(b) The validity of a board action is not affected by the fact that the action is taken when a ground for removal of a director exists.

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

Sec. 1084.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION.

(a) Each director shall execute a good and sufficient bond for \$5,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the director's duties.

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

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

Sec. 1084.056. BOARD VACANCY. (a) If a vacancy occurs in the office of elected director, the remaining directors by majority vote shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than four for any reason, the remaining directors shall immediately call a special election to fill the vacancies of the elected positions. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.057. DIRECTOR RIGHTS AND RESPONSIBILITIES. All directors have the same rights and responsibilities with regard to voting and other matters.

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

Sec. 1084.058. OFFICERS. (a) The board shall elect a president, vice president, and secretary from among its members.

(b) Each officer of the board serves for a term of one year and may serve successive terms.

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

Sec. 1084.059. 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 as reported in the board minutes.  
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.060. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.  
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.061. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may 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. 1084.062. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator shall:

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

(2) direct the affairs of the district.

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

Sec. 1084.063. ELECTION OF CHIEF OF STAFF. At least once every two years, the medical staff of the hospital system owned and operated by the district shall elect a chief of staff.

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

Sec. 1084.064. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may provide that the district administrator has the authority to employ or appoint to the staff doctors, nurses, technicians, and any other employees as necessary for the efficient operation of the district.

(b) 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; or
- (4) paying the tuition or other expenses of a full-time medical student or other student in a health occupation who:

(A) is enrolled in and is in good standing at an accredited medical school, college, or university; and

(B) contractually agrees to become a district employee or independent contractor in return for that assistance.

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

Sec. 1084.065. PERSONNEL CONTRACTS. (a) The board may contract to provide administrative and other personnel for the

operation of the hospital facilities.

(b) The term of a contract may not exceed 25 years.

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

Sec. 1084.066. EDUCATIONAL PROGRAMS; COURSES. The board may provide or contract for the provision of educational programs or courses for district employees and medical staff.

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

Sec. 1084.067. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in a statewide retirement system in which the district is eligible to participate.

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

Sec. 1084.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1084.055, 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1084.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

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

Sec. 1084.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. Palo Pinto County or a municipality in the district may not impose a tax on property in 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. 1084.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system. Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.104. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.105. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board may:

- (1) purchase or lease property, including facilities or equipment, for the district to use in the hospital system; and
- (2) mortgage or pledge the property as security for the payment of the purchase price.

(b) The board may lease district hospital facilities to individuals, corporations, or other legal entities.

(c) The board may sell or otherwise dispose of the district's property, including facilities or equipment. Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.106. 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, Property Code.

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

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

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

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

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

Sec. 1084.107. 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 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. 1084.108. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries 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.

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

Sec. 1084.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

- (1) the patient; and
- (2) the patient's relatives who are legally liable for the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives 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 the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability.

(d) The district 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) The board may institute a suit to collect an amount owed to the district by a patient who has not been determined to be unable to pay under this section.

(f) 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 an appropriate order.

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

Sec. 1084.110. 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) The corporation may use district 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.

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

Sec. 1084.111. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district, through the board, may sue and be sued in the district's 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.

Sec. 1084.112. INSPECTIONS. The district is subject to inspection by any authorized representative of this state. A district officer or employee shall:

(1) admit the representative into any district facility; and

(2) provide the representative with access on demand to any record, report, book, paper, or account relating to the district.

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. 1084.151. BUDGET. The district administrator shall prepare an annual budget for approval by the board.

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

Sec. 1084.152. NOTICE; HEARING; ADOPTION OF BUDGET. (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 the district not later than the 10th day before the date of the hearing.

(c) Any district resident 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.

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

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

Sec. 1084.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

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

Sec. 1084.154. 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 that 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. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.155. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

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

Sec. 1084.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to

inspection at the district's office.

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

Sec. 1084.157. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank to serve as the district's depository or treasurer.

(b) All district money shall be secured in the manner provided for securing county funds.

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

Sec. 1084.158. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) To secure a loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

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

Sec. 1084.159. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY. (a) If money is not available to meet an authorized obligation of the district, the board shall adopt an order declaring an emergency. After the order is adopted, the board may borrow money on district notes at a rate not to exceed 12 percent a year to meet the obligation.

(b) To secure the loan, the board may pledge:

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) a district tax that is to be imposed not later than the first anniversary of the date of the loan and that is not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d) The board may spend money obtained from a loan under this section only to meet the obligation that made the loan necessary. The board may spend money obtained from any taxes or bonds used to secure the loan only for the purpose for which the taxes were imposed or the bonds were authorized.

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

#### SUBCHAPTER E. BONDS

Sec. 1084.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds authorized by an election 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; and

(3) acquire sites to be used for district purposes.

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

Sec. 1084.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section [1084.201](#), 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.203. ELECTION FOR GENERAL OBLIGATION BONDS. (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 election shall be conducted in accordance with Chapter [1251](#), Government Code.

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

Sec. 1084.204. REVENUE BONDS. (a) The board may issue and sell revenue bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for district 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 hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust on all or part of 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 the 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. 1084.205. EXECUTION OF BONDS. (a) The board president shall execute 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. 1084.251. 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 or other obligations issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation.

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

Sec. 1084.252. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.253. 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. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

#### SUBCHAPTER G. DISSOLUTION

Sec. 1084.301. DISSOLUTION; ELECTION. (a) The district may



be dissolved only on approval of a majority of the district 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 registered voters of the district.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition 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(a), Election Code, does not apply to an election ordered under this section.

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

Sec. 1084.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

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

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

Sec. 1084.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Palo Pinto County Hospital District."

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

Sec. 1084.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the

board shall find that the district is dissolved.

(b) If a majority of the votes in the election 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. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

(a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to a county or to another governmental entity in Palo Pinto County;

(2) sell the assets and liabilities to another person;  
or

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

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(c) If Subsections (a)(1) and (2) do not apply and the board administers the property, assets, and debts of the district under Subsection (a)(3), 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. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Sec. 1084.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

(a) The dissolution of the district and the sale or transfer of the district's assets and liabilities to another person may not contravene a trust indenture or bond resolution relating to the district's outstanding bonds. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(b) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of district residents, including the residents' collective property rights in the district's assets.

(c) The district may not transfer or dispose of the district's assets except for due compensation unless:

(1) the transfer is made to another governmental entity that serves the district; and

(2) the transferred assets are to be used for the benefit of the district's residents.

(d) A grant from federal funds is an obligation to be repaid in satisfaction.

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

Sec. 1084.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

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

(2) impose on the property included on 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 money to the county tax assessor-collector.

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

Sec. 1084.308. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter,

the board shall file a written report with the Commissioners Court of Palo Pinto County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Palo Pinto 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. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.