

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1087. RANKIN COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1087.001. 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 Rankin County Hospital District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.002. AUTHORITY FOR CREATION. The Rankin County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Rankin Independent School District, as those boundaries existed on January 1, 1967.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.005. CONSOLIDATION OF DISTRICT AND MCCAMEY COUNTY HOSPITAL DISTRICT. (a) The McCamey County Hospital District may

be consolidated into the Rankin County Hospital District as provided by this section.

(b) On the request of 25 percent or more of the taxpaying voters of each hospital district, the Upton County Commissioners Court shall submit the consolidation proposal for vote.

(c) Consolidation of the district and the McCamey County Hospital District must be separately approved by a two-thirds majority of the voters voting in each hospital district at an election ordered and held for that purpose.

(d) At the consolidation election, five directors shall be elected to serve the consolidated district.

(e) Not more than one consolidation election may be held after each general election.

(f) Refunding bonds may be issued by the consolidated district to refund any outstanding bonds, including bonds issued by the district on consolidation, original bonds, and refunding bonds. Additional funding may be provided as authorized by this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1087.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Directors serve staggered two-year terms unless four-year terms are established under Section [285.081](#), Health and Safety Code.

(c) An election shall be held annually on the May uniform election date or another date authorized by law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in Upton County in accordance with Section [4.003](#), Election Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01,

eff. April 1, 2015.

Sec. 1087.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed a director unless the person is:

- (1) a resident of the district; and
- (2) at least 18 years of age.

(b) A district employee may not serve as director.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.054. BOND; RECORD OF BOND. (a) Before assuming the duties of office, each director must execute a bond for \$1,000 that is:

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

(b) The district shall pay for a director's bond.

(c) Each director's bond shall be deposited with a depository bank of the district for safekeeping.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director.

(b) A director appointed under this section serves until the next election for directors. A director elected under this subsection serves only for the remainder of the unexpired term.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.056. OFFICERS. (a) The board shall elect from among its members a president and a vice president.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.057. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.058. DISTRICT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

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

(c) The board may remove the district administrator at any time.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount of not less than \$10,000 that:

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

(2) contains any other condition the board may require.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitation prescribed by the board, the district administrator shall:

(1) perform the duties required by the board;

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

(3) direct the affairs of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.060. ASSISTANT TO DISTRICT ADMINISTRATOR. (a) The board may designate an assistant to the district administrator to discharge a duty or function of the administrator

in the event of the administrator's incapacity, absence, or inability to discharge the duty or function.

(b) The assistant shall post the bond required by board order.

(c) The assistant is subject to any limitation prescribed by board order.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.061. LEGAL COUNSEL. The board may employ legal counsel to represent the district in all legal matters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.062. RETIREMENT PROGRAM. (a) With the approval of the Upton County Commissioners Court, the board may contract with this state and the federal government as necessary to establish or continue a retirement program for the benefit of district employees.

(b) The board may establish other retirement programs for the benefit of district employees as the board considers necessary and advisable.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section [1087.054](#), 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1087.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy and indigent residents.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.102. RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION. A county or a municipality in the district may not impose any tax for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.103. PURCHASING AND ACCOUNTING. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.104. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in district territory if the interest is necessary or convenient for the district to exercise a right, power, privilege, or function conferred on the district by this chapter.

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

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

(1) pay in advance or provide a bond for the issuance of a temporary restraining order or a temporary injunction; or

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.105. 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, and provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.106. CONSTRUCTION CONTRACTS. (a) The board may enter into purchase or construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section [271.024](#), Local Government Code, only after advertising as provided by Subchapter B, Chapter [271](#), Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.107. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board, with the approval of the Upton County Commissioners Court, may contract with:

(1) a county, other than Upton County, for the care and treatment of a person of that county; and

(2) this state or a federal agency for the care and treatment of a sick or injured person for whom the state or agency is responsible.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.108. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from the district is admitted 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 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 patient's care and treatment in the hospital, the amount 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 patient's care and treatment, the patient or those relatives shall be ordered to pay to the district's treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to the financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district administrator may collect the amount from the patient's estate, or from those relatives 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, or doubt in the district administrator's mind, as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall:

(1) resolve the dispute or doubt; and

(2) issue any appropriate order.

(f) Either party to the dispute may appeal the order to the district court. The appeal is de novo as that term is used in an appeal from a justice court to a county court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.109. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1087.151. BUDGET. The board annually shall have a budget prepared for the next fiscal year that includes:

- (1) proposed expenditures and disbursements;
- (2) estimated receipts and collections; and
- (3) the amount of taxes required to be imposed for the year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.152. 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 Upton 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.153. FISCAL YEAR. The district's fiscal year begins on October 1 and ends on September 30.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.154. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's books and records for the preceding fiscal year.

(b) Not later than December 31 of each year, the audit shall be filed:

- (1) with the county clerk of Upton County; and
- (2) at the district's office.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01,

eff. April 1, 2015.

Sec. 1087.155. FINANCIAL REPORT. (a) The board and the district administrator shall annually prepare a report under oath that includes:

(1) a complete statement of:

(A) all money and choses in action; and

(B) how the money and choses in action were disbursed or otherwise disposed;

(2) the details of district operation during the preceding fiscal year; and

(3) a full and complete list of all delinquent accounts owing and due the district, including names and addresses of delinquent debtors.

(b) The report shall be filed in:

(1) the district office; and

(2) the office of the county clerk of Upton County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.156. DEPOSITORY. (a) The board shall select one or more banks to serve as a depository for district money.

(b) 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.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.157. INVESTMENT RESTRICTIONS. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.158. 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) tax revenue to be collected 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER E. BONDS

Sec. 1087.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair, or renovation of buildings and improvements; and

(2) equipping buildings and improvements for hospital purposes.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district, 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 imposed for the district may not in any year exceed 75 cents on each \$100 valuation of all taxable property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) The board may call the election on the board's own motion.

(c) The order calling the election must specify:

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

(d) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once each week for two consecutive weeks before the date of the election. The first publication must occur at least 20 days before the date of the election.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.205. EXECUTION OF GENERAL OBLIGATION BONDS. The board's presiding officer shall execute the general obligation

bonds in the district's name, and the board secretary shall countersign the bonds.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

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

(2) equip buildings or improvements for hospital purposes; or

(3) acquire real property for hospital 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 lien 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 issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.207. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF

BONDS. In addition to the authority to issue general obligation and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1087.202 and revenue and other sources as authorized by Section 1087.206. Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and

(B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER F. TAXES

Sec. 1087.251. 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 as provided by this chapter;

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

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

(4) acquire necessary sites for improvements or additions by purchase, lease, or condemnation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.252. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.253. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless an election is held under Section [1087.254](#).

(b) The tax assessor-collector of Upton County shall collect the taxes imposed on all property subject to district taxation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.254. ELECTION FOR SEPARATE TAX ASSESSOR AND SEPARATE TAX COLLECTOR. (a) On receipt of a petition signed by at least five percent of the taxpaying voters in the district, the court may order an election to determine whether the district shall have a separate tax assessor and separate tax collector for the assessment and collection of district taxes.

(b) Notice of the election shall be given as required by Section [1087.052](#).

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1087.255. APPOINTMENT OF SEPARATE TAX ASSESSOR AND SEPARATE TAX COLLECTOR. If the appointment of a separate tax assessor and separate tax collector is approved by a two-thirds majority vote of the district voters voting at an election held under Section [1087.254](#), the board shall appoint:

- (1) a suitable person as tax assessor; and
- (2) a suitable person as tax collector.

Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.