

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1096. SOUTH LIMESTONE HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1096.001. 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 South Limestone Hospital District.

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

Sec. 1096.002. AUTHORITY FOR CREATION. The South Limestone Hospital District is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

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

Sec. 1096.003. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Groesbeck Independent School District as those boundaries existed on January 1, 1969.

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

Sec. 1096.004. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1096.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.

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

Sec. 1096.006. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1096.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b) Each even-numbered year, on the May uniform election date or another date authorized by law, the appropriate number of directors shall be elected.

(c) Directors serve staggered four-year terms.

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

Sec. 1096.052. QUALIFICATIONS FOR OFFICE. (a) To qualify for election to the board, a person must:

- (1) be at least 18 years of age;
- (2) have been a resident of the district for at least two years; and
- (3) be a qualified property tax paying voter of the district.

(b) A person may not serve as a director if the person:

- (1) is a district employee;

(2) was a district employee at any time during the two years preceding the date of the election; or

(3) receives compensation under a contract with the district.

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

Sec. 1096.053. BOND; RECORD OF BOND AND OATH. (a) Each director shall qualify by executing a good and sufficient bond for \$1,000 that is:

(1) payable to the district; and

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

(b) The district shall pay for the directors' bonds.

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

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

Sec. 1096.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

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

Sec. 1096.055. OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and treasurer.

(b) The board may combine the offices of secretary and treasurer at the board's discretion.

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

Sec. 1096.056. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for any necessary expense incurred in the performance of official duties.

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

Sec. 1096.057. DISTRICT ADMINISTRATOR. (a) The board may employ a district administrator to manage the operations of the hospital system.

(b) The district administrator may hire necessary personnel to perform the services provided by the hospital system.

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

Sec. 1096.058. EMPLOYEES. The board may employ an attorney, a general manager, a bookkeeper, an architect, nurses, and other employees necessary for the efficient operation of the district.

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

Sec. 1096.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section [1096.053](#), the board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and

(2) make those records available for public inspection at reasonable times.

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

Sec. 1096.060. RECRUITMENT OF MEDICAL STAFF. The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other education-related costs or expenses of a person who:

(1) graduates from a medical school, a nursing school, or an institution of higher education; and

(2) contractually agrees to become a district employee.

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

Sec. 1096.061. CONTINUING EDUCATION; RETRAINING. The board may spend district money for the continuing education and retraining of district employees.

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. 1096.101. DISTRICT RESPONSIBILITY. The district shall provide all necessary hospital and medical care for the district's needy inhabitants.

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

Sec. 1096.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

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

Sec. 1096.103. MANAGEMENT AND CONTROL OF DISTRICT. The board has full power to manage and control the district.

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

Sec. 1096.104. HOSPITAL SYSTEM. The district has the responsibility to establish a hospital or hospital system within its boundaries to provide hospital and medical care to the district's residents.

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

Sec. 1096.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.

(b) The board shall:

(1) publish the rules in book form; and

(2) provide copies to interested persons on request at district expense.

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

Sec. 1096.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

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

Sec. 1096.107. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land and other property and easements.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) In a condemnation proceeding, 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 costs or a supersedeas bond on an appeal or petition for review; or

(3) deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(d) The district is a municipal corporation for the purposes of Chapter 21, Property Code.

(e) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired.

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

Sec. 1096.108. GIFTS AND ENDOWMENTS. The board may accept a gift or endowment to be held and administered as required by the respective donor, to the extent that those requirements do not contravene law.

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

Sec. 1096.109. CONTRACTS WITH POLITICAL SUBDIVISION FOR HOSPITAL CARE. The board may contract with a political subdivision to provide hospital and medical care for needy persons who reside outside the district.

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

Sec. 1096.110. PROVISION OF CERTAIN HEALTH SERVICES. The board may provide emergency services, home health care services, long-term health care services, or any other health care services the board determines are necessary to meet the needs of the district.

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

Sec. 1096.111. OPERATION OF HOSPITAL; RATES CHARGED; RESERVE FUNDS. (a) The district shall operate a hospital without the intervention of private profit for the use and benefit of the public.

(b) The board shall charge sufficient rates for services provided by the hospital and use other sources of district revenue that will produce an amount sufficient to:

(1) pay all expenses in connection with the ownership, operation, and upkeep of the hospital;

(2) pay the interest on the bonds as it becomes due;

(3) create a sinking fund to pay the bonds as they become due; and

(4) create and maintain a bond reserve fund and other funds as provided in the bond resolution or trust indenture.

(c) The bond resolution or trust indenture may prescribe

systems, methods, routines, and procedures needed for the operation of the hospital.

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

Sec. 1096.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the investigator finds that neither the patient nor those relatives can pay for all or part of the patient's care, the expense of that care becomes a charge against the district.

(d) If the patient or those relatives can pay for all or part of the costs of the patient's care, the board shall order the patient or those relatives to pay to the district treasurer each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district may collect the amount from the patient's estate, or from any relative 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.

(f) If there is a dispute as to the ability to pay, or doubt in the mind of the investigator, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and

(2) make the proper order based on the board's findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The appeal is de novo.

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. 1096.151. BUDGET. The board shall prepare a budget that includes:

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

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

Sec. 1096.152. 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 in a newspaper of general circulation in the district at least once before the 10th day before the date of the hearing.

(c) Any person who owns taxable property in the district and has duly rendered that property for taxation is entitled to:

- (1) appear at the hearing; and
- (2) be heard regarding any item 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. 1096.153. FISCAL YEAR. The district's fiscal year is from October 1 to September 30.

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

Sec. 1096.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) Not later than December 1 of each year, the board shall file a copy of the audit with:

- (1) the comptroller; and
- (2) the district.

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

Sec. 1096.155. DEPOSITORY. (a) The board by resolution shall designate a bank in the county in which the district is located as the district's depository. A designated bank serves for two years and until a successor is designated.

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

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

Sec. 1096.156. 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 if the board declares that:

(1) money is not available to meet authorized obligations of the district; and

(2) an emergency exists.

(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 in the next 12-month period 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 not spend money obtained from a loan under this section for any purpose other than:

(1) the purpose for which the board declared an emergency; and

(2) if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the

pledged bonds were authorized.

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

Sec. 1096.157. INVESTMENT OF DISTRICT MONEY. (a) The law applicable to municipalities with respect to security for and investment of money governs, as applicable, the investment of district money. The bond resolution or indenture may further restrict the investment.

(b) To the extent authorized in the bond resolution or indenture and until the money is needed, the district may invest the proceeds of district bonds in direct obligations of or obligations unconditionally guaranteed by the United States.

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

Sec. 1096.158. TAX EXEMPTION. Because property owned by the district is held for public purposes only and is devoted exclusively to the use and benefit of the public, the property is exempt from taxation of every character.

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

SUBCHAPTER E. BONDS

Sec. 1096.201. REVENUE BONDS. (a) The district may issue revenue bonds to provide for any district purposes. The bonds must be authorized by a board resolution adopted by a majority vote of a quorum of the board.

(b) Revenue bonds must be payable from and secured by a pledge of all or part of the revenue derived from:

- (1) the operation of the district's hospitals; and
- (2) any other revenue resulting from the ownership of the hospital properties.

(c) Revenue bonds may be additionally secured by a mortgage or deed of trust lien on real property of the district or by a chattel mortgage on the district's personal property, or by both.

(d) The board may issue:

(1) bonds that are a junior lien on the district's net revenue or property, unless prohibited by the bond resolution or trust indenture; and

(2) parity bonds under conditions specified in the bond resolution or trust indenture.

(e) A bond issued under this subchapter must contain the provision: "The holder hereof shall never have the right to demand payment thereof out of money raised or to be raised by taxation."

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

Sec. 1096.202. EXECUTION OF BONDS. District bonds must be signed by the president or vice president and countersigned by the secretary.

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

Sec. 1096.203. MATURITY OF BONDS. District bonds must mature not later than 40 years after their date of issuance.

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

Sec. 1096.204. REFUNDING BONDS. The board may issue bonds for the purpose of refunding outstanding bonds in the manner provided by this subchapter for other bonds.

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

SUBCHAPTER F. TAXES

Sec. 1096.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax proceeds may be used only to:

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

(2) make improvements and additions to the hospital system; or

(3) acquire sites for additions to the hospital system.

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

Sec. 1096.252. TAX RATE. The board shall impose the tax at a rate not to exceed 38 cents on each \$100 valuation.

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

Sec. 1096.253. TAX ASSESSOR-COLLECTOR. The board may use any of the following to assess and collect district taxes:

(1) the tax assessor-collector for Limestone County;

(2) the tax assessor-collector for the Groesbeck Independent School District; or

(3) any tax assessor-collector established by the board for the district.

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