

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1098. STONEWALL COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1098.001. 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 Stonewall County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.002. AUTHORITY FOR OPERATION. The Stonewall County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Stonewall County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.005. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.007. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1098.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected from the district at large by place.

(b) Directors serve staggered three-year terms.

(c) A directors' election shall be held annually on the May uniform election date prescribed by Section [41.001](#), Election Code, or another date authorized by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 18.101(5), eff. September 1, 2013.

Sec. 1098.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in the district in accordance with Section [4.003](#), Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01,

eff. April 1, 2013.

Sec. 1098.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors by majority vote shall fill the vacancy for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, a district court, on application of a qualified voter or taxpayer of the district, may order the directors to hold the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.055. OFFICERS. (a) The board shall elect:

- (1) a president and vice president from among its members; and
- (2) a secretary and treasurer who is not required to be a director.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.056. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of the director's official duties. The expenses must be:

- (1) reported in the district's minutes; and

(2) approved by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.057. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.058. 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 compensation as determined by the board.

(d) Before 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 faithful performance of the administrator's duties under this chapter; and

(2) contains any other condition the board requires.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.059. 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 general affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.060. STAFF AND EMPLOYEES; RECRUITMENT OF

PERSONNEL. (a) The district may:

- (1) appoint physicians to the district's staff; and
- (2) employ technicians, nurses, fiscal agents, accountants, architects, attorneys, and other necessary employees.

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

(c) The board may spend district money to recruit physicians, nurses, and other trained medical personnel.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.061. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.062. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, and minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district's office; and

(2) open to public inspection at the district's office at all reasonable hours.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01,

eff. April 1, 2013.

Sec. 1098.064. SEAL. The board may adopt a seal for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1098.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.102. RESTRICTION ON TAXATION AND DEBT. Stonewall County or another governmental entity in which the district is located may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.103. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.104. HOSPITAL SYSTEM. The district shall provide for:

(1) the establishment of a hospital system to provide medical and hospital care for district residents by:

(A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and

(B) equipping the buildings and improvements; and

(2) the administration of the hospital system for

hospital purposes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.105. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.

(b) The rules may, on approval by the board, be published in booklet form at district expense and made available to any taxpayer on request.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.106. PURCHASING AND ACCOUNTING PROCEDURES.

(a) The board may prescribe the method and manner of making purchases and expenditures by and for the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

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

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

(b) The board may:

(1) establish and equip a clinic as part of the hospital system;

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

(3) mortgage or pledge the property as security for payment of the purchase price.

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

(d) The board may sell or otherwise dispose of property, including facilities or equipment.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.108. 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 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.109. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.110. BIDDING REQUIREMENTS. The district shall comply with the bidding requirements prescribed by Chapter [271](#),

Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility. The term of the contract may not exceed 25 years.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.112. CONTRACTS FOR HEALTH CARE. The board may contract with any public or private entity, including the federal government, this state, a political subdivision, or a charitable organization, to provide health care or related services inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.113. PAYMENT FOR TREATMENT; PROCEDURES.
(a) When a patient who resides in 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 for 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 the district treasurer a specified amount each week for the patient's support. The amount ordered must be proportionate to their financial ability.

(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) 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.

(g) Either party to the dispute may appeal the order to the district court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.114. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in the district's own name in any court of this state.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1098.151. BUDGET. The board annually shall require a budget to be 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.152. NOTICE; HEARING; APPROVAL 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 Stonewall 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.

(d) The annual budget must be approved by the board of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.153. AMENDMENTS TO BUDGET. The annual budget may be amended on the board's approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.154. SPENDING RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenue other than revenue held by the district or to be held by the district in the current district fiscal year.

(b) Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) if revenue bonds of the district are outstanding;
or

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.156. ANNUAL AUDIT. The board annually shall have an audit made of the district's books and records for the fiscal

year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.158. FINANCIAL REPORT. As soon as practicable 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.159. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate one or more banks to serve as the district's depository or treasurer.

(b) District money shall be deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds, or other obligations assumed by the district, on or before the maturity date of the principal and interest.

(c) Money in the depository bank or banks that is not insured by the Federal Deposit Insurance Corporation must be secured in the manner provided by law for security of county money.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01,

eff. April 1, 2013.

Sec. 1098.160. 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) 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 third 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.161. AUTHORITY TO BORROW MONEY IN EMERGENCY; 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 determines that:

(1) money is not available to meet a lawful obligation 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 bond indebtedness;

(2) tax revenue to be collected by the district during the 12-month period following the date of the pledge that has not been 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 tax revenue or bonds are pledged must mature not later than the third anniversary of the date the loan is made. A loan for which other 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 loan proceeds obtained under this section for a purpose other than:

(1) the purpose for which the board determined the emergency existed; and

(2) if tax revenue or bonds are pledged to pay the loan, the purpose for which the taxes were imposed or the bonds were authorized.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1098.201. 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; or

(3) acquire and operate a mobile emergency medical or air ambulance service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.202. 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 the district imposes may not in any year exceed the

limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.203. 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 order a bond election.

(c) The election must be conducted in accordance with Chapter [1251](#), Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.204. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.205. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall countersign the bonds in the manner provided by Chapter [618](#), Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.206. REVENUE BONDS. (a) The board may issue revenue bonds to:

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

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical or air ambulance service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of

all or part of the 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 the issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1098.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to:

(1) pay the indebtedness assumed or issued by the district;

(2) provide for the maintenance and operation 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.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the tax assessor-collector of Stonewall County shall assess and collect taxes imposed by the district.

(b) 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1098.301. 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 a number of district residents equal to at least 15 percent of the registered voters in 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Stonewall County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.304. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.305. 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 Stonewall 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.
Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01,

eff. April 1, 2013.

Sec. 1098.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

(a) The district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person.

(b) The dissolution of the district and the sale or transfer of the district's assets and liabilities 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.

(c) 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.

(d) 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 agency that serves the district; and

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.307. 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 board 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 board secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1098.308. 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 Stonewall County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Stonewall 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.