

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 3. HEALTH  
SUBTITLE A. HOSPITAL DISTRICTS  
CHAPTER 1099. STRATFORD HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1099.001. 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 Stratford Hospital District.

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

Sec. 1099.002. AUTHORITY FOR OPERATION. The Stratford 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. 1099.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

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

Sec. 1099.004. DISTRICT TERRITORY. Unless the district's boundaries are expanded under Subchapter D, the district is composed of the territory in the boundaries of that part of the Stratford Independent School District located in Sherman County, as those school district boundaries existed on January 1, 1969.

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

Sec. 1099.005. 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 that constitution.

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

Sec. 1099.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

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

Sec. 1099.007. 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. 1099.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected from the district at large.

(b) Unless four-year terms are established under Section [285.081](#), Health and Safety Code:

(1) directors serve staggered two-year terms with the terms of two or three directors expiring each year as appropriate; and

(2) a directors' election shall be held annually on the May uniform election date, or another date authorized by law, to elect the appropriate number of directors.

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(6), eff. September 1, 2013.

Sec. 1099.052. NOTICE OF ELECTION. At least 30 days before the date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

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

Sec. 1099.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be appointed or elected as a director unless the person is:

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

(b) A person is not eligible to serve as a director if the person is:

- (1) the district manager;
- (2) a district employee; or
- (3) a member of the hospital staff.

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

Sec. 1099.054. BOND. (a) Each director shall execute 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.

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

Sec. 1099.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy for the unexpired term.

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

Sec. 1099.056. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director.

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

(c) The board shall fill a vacancy in a board office for the unexpired term.

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

Sec. 1099.057. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; 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. 1099.058. 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. 1099.059. DISTRICT MANAGER; ASSISTANT MANAGER.

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

(b) The board may appoint one or more assistant managers.

(c) The manager and any assistant manager serve at the will of the board and receive the compensation determined by the board.

(d) On assuming the duties of district manager, the manager 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 manager performing the manager's required duties; and

(2) contains any other condition the board requires.

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

eff. April 1, 2013.

Sec. 1099.060. GENERAL DUTIES OF DISTRICT MANAGER. Subject to the limitations prescribed by the board, the district manager shall:

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

(2) direct the 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. 1099.061. APPOINTMENT AND DISMISSAL OF STAFF AND EMPLOYEES. (a) The board may appoint to or dismiss from the staff any doctor the board considers necessary for the efficient operation of the district and may make temporary appointments to the staff if warranted.

(b) The district may employ fiscal agents, accountants, architects, and attorneys as the board considers proper.

(c) The board may delegate to the district manager the authority to employ district employees, including technicians and nurses.

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

Sec. 1099.062. SENIORITY; RETIREMENT BENEFITS. The board may adopt rules relating to the seniority of district employees, including rules for a retirement plan based on seniority.

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. 1099.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating all hospital facilities 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. 1099.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district or that has the same boundaries as the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

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

Sec. 1099.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the district's money and resources.

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

Sec. 1099.104. HOSPITAL SYSTEM. (a) The district shall provide for:

(1) the establishment of a hospital system by:

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

(B) equipping the buildings; and

(2) the administration of the hospital system for hospital purposes.

(b) The hospital system may include:

(1) facilities for domiciliary care of the sick, injured, or geriatric;

(2) facilities for outpatient clinics;

(3) dispensaries;

(4) convalescent home facilities;

(5) necessary nurses domiciliaries and training centers;

(6) blood banks;

(7) community mental health centers;

(8) research centers or laboratories; and

(9) any other facilities the board considers necessary for hospital care.

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

Sec. 1099.105. RULES. The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

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

Sec. 1099.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

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

(2) all accounting and control procedures.

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

Sec. 1099.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b) The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants. The term of the lease may not exceed 25 years.

(c) The district may acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of the district's inhabitants.

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

Sec. 1099.108. 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 located in district territory if the interest is necessary to a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, 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 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. 1099.109. 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 any 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. 1099.110. CONSTRUCTION AND PURCHASE CONTRACTS. A construction or purchase contract that involves the expenditure of more than \$15,000 may be made only after advertising in the manner provided by Chapter 252, Local Government Code.

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

Sec. 1099.111. OPERATING AND MANAGEMENT CONTRACTS. The



board may enter into an operating or management contract relating to a district facility.

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

Sec. 1099.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITALIZATION AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization 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 hospital treatment of a sick or injured person.

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

Sec. 1099.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with another political subdivision or a governmental agency for the district to provide investigatory or other services for the hospital or welfare needs of district inhabitants.

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

Sec. 1099.114. PAYMENT FOR TREATMENT; PROCEDURES.

(a) When a patient who resides in the district is admitted to a district facility, the district manager may 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 manager 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 manager determines that the patient or those relatives can pay for all or part 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 care and support. The amount ordered must be proportionate to their financial ability.

(d) The district manager 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 as to the ability to pay, or doubt in the mind of the district manager, the board shall hold a hearing and, after calling witnesses, shall:

- (1) resolve the dispute or doubt; and
- (2) issue any appropriate orders.

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

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

Sec. 1099.115. AUTHORITY TO SUE AND BE SUED. (a) The district, through the board, may sue and be sued.

(b) The district is entitled to all causes of action and defenses to which similar authorities are entitled.

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

#### SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1099.151. TERRITORY THAT MAY BE ANNEXED. (a) The district may annex territory that is not located in:

- (1) Sherman County;
- (2) the boundaries of another hospital district; or
- (3) the proposed boundaries of another hospital district authorized by the legislature under Section 9, Article IX, Texas Constitution.

(b) Territory may be annexed in one or more tracts. Each tract must be contiguous to:

- (1) the district; or

(2) territory proposed to be annexed to the district.  
Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01,  
eff. April 1, 2013.

Sec. 1099.152. PETITION TO ANNEX TERRITORY. (a) A petition requesting that territory be annexed to the district may be presented to the board. The petition must:

(1) describe the tract or tracts of land to be annexed;  
and

(2) be signed by 50 or a majority of the registered voters who:

(A) reside in the territory to be annexed; and

(B) own property duly rendered for taxation on the applicable county tax rolls that will be subject to district taxation.

(b) This subchapter does not prohibit simultaneous action on several petitions for annexation. A ballot proposition must be submitted for each different territory proposed to be annexed, and an election held in each territory represented by an approved petition.

(c) If the board receives two or more petitions for annexation that include all or part of the same territory to be annexed to the district, the petition filed first with the board shall be considered and another petition that includes any of the same territory has no effect.

(d) The board may consider all petitions for annexation presented to it and may approve or reject each petition. The board may not partly approve or partly reject any petition.

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

Sec. 1099.153. ELECTION ORDER. (a) If, on receipt of a petition under Section [1099.152](#), the board finds that annexing the territory is in the district's best interest, the board shall within 90 days of the board's finding:

(1) approve the petition; and

(2) order an election on the question of annexing the

territory to the district.

(b) The election order shall provide for a separate election in:

- (1) the territory proposed to be annexed; and
- (2) the district.

(c) The election order shall provide for clerks as in county elections and must specify:

- (1) the date of the election;
- (2) the location of the polling places;
- (3) the form of ballot; and
- (4) the presiding judge and alternate judge for each polling place.

(d) The election order may provide that:

- (1) the entire district is one election precinct; or
- (2) the county election precincts be combined for the election.

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

Sec. 1099.154. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The establishment of the Hospital District with extended boundaries and establishment of a hospital district tax at a rate not to exceed 40 cents on the \$100 valuation."

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

Sec. 1099.155. NOTICE OF ELECTION. (a) Notice of the election shall be given by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper or newspapers that individually or collectively have general circulation in the county or district.

(b) The first publication must appear at least 30 days before the date of the election.

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

Sec. 1099.156. ELECTION RESULTS. (a) Territory may not be annexed to the district unless:

(1) an election is held in accordance with this subchapter; and

(2) the annexation is approved by a majority of the voters voting in the election in:

(A) the district; and

(B) the territory proposed to be annexed.

(b) If the territory is annexed to the district, a certified copy of the order canvassing the returns of the election shall be filed and recorded in the deed records.

(c) The failure of an election under this subchapter does not prohibit subsequent elections for the same purpose. A confirmation election may not be held under this subchapter before the first anniversary of the date of an election previously held under this subchapter.

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

Sec. 1099.157. EFFECT OF ANNEXATION. (a) Territory annexed to the district is part of the board for all purposes.

(b) The annexation of territory to the district does not change the manner in which the board or board officers are selected.

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

#### SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. [1099.201](#). BUDGET. (a) The district manager shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;

(2) the cash on hand to the credit of each district fund;

(3) the money received by the district from all sources during the previous year;

(4) the money available to the district from all sources during the ensuing year;

(5) the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated revenue and balances available to cover the proposed budget;

(7) the estimated tax rate required; and

(8) the proposed expenditures and disbursements and the estimated receipts and collections for the following fiscal year.

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

Sec. 1099.202. NOTICE; HEARING; APPROVAL OF BUDGET.

(a) The board shall hold a public hearing on the annual budget.

(b) At least 10 days before the date of the hearing, notice of the hearing shall be published one time in a newspaper or newspapers that individually or collectively have general circulation in the district.

(c) Any property taxpayer of the district is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall act on the budget proposed by the district manager. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and the law warrants. The board must approve the annual budget.

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

Sec. 1099.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments.

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

Sec. 1099.204. RESTRICTION ON EXPENDITURES. 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. 1099.205. FISCAL YEAR. The district shall operate on a fiscal year that begins on September 1 and ends on August 31.

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

Sec. 1099.206. AUDIT. (a) The district shall have an independent audit made of the district's financial condition for each fiscal year.

(b) As soon as the audit is completed, the audit shall be filed at the district's office.

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

Sec. 1099.207. INSPECTION OF AUDIT AND DISTRICT RECORDS. The audit and other district records shall be open to inspection 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. 1099.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district manager 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. 1099.209. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money, other than money invested as

provided by Section [1099.210\(b\)](#), and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to:

- (1) place a part of district money on time deposit; or
- (2) purchase certificates of deposit.

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

#### Sec. 1099.210. SPENDING AND INVESTMENT RESTRICTIONS.

(a) Except as otherwise provided by Section [1099.107\(c\)](#) and by Subchapter F, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter [2256](#), Government Code.

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

### SUBCHAPTER F. BONDS

Sec. 1099.251. 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 the purchase, construction, acquisition, repair, or renovation of buildings or improvements and equipping the buildings or improvements for hospital purposes.

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

Sec. 1099.252. 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 exceed the tax rate approved by the voters at the election authorizing the imposition of the tax.

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

Sec. 1099.253. 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 order calling the bond election shall provide for clerks as in county elections and must specify:

- (1) the date of the election;
- (2) the location of the polling places;
- (3) the presiding and alternate election judges for each polling place;
- (4) the amount of the bonds to be authorized; and
- (5) the maximum interest rate of the bonds.

(c) Notice of a bond election shall be given as provided by Section [1251.003](#), Government Code.

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

Sec. 1099.254. 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. 1099.255. 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. 1099.256. REVENUE BONDS. (a) The board may issue revenue bonds to:

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

(2) acquire sites to be used for hospital purposes.

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

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

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

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

Sec. 1099.257. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding indebtedness issued by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of outstanding indebtedness; or

(2) exchanged wholly or partly for not less than a similar principal amount of the outstanding indebtedness.

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

Sec. 1099.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) any bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) any profits made in the sale of the bonds.

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

eff. April 1, 2013.

## SUBCHAPTER G. TAXES

Sec. 1099.301. IMPOSITION OF TAX. (a) The board shall impose a tax on all taxable 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 by the district for hospital purposes as provided by this chapter;

(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.

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

Sec. 1099.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed 40 cents on each \$100 valuation of taxable property in the district.

(b) In setting the tax rate, the board shall consider the income of the district from sources other than taxation.

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

Sec. 1099.303. ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. Unless the board by majority vote elects to have taxes assessed and collected under Section [1099.304](#), the tax assessor-collector of the county in which the district is located shall assess and collect taxes imposed by and for the district.

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

Sec. 1099.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX

ASSESSOR-COLLECTOR. (a) The board, by majority vote, may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board. An election under this subsection must be made before December 1 and governs the manner in which taxes are assessed and collected, until changed by a similar resolution.

(b) The district tax assessor-collector must:

(1) reside in the district; and

(2) own real property subject to district taxation.

(c) The board shall prescribe the district tax assessor-collector's term of employment and compensation.

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