SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS CHAPTER 1102. SWEENY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1102.001. 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 Sweeny Hospital District.

 Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
- Sec. 1102.002. AUTHORITY FOR OPERATION. The Sweeny Hospital District operates in accordance with Section 9, Article IX, Texas Constitution.

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

Sec. 1102.003. 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. 1102.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Sweeny Independent School District as those boundaries existed on May 10, 1963.

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

Sec. 1102.005. 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.

SUBCHAPTER B. DISTRICT ADMINISTRATION

- Sec. 1102.051. BOARD ELECTION; TERM. (a) The board consists of seven elected directors.
- (b) Unless four-year terms are established under Section 285.081, Health and Safety Code:
 - (1) directors serve two-year terms; and
- (2) an election shall be held annually on the May uniform election date prescribed under 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(9), eff. September 1, 2013.

Sec. 1102.052. NOTICE OF ELECTION. Notice of a directors' election shall be published in a newspaper of general circulation in Brazoria County 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. 1102.053. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as 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 a director.

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

Sec. 1102.054. BOND; RECORD OF BOND AND OATH. (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) Each director's bond and the constitutional oath of office must be deposited with the district's depository bank for safekeeping.

Sec. 1102.055. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

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

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

Sec. 1102.056. OFFICERS. (a) The board shall elect from among its members a president and secretary.

- (b) The board may elect or appoint other officers as the board determines necessary.
- (c) The board shall prescribe the powers and duties of an officer position created under Subsection (b) in addition to the positions of president and secretary.

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

Sec. 1102.057. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on approval of the expenses by the entire board.

Sec. 1102.058. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

- Sec. 1102.059. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board may employ a general manager, an attorney, a bookkeeper, an architect, and other employees considered necessary for the efficient operation of the district.
- (b) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians as independent contractors to serve as medical staff members and to recruit other persons to serve as district employees, including:
 - (1) advertising and marketing;
- (2) paying travel, recruitment, and relocation expenses;
 - (3) providing a loan or scholarship to:
 - (A) a physician who:
- (i) is currently enrolled in health care education courses at an institution of higher education; and
- (ii) contractually agrees to serve as an
 independent contractor on the district's medical staff; or
 - (B) a person who is not a physician who:
- (i) is currently enrolled in health care education courses at an institution of higher education; and
- (ii) contractually agrees to become a
 district employee;
- (4) paying the tuition or other expenses of a full-time medical student who:
- (A) is enrolled in and is in good standing at an accredited medical school, college, or university; and
- (B) contractually agrees to serve as an independent contractor on the district's medical staff in return for that assistance; or
 - (5) paying the tuition or other expenses of a

full-time student in a health occupation who:

- (A) is not a medical student;
- (B) is enrolled in and is in good standing at an accredited medical school, college, or university; and
- (C) contractually agrees to serve as an employee or independent contractor for the district in return for that assistance.

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

- Sec. 1102.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Except as provided by Section 1102.054, 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 office; and
- (2) open to public inspection at the district 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. 1102.061. 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. 1102.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants and needy and indigent residents.

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

Sec. 1102.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION. Brazoria County or a municipality in the district may not impose a tax on property in the district for hospital purposes.

Sec. 1102.103. 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. 1102.104. $\mbox{HOSPITAL SYSTEM.}$ The district shall provide for:

- (1) the establishment of a hospital system to provide medical and hospital care to district residents by:
- (A) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements; and
- (B) equipping the buildings and improvements;
- (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. 1102.105. NURSING HOME FACILITIES. The district may provide outpatient care for the aged or infirm residing in the district in nursing home facilities by purchasing, constructing, acquiring, repairing, renovating, or leasing land, buildings, and improvements. The district may equip the facilities and administer the facilities for appropriate purposes.

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

- Sec. 1102.106. RULES. (a) The board may adopt rules governing the operation of the district and district facilities.
- (b) The rules, on approval by the board, may be published in booklet form at district expense and may be made available to any taxpayer on request.

- Sec. 1102.107. 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.

- Sec. 1102.108. 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(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. 1102.109. 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. 1102.110. PAYMENT FOR TREATMENT; PROCEDURES.

 (a) When a patient who resides in the district is admitted to a district facility, the board 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 an agent designated by the district to handle the inquiry 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 board 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 their financial ability and may not exceed the actual per capita cost of maintenance.
- (d) The district may collect the amount from the patient's estate, or from the patient's 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's designated agent, 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.

- Sec. 1102.111. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.
- (b) The corporation may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.
- (c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.
- (d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

 Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.
- Sec. 1102.112. 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.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1102.151. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

- Sec. 1102.152. 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 Brazoria County not later

than the 10th day before the date of the hearing.

- (c) Any district resident is entitled to:
- (1) appear at the time and place designated in the notice; and
- (2) be heard regarding any item included in the proposed budget.

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

Sec. 1102.153. 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. 1102.154. ANNUAL AUDIT. The board annually shall have an independent audit made of the district's books and records.

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

Sec. 1102.155. DEPOSITORY OR TREASURER. (a) The board by resolution shall designate a bank or banks in Brazoria County as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

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

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

Sec. 1102.156. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

(a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

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

- (1) district revenue that is not pledged to pay the district's bonded indebtedness;
- (2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or
- (3) a district bond that has 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1102.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, or renovate buildings or improvements and equip 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. 1102.202. TAX TO PAY GENERAL OBLIGATION BONDS.

 (a) 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 general obligation bonds issued under Section 1102.201 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 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. 1102.203. 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 in accordance with Chapter 1251, Government Code.
- (c) Notice of a bond election shall be given as provided by 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. 1102.204. EXECUTION OF GENERAL OBLIGATION BONDS.

 (a) The board president shall execute district general obligation bonds in the district's name.
- (b) The board secretary shall countersign the bonds.

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

Sec. 1102.205. REVENUE BONDS. (a) The board may issue revenue bonds to purchase, construct, acquire, repair, renovate, or equip buildings, sites, or improvements for district purposes.

- (b) The bonds must be payable from and secured by a pledge of all or part of the revenue derived from the operation of the district's hospital system.
- (c) The bonds may be additionally secured by a mortgage or deed of trust 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.

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

Sec. 1102.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds 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 1102.202 and revenue and other sources as authorized by Section 1102.205.

- Sec. 1102.207. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1102.251. 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 board shall impose the tax to:
- (1) pay the interest on and create a sinking fund for bonds 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.

Sec. 1102.252. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

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

SUBCHAPTER G. DISSOLUTION

Sec. 1102.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the registered district voters voting in an election held for that purpose.

- (b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.
- (c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered district voters.
- (d) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 161, Sec. 18.102, eff. September 1, 2013.
 - (e) 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.
- (f) Section 41.001, 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.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.102, eff. September 1, 2013.

Sec. 1102.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(b) The first publication of 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. 1102.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Sweeny Hospital District." Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. 1147), Sec. 1.01, eff. April 1, 2013.

Sec. 1102.304. 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.

- Sec. 1102.305. TRANSFER OR ADMINISTRATION OF ASSETS.

 (a) If a majority of the votes in the 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 Brazoria County or another governmental entity in Brazoria County; or
- (2) 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 district makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.
- (c) If the district does not make the transfer under Subsection (a)(1) and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all the money has been disposed of and all district debts have been paid or settled.

- Sec. 1102.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:
 - (1) determine any debt owed by the district; and
- (2) impose on the property included on the district's tax roll a tax that is in proportion of any 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 Brazoria 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. 1102.307. 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 Brazoria County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the commissioners court 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,