

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1103. SWISHER MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1103.001. 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 Swisher Memorial Hospital District.

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

Sec. 1103.002. AUTHORITY FOR CREATION. The Swisher Memorial 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1103.003. 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. 1103.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Swisher County, Texas.

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

Sec. 1103.005. 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. 1103.006. 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1103.051. BOARD ELECTION; TERM. (a) The district is governed by a board of five directors elected as follows:

(1) one director elected from each county commissioners precinct; and

(2) one director elected from the county at large.

(b) Unless four-year terms are established under Section [285.081](#), Health and Safety Code, directors serve staggered two-year terms, with the terms of two or three directors expiring each year, as appropriate.

(c) An 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(10), eff. September 1, 2013.

Sec. 1103.052. NOTICE OF ELECTION. Notice of a directors' election must be published 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.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.002(a), eff. September 1, 2013.

Sec. 1103.053. BALLOT APPLICATION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary an application in accordance with Chapter 144, Election Code.

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. 18.002(b), eff. September 1, 2013.

Sec. 1103.054. QUALIFICATIONS FOR OFFICE. (a) A person must at the time of election or appointment as director:

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

(b) A director must reside in the area the director represents.

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. 18.002(c), eff. September 1, 2013.

Sec. 1103.055. 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 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, the county judge of Swisher County may fill the vacancies by appointment.

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

Sec. 1103.056. OFFICERS. The board shall elect from among

its members a president, a vice president, and a secretary.

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

Sec. 1103.057. COMPENSATION. A director is entitled to compensation at a rate determined by the board. The rate may not exceed \$10 for each board meeting.

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

Sec. 1103.058. 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. 1103.059. 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 receive the compensation determined by the board.

(d) On 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 \$10,000 that:

(1) is conditioned on the administrator performing the administrator's 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. 1103.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to any limitations prescribed by the board, the district administrator 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. 1103.061. EMPLOYEES. The board may employ any doctors, technicians, nurses, and other employees as considered necessary for the efficient operation of the district or may provide that the district administrator has the authority to employ those persons.

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

Sec. 1103.062. RETIREMENT PROGRAM. The board may enter into any contract or agreement with this state or the federal government as required to establish or continue a retirement program for the benefit of the district's employees.

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

Sec. 1103.063. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

(a) The board shall:

(1) keep an accurate account of board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

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. 1103.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing

medical and hospital care of indigent persons; and

(2) 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. 1103.102. RESTRICTION ON COUNTY OR MUNICIPAL TAXATION AND DEBT. Swisher County or a municipality in Swisher County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical care.

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

Sec. 1103.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and hospital system.

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

Sec. 1103.104. HOSPITAL SYSTEM. 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.

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

Sec. 1103.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter.

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

Sec. 1103.106. 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. 1103.107. 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 or convenient 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.

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

Sec. 1103.108. 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. 1103.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside Swisher County for the care and treatment 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 treatment of a sick or injured person for whom this state or the federal government is responsible.

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

Sec. 1103.110. 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 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 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 administrator may collect the amount from the patient's estate, or from those relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute 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 any appropriate order.

(f) A party to the dispute who is not satisfied with the order may appeal to the district court. The appeal shall be by trial de novo as that term is used in an appeal from a justice court to the county court.

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

Sec. 1103.111. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

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. 1103.151. BUDGET. (a) The district administrator shall prepare for approval by the board an annual budget that corresponds to the district's fiscal year.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Swisher County at least 10 days before the date of the hearing.

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

Sec. 1103.152. FISCAL YEAR. The district shall operate on a fiscal year that begins on October 1 and ends on September 30.

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

Sec. 1103.153. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times 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. 1103.154. 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. 1103.155. DEPOSITORY. (a) The board shall designate

one or more banks in Swisher County to serve as a depository for district money.

(b) All district money shall be immediately 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) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

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

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

Sec. 1103.156. 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.

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

(1) district revenue that is not pledged to pay the district's bonded indebtedness;

(2) district taxes to be imposed by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 18.003(a), eff. September 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1103.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose related to the purchase, construction, acquisition, repair, or renovation of buildings or improvements, and equipping buildings or improvements for a hospital and the hospital system, as determined by the board.

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

Sec. 1103.202. 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 and to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other ad valorem tax imposed for the district may not in any year exceed 75 cents on each \$100 valuation of 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. 1103.203. 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 shall call the election. The election must be held in accordance with Chapter [1251](#), Government Code.

(c) The bond election order must specify:

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

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

eff. April 1, 2013.

Sec. 1103.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the district's name and the board secretary shall attest the bonds as 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. 1103.2045. REVENUE BONDS. (a) The board may issue revenue bonds to:

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

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

(3) acquire real property for hospital purposes.

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

(d) Revenue bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 18.003(b), eff. September 1, 2013.

Sec. 1103.205. REFUNDING BONDS. (a) District refunding bonds may, without an election, be issued to refund any bonds issued or assumed by the district.

(b) A refunding bond may be:

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

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

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

eff. April 1, 2013.

Sec. 1103.206. 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.

Sec. 1103.207. ANTICIPATION NOTES AND CERTIFICATES OF OBLIGATION. The board may issue:

- (1) anticipation notes under Chapter [1431](#), Government Code; and
- (2) certificates of obligation under Subchapter C, 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. 1103.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this chapter, 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 [1103.202](#) and revenue and other sources as authorized by Section [1103.2045](#).

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 18.003(b), eff. September 1, 2013.

Sec. 1103.209. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this chapter to pay:

- (1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
- (2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
- (3) costs related to the operation and maintenance of

a project or facility to be provided through the bonds:

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

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

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

(5) costs related to the bond issuance;

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 18.003(b), eff. September 1, 2013.

SUBCHAPTER F. GENERAL TAX PROVISIONS

Sec. 1103.251. IMPOSITION OF AD VALOREM TAX. (a) The district may impose a tax on all taxable property in the district subject to district taxation.

(b) The tax may be used to meet the requirements of:

(1) district bonds;

(2) indebtedness assumed by the district; and

(3) district maintenance and operating expenses.

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

Sec. 1103.252. TAX RATE. The district may impose the tax at a rate not to 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. 1103.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Swisher County shall assess and collect taxes

imposed by the district.

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