

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 3. HEALTH  
SUBTITLE A. HOSPITAL DISTRICTS  
CHAPTER 1110. VAL VERDE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1110.001. 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 Val Verde County Hospital District.

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

Sec. 1110.002. AUTHORITY FOR OPERATION. The Val Verde County Hospital District operates in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by that section and this chapter.

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

Sec. 1110.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter.

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

Sec. 1110.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Val Verde County, Texas.

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

Sec. 1110.005. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.006. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.007. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

#### SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1110.051. BOARD ELECTION; TERM. (a) The board consists of seven directors elected as follows:

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

(2) three directors elected from the district at large.

(b) A district voter may vote on the directors to be elected at large and on the director to be elected from the precinct in which the voter resides.

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

(d) Directors serve staggered four-year terms.

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

Sec. 1110.052. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) at least 18 years of age at the time of the appointment or election;

(2) a resident of the district; and

(3) a qualified voter.

(b) A director who represents a county commissioners precinct must be a resident of that precinct.

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

Sec. 1110.053. EX OFFICIO DIRECTOR. The chief of staff may serve as an ex officio director without the right to vote as a director.

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

Sec. 1110.054. BALLOT PETITION. 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 a petition requesting that action. The petition must be:

(1) signed by at least 10 registered voters; and

(2) filed by the deadline imposed by Section [144.005](#), Election Code.

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

Sec. 1110.055. NOTICE OF ELECTION. At least 10 days before the date of a directors' election, notice of the election shall be published one time in a newspaper of general circulation in Val Verde County.

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

Sec. 1110.056. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.057. OFFICERS. The board shall elect from among its members a president and secretary.

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

Sec. 1110.058. COMPENSATION. A director serves without compensation.

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

Sec. 1110.059. 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 constitutional oath of office must be deposited with the district's depository bank for safekeeping.

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

Sec. 1110.060. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business.

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

Sec. 1110.061. BOARD MEETINGS. (a) A board meeting may be called by the president or any four directors.

(b) Notice of the time and place of a board meeting must be given to each director at least 72 hours before the time of the meeting.

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

Sec. 1110.062. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board may appoint a qualified person as district administrator.

(b) The board may appoint an assistant administrator.

(c) The administrator and assistant administrator, if any, serve at the will of the board and shall 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 \$5,000 that:

(1) is conditioned on the administrator performing the administrator's duties; and

(2) contains any other condition the board requires.

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

Sec. 1110.063. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.064. APPOINTMENT OF STAFF AND EMPLOYEES.

(a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as 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 administrator the authority to employ technicians, nurses, and district employees. Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.065. SENIORITY; RETIREMENT BENEFITS. The board may:

(1) adopt rules relating to the seniority of district employees, including rules for a retirement plan based on seniority; and

(2) give effect to previous years of service for those employees continuously employed in the operation or management of hospital facilities:

(A) constructed by the district; or

(B) acquired by the district, including facilities acquired when the district was created because of former Section 2, Chapter 658, Acts of the 64th Legislature, Regular Session, 1975.

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

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1110.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing hospital care for the district's indigent residents.

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

Sec. 1110.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care.

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

Sec. 1110.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and all the district's money and resources. Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.104. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.105. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.106. PURCHASING AND ACCOUNTING. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.107. OPERATING, MANAGEMENT, OR CONSULTING CONTRACTS. (a) The board may enter into an operating, management, or consulting contract with respect to all or part of the district's facilities. The contract must provide that the board retains responsibility for and control of the district's operation.

(b) A company providing services to the district under the contract, and the officers, directors, and employees of the company, while performing services under the contract for benefit of the district:

(1) are employees of the district solely for purposes of the immunity or liability of the company and the company's officers, directors, and employees; and

(2) have immunity or limited liability under laws applicable to district employees, whether statutory or common law, to the extent a district employee would be entitled to immunity or limited liability under the same circumstances.

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

Sec. 1110.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board may lease all or part of the district's property, including facilities or equipment, on terms the board considers to be in the best interest of the district's residents. The term of the lease may not exceed 25 years from the date entered.

(b) The board may:

(1) lease or acquire property, including facilities or equipment, for the use of the district; and

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

(c) The board may sell or otherwise dispose of property, including facilities or equipment, for the district. Sale or other disposal under this subsection must be at a public sale and at a price and on terms the board determines are most advantageous to the district.

(d) The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

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



Sec. 1110.109. 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, and other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

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

Sec. 1110.110. CONSTRUCTION AND PURCHASE CONTRACTS. (a) A construction contract that involves the expenditure of more than \$50,000 shall be procured in the manner provided by Subchapter B, Chapter [271](#), Local Government Code.

(b) A contract for a purchase that involves the expenditure of more than \$50,000, other than a contract subject to Subchapter B, Chapter [271](#), Local Government Code, or Chapter [2253](#), Government Code, shall be procured in the manner provided by Subchapter C, Chapter [262](#), Local Government Code.

(c) The provisions of Chapter [2253](#), Government Code, relating to performance and payment bonds, apply to construction contracts let by the district.

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

Sec. 1110.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. The board may contract with:

(1) any county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality; and

(2) this state or a federal agency for the treatment of a sick or injured person.

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

Sec. 1110.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a political subdivision or governmental agency for the district to

provide investigatory or other services as to the hospital or welfare needs of district inhabitants.

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

Sec. 1110.113. PAYMENT FOR TREATMENT; PROCEDURES.

(a) When a patient who resides in the district is admitted to a district facility, the district administrator 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 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 care and 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) 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 orders.

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

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

Sec. 1110.114. FEE SCHEDULE FOR OUT-OF-DISTRICT RESIDENTS. The board may adopt a fee schedule for services rendered to out-of-district residents which may be different from the fee schedule for services rendered to district residents. Added by Acts 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.115. 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 performing only governmental functions are entitled.

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

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1110.151. BUDGET. (a) The district administrator 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01,

eff. April 1, 2015.

Sec. 1110.152. PROPOSED BUDGET: NOTICE AND HEARING; APPROVAL OF BUDGET. (a) The board shall hold a public hearing on the proposed 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 provide general circulation in the district.

(c) Any property tax payer of the district is entitled to be present and participate at the hearing in accordance with the rules of decorum and procedures prescribed by the board.

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

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

Sec. 1110.153. AMENDMENTS TO BUDGET. The annual budget may be amended as required by circumstances. The board must approve all amendments.

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

Sec. 1110.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

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

Sec. 1110.155. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed more than once in any 24-month period.

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

eff. April 1, 2015.

Sec. 1110.156. ANNUAL AUDIT. (a) The board annually shall have an independent audit made of the district's financial condition for the fiscal year.

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

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

Sec. 1110.157. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.158. 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 disbursement of that money.

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

Sec. 1110.159. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section [1110.160](#)(b) and money transmitted to a bank for payment of bonds or obligations issued or assumed 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. 1026), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.160. SPENDING AND INVESTMENT RESTRICTIONS.

(a) Except as otherwise provided by Section 1110.108(b) and Sections 1110.201-1110.207, 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 fund reserves only in funds or securities specified by Chapter 2256, Government Code.

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

#### SUBCHAPTER E. BONDS

Sec. 1110.201. 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 relating to:

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

(2) equipping buildings and improvements for hospital purposes.

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

Sec. 1110.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1110.201, 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 tax rate approved by the voters at the election authorizing the imposition of the tax.

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

Sec. 1110.203. 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 order calling the bond election must 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;
- (5) the maximum interest rate of the bonds; and
- (6) the maximum maturity of the bonds.

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

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

Sec. 1110.204. REVENUE BONDS. (a) The board may issue revenue bonds to purchase, construct, acquire, repair, renovate, or equip buildings and improvements for hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.205. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness 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 indebtedness; or

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

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

Sec. 1110.206. MATURITY OF BONDS. District bonds must mature not later than 40 years after their date of issuance.

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

Sec. 1110.207. EXECUTION OF BONDS. The board president shall execute the district's 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

Sec. 1110.208. 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.

#### SUBCHAPTER F. TAXES

Sec. 1110.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.



(b) The board shall impose the tax for the benefit of the district to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes as provided by this chapter;

(2) pay indebtedness incurred or assumed by the district;

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

(4) make improvements and additions to the hospital system.

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

Sec. 1110.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed 30 cents on each \$100 valuation of all 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 2013, 83rd Leg., R.S., Ch. 112 (S.B. [1026](#)), Sec. 1.01, eff. April 1, 2015.