

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1118. MAVERICK COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1118.001. 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 Maverick County Hospital District.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.001](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.002. AUTHORITY FOR CREATION. The Maverick County Hospital District is created under the authority of Section 9, Article IX, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.002](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.003](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.004. DISTRICT TERRITORY. The boundaries of the

district are coextensive with the boundaries of Maverick County.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section [1072.004](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system and any indebtedness incurred by the district under this chapter may not become a charge against or obligation of this state.
Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section [1072.005](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.006. 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section [1072.006](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1118.051. BOARD ELECTION; TERMS. (a) The board consists of five directors elected by district voters.

(b) Directors serve staggered four-year terms.

(c) An election shall be held on the first Tuesday after the first Monday in November of each year to elect the appropriate number of directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.
Redesignated from Special District Local Laws Code, Section

[1072.051](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.052. QUALIFICATIONS FOR OFFICE. (a) To qualify for election to the board, a person must be:

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

(b) A person may not serve on the board if the person is:

- (1) a party to a contract with the district to perform services for the district for compensation; or
- (2) a district employee.

(c) A director is eligible for reelection to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.052](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) Each director shall qualify for office by executing a good and sufficient commercial 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 a director's bond.

(c) Each director's bond and constitutional oath or affirmation of office shall be deposited with the district's depository for safekeeping.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.053](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.054. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors by majority vote shall appoint a director for the unexpired term.

(b) The appointed director must have the qualifications required by Section [1118.052](#).

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.054](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.002(15), eff. September 1, 2011.

Acts 2017, 85th Leg., R.S., Ch. 27 (S.B. [881](#)), Sec. 1, eff. September 1, 2017.

Sec. 1118.055. OFFICERS. The board shall elect from among its members a chairman, a vice-chairman, a secretary, and a treasurer at the first meeting after each directors' election.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.055](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 27 (S.B. [881](#)), Sec. 2, eff. September 1, 2017.

Sec. 1118.056. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for necessary expenses incurred in the performance of official duties.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section

[1072.056](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is sufficient in any matter relating to the business of the district. (Acts 59th Leg., R.S., Ch. 172, Sec. 5(g) (part).)

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.057](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.058. DISTRICT ADMINISTRATOR. (a) The board may authorize the appointment, engagement, or employment of a district administrator to manage the operations of the district.

(b) The district administrator serves at the will of the board and is subject to rules adopted by the board.

(c) The board may require that a person, before assuming the duties of district administrator, execute a bond in an amount determined by the board of not less than \$10,000 that is:

(1) payable to the district; and

(2) conditioned on the faithful performance of the person's duties as district administrator under this chapter.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.058](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.059. EMPLOYMENT OF MEDICAL STAFF AND OTHER HEALTH CARE PROVIDERS. (a) The board may employ physicians, dentists, or other health care providers as the board considers necessary for the efficient operation of the district.

(b) This section does not authorize the board to supervise or control the practice of medicine or permit the unauthorized

practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.059 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.060. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

(a) The board may appoint a physician to or remove a physician from the staff of any hospital or hospital system that is a component of the district's operations as the board considers necessary for the efficient operation of the district.

(b) The board may adopt rules relating to the method of appointing or removing medical staff members, including the method for temporary appointments.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.060 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.061. RECRUITMENT AND RETENTION OF MEDICAL STAFF AND PROFESSIONAL PERSONNEL. The board may, consistent with applicable federal and state laws, recruit and retain physicians, nurses, technicians, and other professional personnel through:

- (1) scholarship programs;
- (2) agreements for future services;
- (3) shared personnel;
- (4) bonuses; and
- (5) any other method the board determines necessary.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.061 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.062. OTHER DISTRICT EMPLOYEES. (a) The board may authorize the employment of persons necessary for the efficient operation of the district.

(b) An employee serves at the will of the board and is subject to rules adopted by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.062 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.063. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

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

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.063 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. The board shall:

(1) maintain all district records, including books, accounts, notices, minutes, and other matters of the district and its operation, at the district office; and

(2) make those records available for public inspection at reasonable times.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.064 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec.

27.001(53), eff. September 1, 2011.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1118.101. DISTRICT RESPONSIBILITY. (a) The district has the responsibility of undertaking any measure, consistent with Section 9, Article IX, Texas Constitution, and this chapter, that the board determines is necessary to provide hospital and medical care to the district's needy residents.

(b) The district shall undertake any measure, consistent with Section 9, Article IX, Texas Constitution, and this chapter, that the board determines is necessary to provide hospital and medical care for the district's needy inhabitants.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.101 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.102. ANNUAL DETERMINATION OF CARE. The board, based on the estimated amount of revenue and balances available to cover the proposed annual budget for the district, may annually determine the type and extent of hospital and medical care services offered by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.102 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.103. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision of this state, other than the district, may not impose a tax or issue bonds or other obligations to provide hospital service or medical care in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.103](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.104. MANAGEMENT AND CONTROL OF DISTRICT. The management and control of the district is vested in the board, and the board has full power to manage and control the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.104](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.105. RULES. (a) The board shall adopt rules for the efficient operation of the district, including district facilities.

(b) The board shall:

(1) publish the rules in book form; and

(2) provide copies to interested persons on request at district expense.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.105](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe the method of making purchases and expenditures and the manner of accounting and control used by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.106](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board may:

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

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

(b) The board may sell, lease, 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 the terms the board determines are most advantageous to the district.

(c) 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 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.107 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.108. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in real, personal, or mixed property located in district territory if the interest is necessary or convenient for the district to exercise a power or duty 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, the district is not required to:

(1) pay in advance or provide a bond or other security for costs in the trial court; or

(2) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.108](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.109. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.109](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.110. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) A construction contract awarded by the district that involves the expenditure of more than the amount provided by Section [271.024](#), Local Government Code, must be competitively bid as provided by Subchapter B, Chapter [271](#), Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.111](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.111. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to hospital services or medical care the district is authorized to provide.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.111](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.112. CONTRACTS WITH POLITICAL SUBDIVISIONS OR GOVERNMENT AGENCIES FOR HOSPITAL AND MEDICAL CARE. The board may contract with a municipality or other political subdivision or a state or federal agency to provide hospital and medical care for needy persons who reside outside the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.112 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) A person who resides in the district is entitled to receive necessary medical and hospital care regardless of whether the person has the ability to pay for the care and may apply to receive this care without cost.

(b) The board or the district administrator shall employ a person to investigate the ability of the patient and any relative who is liable for the patient's support to pay for the medical and hospital care received by the patient.

(c) If the district determines that the patient or relative legally liable for the patient's support cannot pay all or part of the costs of the patient's care, the expense of the care becomes a charge against the district.

(d) If the patient or a relative legally liable for the patient's support can pay for all or part of the costs of the patient's care, the board shall order the patient or relative to pay to the district each week an amount specified in the order. The amount must be proportionate to the person's ability to pay.

(e) The district administrator may collect the amount from the patient's estate, or from any relative who is 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.

(f) If there is a dispute as to the ability to pay, the board shall hold a hearing and, after calling witnesses, shall:

(1) determine the question; and

(2) make the proper order based on the board's

findings.

(g) A party to the hearing who is not satisfied with the result of the order may appeal to the district court. The substantial evidence rule applies to the appeal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.113 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.114. REIMBURSEMENT FOR SERVICE. (a) The board shall require a county, municipal, or other public hospital located outside the district to reimburse the district for the district's care and treatment of a patient of that hospital as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Maverick County or the police chief of a municipality in the district to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of the county or municipality and is not a resident of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.114 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.115. CHARITABLE ORGANIZATION. (a) In this section, "charitable organization" means an organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(3) or 501(c)(4) of the code.

(b) The board may facilitate the achievement of district purposes by creating a charitable organization to:

(1) provide or arrange for hospital and health care services;

(2) develop resources for hospital and health care services; and

(3) provide ancillary support services for the district.

(c) A charitable organization created under this section is a unit of local government for purposes of Chapter 101, Civil Practice and Remedies Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.115 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.116. NONPROFIT CORPORATION. (a) The board, on the district's behalf, 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, other than money the corporation pays to 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 adequate controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.116 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1118.151. BUDGET. The district administrator shall prepare a proposed budget that includes:

- (1) proposed expenditures and disbursements;
- (2) estimated receipts and collections for the next

fiscal year; and

(3) the amount of taxes required to be imposed to meet the proposed budget.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.151](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.152. ADOPTION OF 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 the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to:

(1) appear at the hearing; and

(2) be heard regarding any item in the proposed budget.

(d) At the conclusion of the hearing, the board shall adopt a budget for the district that includes any changes to the proposed budget that the board determines are in the best interest of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.152](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.153. FISCAL YEAR. The district's fiscal year is from September 1 through August 31.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.153](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.154. ANNUAL AUDIT. (a) The board annually shall require an independent audit of the district's books and records.

(b) On or before March 1 of each year, the board shall:

(1) file a copy of the audit with the district; and

(2) provide a copy of the audit at each public library located in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.154 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 103 (H.B. 2410), Sec. 1, eff. September 1, 2015.

Sec. 1118.155. DEPOSITORY. (a) The board by resolution shall designate a bank in Maverick County as the district's depository. A designated bank serves for two years and until a successor is designated.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.155 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate of not more than 10 percent a year on district notes to pay the obligations if the board declares that money is not available to meet authorized district obligations, which creates an emergency.

(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 in the next 12-month period that is not pledged to pay the principal of or

interest on district bonds; or

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

(c) A loan for which taxes or bonds are pledged must mature not later than the 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.

(d) Money obtained from a loan under this section may be spent only for:

(1) a purpose for which the board declared an emergency; and

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.156](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER E. BONDS

Sec. 1118.201. BONDS. The district may issue bonds to:

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

(2) equip buildings for hospital purposes.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.201](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 2, 2011.

Sec. 1118.202. TAX TO PAY GENERAL OBLIGATION BONDS. The board may issue general obligation bonds only if the board imposes 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.202](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.203. BOND ELECTION. (a) The board may issue general obligation bonds only if the bonds are authorized by a majority of district voters voting in an election held for that purpose.

(b) The board may order a bond election at any time.

(c) The order calling an election must include:

- (1) the time of the election;
- (2) the location of the polling places;
- (3) the form of the ballot;
- (4) the presiding judge for each polling place;
- (5) the purpose of the bond issuance;
- (6) the amount of the bonds to be authorized;
- (7) the maximum interest rate of the bonds; and
- (8) the maximum maturity of the bonds.

(d) A substantial copy of the election order shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published at least 14 days before the date of the election.

(e) A copy of the election results must be filed with the county clerk and become a public record.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.203](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.204. REVENUE BONDS. (a) The district may issue revenue bonds to:

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

(2) acquire real property 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 must be issued in the manner provided by Sections [264.042](#), [264.043](#), [264.044](#), [264.045](#), [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 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.204](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.205. 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 bond applied to the payment of the outstanding indebtedness; or

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.205](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.206](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.207. EXECUTION OF BONDS. (a) The board chairman

shall execute the district's bonds in the district's name.

(b) The board secretary shall countersign the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.207 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 27 (S.B. 881), Sec. 3, eff. September 1, 2017.

Sec. 1118.208. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

- (1) bonds issued by the district;
- (2) any transaction relating to the bonds; and
- (3) profits made in the sale of the bonds.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. 2619), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section 1072.208 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(53), eff. September 1, 2011.

SUBCHAPTER F. TAXES

Sec. 1118.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used only to:

- (1) pay the interest on and create a sinking fund for bonds issued under this chapter;
- (2) provide for the operation and maintenance of the district and hospital system;
- (3) make improvements and additions to the hospital system;
- (4) acquire sites for additions to the hospital system; and

(5) pay the indebtedness issued or assumed by the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.251](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.252. TAX RATE. The board may impose the tax at a rate not to exceed 50 cents on each \$100 valuation of all taxable property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.252](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.

Sec. 1118.253. TAX ASSESSOR-COLLECTOR. The tax assessor-collector for Maverick County shall collect taxes for the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1139 (H.B. [2619](#)), Sec. 1.01, eff. April 1, 2011.

Redesignated from Special District Local Laws Code, Section [1072.253](#) by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 27.001(53), eff. September 1, 2011.