

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 3. HEALTH  
SUBTITLE A. HOSPITAL DISTRICTS  
CHAPTER 1120. MINEOLA AREA MEDICAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1120.001. 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 Mineola Area Medical District.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.002. DISTRICT AUTHORIZATION. The Mineola Area Medical District may be created and, if created, operates and is financed as a hospital district as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the Mineola Independent School District.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.006. 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 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1120.021. CREATION ELECTION; ORDERING ELECTION.

(a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Wood County Commissioners Court shall order an election for the registered voters of the territory of the proposed district on the question of creation of the Mineola Area Medical District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of the territory of the proposed district.

(c) The order calling an election under this section must state:

(1) the nature of the election, including the proposition that is 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.

(d) Section [41.001\(a\)](#), Election Code, does not apply to an election ordered under this section.

(e) The Wood County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Wood County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date

set for the election.

(f) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Mineola Area Medical District, providing for the imposition of an ad valorem tax at a rate not to exceed 75 cents on each \$100 valuation on all taxable property in the district."

(g) The Wood County Commissioners Court shall find that the Mineola Area Medical District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.022. TEMPORARY DIRECTORS. (a) If the creation of the district is approved at the election held under Section [1120.021](#), the Wood County Commissioners Court shall appoint nine temporary directors to represent the district at large.

(b) Temporary directors serve until the date of the next regular election of directors that occurs after the date of the election held under Section [1120.021](#) and that allows sufficient time to comply with other requirements of law.

(c) A vacancy on the temporary board of directors shall be filled by appointment by the Wood County Commissioners Court.

(d) A person must be a qualified voter of the district to serve as a temporary director.

(e) An employee of the district may not serve as a temporary director.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.023. TEMPORARY OFFICERS. (a) The temporary board shall elect a president and a vice president from among the temporary directors.

(b) The temporary board shall appoint a secretary, who need not be a temporary director.

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

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1120.051. BOARD ELECTION; TERM. (a) The board consists of nine directors elected at large.

(b) An election shall be held each year on an authorized uniform election date to elect the appropriate number of directors.

(c) Directors serve staggered two-year terms.  
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.052. NOTICE. Notice of the directors' election shall be published at least once in a newspaper with general circulation in the district in accordance with Section [4.003](#)(a), Election Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.053. QUALIFICATION FOR OFFICE. (a) To be eligible to hold office on the board, a person must be:

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

(b) An administrator or an employee of the district may not serve as a director.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of \$5,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond shall be kept in the permanent records of the district.

(c) The board may pay for a director's bond with district money.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.

(b) The board shall appoint a secretary, who need not be a director.

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

(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND. (a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than \$5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

(e) The board may pay for the bond with district money.  
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

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

(2) direct the general affairs of the district.  
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.  
(a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.  
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.062. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;

(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and

(3) make temporary appointments to the medical staff as the board considers necessary.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.064. 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 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 1120.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.102. MANAGEMENT, CONTROL, AND

ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.103. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system;  
and

(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

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

(2) accounting and control procedures for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.105. PROVISION OF CERTAIN HEALTH SERVICES.

(a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:



(1) acquire property, facilities, and equipment for the district for use in the hospital system;

(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;

(3) sell or otherwise dispose of property, facilities, or equipment for the district; or

(4) lease hospital facilities for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter [21](#), Property Code, except that the district is not required to deposit with 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 bond or other security for costs in the trial court;

(2) provide 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 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally

responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in any county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter [61](#), Health and Safety Code.

(b) The board shall require the sheriff of Wood County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Wood County and is not a

resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.114. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.115. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter [271](#), Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1120.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

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

- (1) the outstanding obligations of the district;
- (2) the amount of cash on hand to the credit of each fund of the district;
- (3) the amount of money received by the district from all sources during the previous year;
- (4) the amount of money available to the district from all sources during the ensuing year;
- (5) the amount of the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated amount of revenues and balances available to cover the proposed budget; and

(7) the estimated tax rate required.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.152. NOTICE; HEARING; ADOPTION OF BUDGET.

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

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

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

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.155. ANNUAL AUDIT. The board shall have an

annual audit made of the financial condition of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.158. DEBT LIMITATION. Except as provided by this chapter and Chapter [1207](#), Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section [1120.160](#) 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. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase

certificates of deposit.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.160. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER E. BONDS

Sec. 1120.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

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

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

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1120.201, the board shall impose an ad valorem tax in an amount 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 tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. 4212), Sec. 1, eff. June 18, 2015.

Sec. 1120.203. GENERAL OBLIGATION BOND ELECTION. (a) The

district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

- (1) the nature and date of the election;
- (2) the hours during which the polls will be open;
- (3) the location of polling places;
- (4) the amounts of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter [1251](#), Government Code.

(d) The board shall declare the results of the election.  
Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;
- (2) acquire sites to be used for hospital purposes; or
- (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues 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 the 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, for issuance of revenue bonds by county hospital authorities.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.205. MATURITY. District bonds must mature not



later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter [618](#), Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the 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 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER F. AD VALOREM TAX

Sec. 1120.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.

(b) The tax may be used to pay:

- (1) indebtedness issued or assumed by the district;
- and
- (2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.252. TAX RATE. (a) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on

each \$100 valuation of the property according to the most recent certified tax appraisal roll of the district.

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

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.253. 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 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

#### SUBCHAPTER G. DISSOLUTION

Sec. 1120.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the 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 district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is 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.

(e) Section [41.001](#)(a), Election Code, does not apply to an election ordered under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.302. NOTICE OF ELECTION. (a) The board shall

give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Mineola Area Medical District."

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter 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.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Wood County or another governmental entity in Wood County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board 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 Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled. Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

- (1) determine the debt owed by the district; and
- (2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the 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 secretary to transmit the funds to the tax assessor-collector for the county in which the taxpayer resides.

Added by Acts 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1, eff. June 18, 2015.

Sec. 1120.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Wood County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Wood County 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 2015, 84th Leg., R.S., Ch. 893 (H.B. [4212](#)), Sec. 1,  
eff. June 18, 2015.