

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1121. CAMERON COUNTY HEALTHCARE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1121.001. 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 Cameron County Healthcare District.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.002. DISTRICT AUTHORIZATION. The Cameron County Healthcare 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cameron County.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.005. 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. 141 (S.B. 2034), Sec. 1,

eff. May 28, 2015.

Sec. 1121.006. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1121.021. 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 Cameron County Commissioners Court shall order an election for the registered voters of Cameron County on the question of creation of the Cameron County Healthcare District if the commissioners court receives a petition requesting an election that is signed by at least 100 registered voters who are residents of Cameron County.

(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 Cameron 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 Cameron 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 Cameron County Healthcare District, providing for the imposition of an ad valorem tax at a rate determined by the board of directors of the district, which rate may not exceed 25 cents on each \$100 valuation of all taxable property in the district. District funds shall be used for district purposes, including providing medical and hospital care for the needy inhabitants of Cameron County, improving health care services for inhabitants of Cameron County, supporting the School of Medicine at The University of Texas Rio Grande Valley, training physicians, nurses, and other health care professionals, obtaining federal or state funds for health care services, and providing community health clinics, primary care services, behavioral and mental health care services, and prevention and wellness programs."

(g) The Cameron County Commissioners Court shall find that the Cameron County Healthcare 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. 141 (S.B. [2034](#)), Sec. 1, eff. May 28, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1121.051. DIRECTORS; TERM. (a) If the creation of the district is approved at the election held under Section [1121.021](#), the district shall be governed by a board of nine directors, appointed as follows:

(1) the county judge of Cameron County shall appoint one director;

(2) each county commissioner serving on the Cameron County Commissioners Court shall appoint one director; and

(3) the governing bodies of the four municipalities located in Cameron County that have the greatest amounts of taxable value of property taxable by the district located within their corporate boundaries shall each appoint one director.

(b) Directors serve staggered three-year terms, with three

directors' terms expiring each year. The initial directors appointed under this section shall draw lots as follows to determine:

(1) for the directors appointed by the governing bodies of the municipalities in Cameron County described by Subsection (a), which director serves a one-year term, which two directors serve a two-year term, and which director serves a three-year term; and

(2) for the directors appointed by the Cameron County Commissioners Court, including the director appointed by the county judge of Cameron County, which two directors serve a one-year term, which director serves a two-year term, and which two directors serve a three-year term.

(c) On expiration of the initial directors' terms, successor directors shall be appointed for a three-year term by the person or governing body that appointed the initial director.

(d) A director may not serve more than three consecutive three-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.052. ELIGIBILITY FOR APPOINTMENT TO BOARD. A person is not eligible for appointment to the board if the person is:

- (1) an employee of Cameron County;
- (2) an employee of a municipality located in the district;
- (3) a district employee; or
- (4) related within the third degree of consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, to a member of the Commissioners Court of Cameron County, to a member of the governing body of a municipality located in the district, or to a person described by Subdivision (1), (2), or (3).

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.053. OFFICERS. (a) The board shall elect from among the directors:

(1) a chair; and

(2) a vice chair to preside in the chair's absence.

(b) The board shall elect a director or the district administrator to serve as secretary.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.054. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.055. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.056. BOARD VACANCY. A vacancy in the office of director shall be filled for the remainder of the unexpired term by appointment by the person or governing body that appointed the vacating director.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.057. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.058. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.059. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.060. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.061. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses;

(3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or

(4) contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.063. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.064. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1121.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating the district's hospital facilities and providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the money and resources of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.103. RULES. The board may adopt rules governing:

(1) the operation of the district and any district hospital; and

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

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.104. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.105. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate health care district; and

(2) the type of equipment necessary to provide medical care in the district.

(b) The board may:

(1) acquire property, facilities, and equipment for use by the district;

(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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital or other health care facilities for the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.108. SERVICE CONTRACTS. (a) The board may contract with public or private hospitals, clinics, physicians or other health care providers, political subdivisions of the state, accredited public or private medical schools and their affiliated nonprofit entities or faculty practice plans, allied health education institutions, or state and federal agencies for the district to provide a mobile emergency medical service or other medical, hospital, or health care services needed to provide for the investigatory, welfare, medical, or health care needs of inhabitants 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.109. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.110. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.111. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility or receives medical or hospital care from the district, 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 Cameron County. The substantial evidence rule applies to an appeal under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. [2034](#)), Sec. 1, eff. May 28, 2015.

Sec. 1121.113. REIMBURSEMENT FOR SERVICES. (a) If the district provides care or treatment to a sick or injured person who is not an inhabitant of Cameron County, the board shall require the county, municipality, or public hospital located outside of the district and in which the person is an inhabitant to reimburse the district for the district's care and treatment of that person as provided by Chapter [61](#), Health and Safety Code.

(b) The board shall require the sheriff of Cameron County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Cameron 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.114. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation created under this section may use money contributed by the district only for a district purpose, including the provision of health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT PURPOSES. Under the authority granted by Section 52-a, Article III, Texas Constitution, the district may loan or grant money to any person for the development of medical education and research in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.116. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.117. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1121.151. BUDGET. (a) The board and the district administrator shall jointly 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.152. 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 proposed budget. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended if the proposed amendment is adopted by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.154. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.155. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.156. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.157. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing. Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.159. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.160. 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 1121.161 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.161. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER E. BONDS

Sec. 1121.201. 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 district purposes; or

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

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1121.201, 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.203. 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. 141 (S.B. [2034](#)), Sec. 1, eff. May 28, 2015.

Sec. 1121.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

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

(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. 141 (S.B. [2034](#)), Sec. 1, eff. May 28, 2015.

Sec. 1121.205. 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. 141 (S.B. [2034](#)), Sec. 1, eff. May 28, 2015.

Sec. 1121.206. EXECUTION OF BONDS. (a) The board chair 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.207. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1121.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to taxation by the district.

(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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.252. LIMITATION ON TAX RATE. (a) The tax rate on all taxable property in the district for all purposes may not exceed 25 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.

(c) Section 285.231, Health and Safety Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.253. REDUCTION IN AD VALOREM TAX RATE BY COUNTY. The Cameron County Commissioners Court, in determining the county ad valorem tax rate for the first year in which the district imposes ad valorem taxes on property in the district, shall:

(1) take into account the decrease in the amount the county will spend for health care purposes in that year because the district is providing health care services previously provided or paid for by the county; and

(2) reduce the county's ad valorem tax rate in accordance with the decreased amount of required spending described by Subdivision (1).

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.254. RESIDENCE HOMESTEAD TAX PROVISIONS APPLICABLE. (a) The board shall ensure that all district residents receive all ad valorem tax exemptions and limitations that the residents are entitled to receive under the constitution and the Tax Code.

(b) The board shall adopt an exemption from ad valorem taxation by the district of a portion of the appraised value of a district resident's residence homestead as provided by Section 11.13(d), Tax Code. Unless the board specifies a larger amount as provided by Section 11.13(e), Tax Code, the amount of the exemption required to be adopted by the board under this subsection is \$3,000 of the appraised value of a district resident's residence homestead. Section 11.13(f), Tax Code, applies to an exemption adopted by the board under this subsection.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.255. PROHIBITION ON PARTICIPATION IN TAX INCREMENT FUND. The district may not enter into an agreement to participate in a reinvestment zone designated by a municipality or a county under Chapter 311, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.256. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

SUBCHAPTER G. DISSOLUTION

Sec. 1121.301. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.302. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Cameron County Healthcare District."

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.304. 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. 141 (S.B. 2034), Sec. 1, eff. May 28, 2015.

Sec. 1121.305. 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 Cameron 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 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. 141 (S.B. 2034), Sec. 1,
eff. May 28, 2015.

Sec. 1121.306. 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 Cameron County.

Added by Acts 2015, 84th Leg., R.S., Ch. 141 (S.B. 2034), Sec. 1,
eff. May 28, 2015.

Sec. 1121.307. 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 Cameron County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Cameron 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. 141 (S.B. 2034), Sec. 1,
eff. May 28, 2015.