

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 3. HEALTH
SUBTITLE A. HOSPITAL DISTRICTS
CHAPTER 1122. HIDALGO COUNTY HEALTHCARE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1122.001. 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 Hidalgo County Healthcare District.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 2, eff. June 10, 2015.

Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 3, eff. June 10, 2015.

Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hidalgo County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5,

eff. September 1, 2013.

Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.006. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1122.021. 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 Hidalgo County Commissioners Court shall order an election for the registered voters of Hidalgo County on the question of creation of the Hidalgo County Healthcare District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of Hidalgo 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 Hidalgo 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 Hidalgo 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 Hidalgo County Healthcare District, providing for the imposition of an ad valorem tax on all taxable property in the district. The initial ad valorem tax shall be imposed at the rate of _____ (insert amount) cents on the \$100 valuation of all taxable property in the district. District funds shall be used for district purposes, including improving health care services for residents of Hidalgo 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 Hidalgo County Commissioners Court shall find that the Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 4, eff. June 10, 2015.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of the district is approved at the election held under Section [1122.021](#), the district shall be governed by a board of 10 directors, appointed as follows:

(1) the county judge of Hidalgo County shall appoint

one director;

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

(3) the governing body of the most populous municipality in Hidalgo County shall appoint two directors; and

(4) the governing bodies of the second, third, and fourth most populous municipalities in Hidalgo County shall each appoint one director.

(b) Directors serve staggered three-year terms, with three or four 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 Hidalgo County described by Subsection (a), which two directors serve 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 Hidalgo County Commissioners Court, including the director appointed by the county judge of Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 5, eff. June 10, 2015.

Sec. 1122.052. QUALIFICATIONS. The Hidalgo County Commissioners Court shall by order provide for the qualifications of appointees to the board. The qualifications must provide that a person is not eligible for appointment to the board if the person

is:

- (1) an employee of Hidalgo 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 Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 6, eff. June 10, 2015.

Sec. 1122.053. OFFICERS. (a) The board shall elect from among the directors:

- (1) a chairman; and
- (2) a vice-chairman to preside in the chairman's absence.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.054. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.055. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.056. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 7, eff. June 10, 2015.

Sec. 1122.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business. In the event of a tie vote among the directors, the county judge of Hidalgo County may cast the deciding vote.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 7, eff. June 10, 2015.

Sec. 1122.058. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.059. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.060. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.061. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.062. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.063. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.064. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's indigent residents as required under this chapter, another applicable statute, and the constitution of this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 8, eff. June 10, 2015.

Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the money and resources of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 8, eff. June 10, 2015.

Sec. 1122.103. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 8, eff. June 10, 2015.

Sec. 1122.104. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.105. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.106. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5,

eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 8, eff. June 10, 2015.

Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.108. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.109. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.110. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.111. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.112. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.113. 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 Hidalgo County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5,

eff. September 1, 2013.

Sec. 1122.114. 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 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 controls to ensure that the corporation uses its money as required by this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.115. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.117. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1122.151. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 9, eff. June 10, 2015.

Sec. 1122.152. 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:

(1) adoption by the board; and

(2) approval by the Hidalgo County Commissioners Court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 10, eff. June 10, 2015.

Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended if the proposed amendment is:

(1) adopted by the board; and

(2) approved by the Hidalgo County Commissioners Court.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 11, eff. June 10, 2015.

Sec. 1122.154. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.156. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.157. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.159. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.160. 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 [1122.161](#) 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.161. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1122.201. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 12, eff. June 10, 2015.

Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1122.201, 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.203. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.204. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 13, eff. June 10, 2015.

Sec. 1122.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.206. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.207. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1122.251. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 14, eff. June 10, 2015.

Sec. 1122.252. LIMITATION ON TAX RATE. (a) Unless a higher rate is approved at an election held as provided by Section 1122.2521, 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.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 15, eff. June 10, 2015.

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 16, eff. June 10, 2015.

Sec. 1122.2521. ELECTION REQUIRED TO INCREASE TAX RATE. (a) The board may order an election to increase the district's maximum ad valorem tax rate to a rate greater than the maximum rate provided by Section 1122.252.

(b) The ballot for an election held under this section must be printed to permit voting for or against the proposition: "The imposition of taxes by the Hidalgo County Healthcare District for district purposes at a rate not to exceed ____ (insert amount) cents on the \$100 valuation of all property in the district."

(c) The board may impose taxes at the rate authorized by the proposition if a majority of voters voting at an election held under this section favor the proposition.

(d) This section does not authorize the board to impose

taxes at a rate that exceeds the maximum ad valorem tax rate authorized by Section 9, Article IX, Texas Constitution.

(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. 382 (H.B. [1596](#)), Sec. 17, eff. June 10, 2015.

Sec. 1122.2522. VOTER-APPROVAL TAX RATE PROVISIONS APPLICABLE. If in any year the board adopts a tax rate that exceeds the voter-approval tax rate calculated as provided by Chapter [26](#), Tax Code, an election under Section 26.07 of that code must be held to determine whether or not to approve the tax rate adopted by the board for that year.

Added by Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. [1596](#)), Sec. 17, eff. June 10, 2015.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 84, eff. January 1, 2020.

Sec. 1122.2523. 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, including the exemption of the total appraised value of the residence homestead of a fully disabled veteran or the disabled veteran's surviving spouse required by Section [11.131](#), 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. 382 (H.B. [1596](#)), Sec. 17,

eff. June 10, 2015.

Sec. 1122.2524. 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. 382 (H.B. 1596), Sec. 17, eff. June 10, 2015.

Sec. 1122.2525. REDUCTION IN AD VALOREM TAX RATE BY COUNTY. The Hidalgo 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. 382 (H.B. 1596), Sec. 17, eff. June 10, 2015.

Sec. 1122.253. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1122.301. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.302. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hidalgo County Healthcare District."

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 382 (H.B. 1596), Sec. 18, eff. June 10, 2015.

Sec. 1122.304. 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.305. 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 Hidalgo County or another governmental entity in Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. 3793), Sec. 5, eff. September 1, 2013.

Sec. 1122.306. 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 Hidalgo County.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.

Sec. 1122.307. 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 Hidalgo County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Hidalgo 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 2013, 83rd Leg., R.S., Ch. 1306 (H.B. [3793](#)), Sec. 5, eff. September 1, 2013.