SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1010. BURLESON COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1010.001.  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 Burleson County Hospital District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.002.  AUTHORITY FOR OPERATION. The district operates under and has the rights, powers, and duties provided by Section 9, Article IX, Texas Constitution, and this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.003.  ESSENTIAL PUBLIC FUNCTION. The district is a governmental agency performing an essential public function in carrying out the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.004.  DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Burleson County.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.005.  CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the board by resolution or order may provide an alternative procedure that conforms with the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1010.051.  BOARD ELECTION; TERM. (a) The district is governed by a board of 11 elected directors.

(b)  Unless four-year terms are established under Section 285.081, Health and Safety Code:

(1)  directors serve two-year terms; and

(2)  the terms of the five directors elected to even-numbered places expire in even-numbered years and the terms of the six directors elected to odd-numbered places expire in odd-numbered years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.052.  QUALIFICATIONS FOR OFFICE. To serve as a director, a person must be:

(1)  at least 21 years of age; and

(2)  a qualified voter of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.053.  BOND; RECORD OF BOND AND OATH OR AFFIRMATION OF OFFICE. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $5,000 that is:

(1)  approved by the board;

(2)  payable to the district; and

(3)  conditioned on the faithful performance of the director's duties.

(b)  Each director's bond and constitutional oath or affirmation of office shall be filed with the district and retained in the district's records.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.054.  BOARD VACANCY. If a vacancy occurs in the office of director, the board shall promptly appoint a director for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.055.  OFFICERS. (a) The board shall elect from its membership a president, a vice president, a secretary, a treasurer, and any other officers the board considers necessary.  The district's depository bank may be designated as district treasurer.

(b)  The president is the district's chief executive officer and shall preside at all board meetings.  The vice president shall act as president if the president is absent or disabled.

(c)  The secretary shall:

(1)  act as president if both the president and vice president are absent or disabled;

(2)  act as secretary of the board; and

(3)  see that all district records and books are properly kept.

(d)  The board may appoint an assistant or deputy secretary to assist the secretary.  The assistant or deputy secretary may certify the authenticity of any district record, including any proceeding related to district contracts or bonds or other indebtedness.

(e)  The board may require an officer to execute a bond that is:

(1)  payable to the district; and

(2)  conditioned on the faithful performance of the officer's duties.

(f)  If a vacancy occurs in an office, the board shall appoint a replacement for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.056.  COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for travel or other expenses incurred on the district's behalf if:

(1)  the director presents a verified statement; and

(2)  the board approves the expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.057.  VOTING REQUIREMENT. A concurrence of six directors is sufficient in any matter relating to district business.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.058.  MEETINGS. (a) The board:

(1)  shall hold the board's meetings at the board's designated meeting place;

(2)  may establish a schedule of regular meetings to conduct district business; and

(3)  may hold special meetings at other times as district business requires.

(b)  Except as provided by this section, Chapter 551, Government Code, applies to board meetings.

(c)  If there is an emergency or urgent public necessity, posting of notice of a board meeting is not required.

(d)  Failure to post notice does not affect the validity of an action taken at a regular board meeting.  Failure to post notice may affect the validity of an action taken at a special meeting unless the board declares, by an action taken at the special meeting, that an emergency exists.

(e)  Any interested person may attend a board meeting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.059.  PERSONNEL. (a) The board shall employ or contract with all persons the board considers necessary or advisable to conduct district affairs, including doctors, nurses, medical technicians, engineers, architects, attorneys, financial advisors, a hospital administrator, bookkeepers, auditors, and secretaries.

(b)  The board shall determine the powers, duties, terms of office, and compensation of all employees and consultants by contract or by resolution or order of the board.  The board may delegate to any district employee any power that the board considers advisable.

(c)  The board may remove any employee.

(d)  The board may require an employee to execute a bond payable to the district and conditioned on the faithful performance of the employee's duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.060.  DUTIES OF MANAGER. The district may delegate to the manager the power to:

(1)  manage and operate the district hospital or hospital system or a portion of the district hospital or hospital system; and

(2)  employ and discharge employees or appoint and remove doctors from the staff.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.061.  RETIREMENT, DISABILITY, AND DEATH COMPENSATION FUND. (a) The board may:

(1) provide for and administer a retirement, disability, and death compensation fund for district officers and employees; and

(2)  adopt a plan to effectuate the purpose of this section, including the forms of insurance and annuities that the board considers advisable.

(b)  The board may change a plan or rule after notice to the employees and a hearing.

(c)  As the board considers advisable, the board may invest money provided:

(1)  from the compensation of officers and employees participating in the fund and plan authorized by this section; and

(2)  by the district for the retirement, disability, and death compensation fund after the money has been received by the district.

(d)  The board may invest the money in:

(1)  bonds of the United States, this state, or any political subdivision of this state;

(2)  bonds issued by any agency of the United States if the payment of the principal and interest is guaranteed by the United States; and

(3)  life insurance policies, endowment or annuity contracts, or interest-bearing certificates of legal reserve life insurance companies authorized to write the contracts in this state.

(e)  A sufficient amount of money shall be kept on hand to meet the immediate payment of amounts likely to become due each year out of the fund as determined by the board.

(f)  The recipients or beneficiaries of the fund are not eligible for any other pension, retirement fund, or direct aid from this state unless the fund created under this chapter is released to the state as a condition precedent to receiving the other pension or aid or the joining of any other system.

(g)  The board may:

(1)  include hospitalization and medical benefits to district officers and employees as part of the compensation currently paid to the officers and employees;

(2)  adopt a plan or rule in connection with the benefits provided under Subdivision (1); or

(3)  amend or change a plan or rule adopted under Subdivision (2) as the board determines.

(h)  The board may contract with the state and federal governments as necessary to establish and continue a retirement program for the benefit of the district's employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.062.  MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The district shall maintain records and accounts in which full and proper entries are made of:

(1)  all dealings, transactions, and business matters that in any way affect or relate to the district; and

(2)  the allocation and application of all revenue relating to the dealings, transactions, and business matters.

(b)  The district records, including the audit report, shall be available for public inspection at reasonable hours and under reasonable circumstances.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.063.  SEAL. The board shall adopt a seal for the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1010.101.  DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy inhabitants.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.102.  RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision other than the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.103.  MANAGEMENT AND CONTROL. The board shall manage and control all district affairs.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.104.  HOSPITAL SYSTEM. (a) The district shall provide for the establishment of a hospital or hospital system in the district by:

(1)  purchasing, constructing, acquiring, repairing, or renovating buildings and improvements for hospital and medical care purposes; and

(2)  equipping the buildings and improvements for those purposes.

(b)  The district shall provide for the administration, maintenance, and operation of the hospital or hospital system to furnish hospital and medical care in the district.

(c)  The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(d)  The hospital system may include:

(1)  domiciliary hospital care of the sick or injured;

(2)  outpatient clinics;

(3)  dispensaries;

(4)  geriatric domiciliary care;

(5)  convalescent home facilities;

(6)  necessary nurses;

(7)  domiciliaries and training centers;

(8)  blood banks;

(9)  community health centers;

(10)  research centers or laboratories; and

(11)  any other facilities that the board considers necessary for hospital care.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.105.  DISTRICT ELECTIONS. (a) Each district election shall be called by resolution or order of the board.  The order or resolution must specify:

(1)  the date of the election;

(2)  the proposition to be submitted and voted on;

(3)  the polling place; and

(4)  any other matter considered necessary or advisable by the board.

(b)  Notice of each district election shall be given by publishing one time a substantial copy of the election resolution or order in a newspaper of general circulation in the district at least 20 days before the date set for the election.

(c)  The board shall declare the results of a district election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.106.  BYLAWS. The board may adopt bylaws to govern:

(1)  the time, place, and manner of conducting board meetings;

(2)  the powers, duties, and responsibilities of the board's officers and employees;

(3)  the disbursement of money by check, draft, or warrant;

(4)  the appointment and authority of board committees;

(5)  the keeping of records and accounts; and

(6)  other matters the board considers appropriate.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.107.  EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a right, power, or privilege conferred by this chapter.

(b)  The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c)  In a condemnation proceeding 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 writ of error.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.108.  COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric transmission, telegraph or telephone lines, conduits, poles, or facilities, or pipeline, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.109.  GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent, in the board's opinion, with the proper management and objectives of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.110.  OPERATING AND MANAGEMENT CONTRACTS. The district may enter into an operating or management contract with any person regarding any district hospital or any part of the district hospital system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.111.  CONTRACT IN NAME OF DISTRICT. The district shall contract in the name of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.112.  CONTRACTS FOR CARE AND TRAINING. (a) The district may contract with this state, including agencies of this state, or the United States for:

(1)  the rendition of hospital or medical care; and

(2)  the training of doctors, nurses, and other health care disciplines.

(b)  The board may contract with any lessee of the district's hospitals or any other person to provide hospital care to needy district inhabitants for payments and terms and under conditions that the board considers to be in the district's best interests.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.113.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with any political subdivision or governmental agency for investigatory or other services as to:

(1)  the hospital or medical needs of district inhabitants; or

(2)  the hospital or medical care of the inhabitants of the other political subdivision or governmental agency.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.114.  MISCELLANEOUS CONTRACT REQUIREMENTS. (a) The board may not enter into a contract calling for or requiring the expenditure, payment, or creation or imposition of an obligation or liability of any nature on the district in excess of $5,000, unless the proposed contract is first submitted to competitive bids.

(b)  Notice of the time and place the contract will be awarded must be published once a week for two consecutive weeks in a newspaper of general circulation in the district.  The first notice must be published not later than the 14th day before the date set for the receipt of bids.  The notice must specify that the plans and specifications for the proposed project, or the specifications for the machinery, supplies, equipment, or materials to be purchased, are on file with a designated district representative for examination without charge.

(c)  A contract for construction or the purchase of materials, equipment, supplies, or machinery awarded under this chapter shall be awarded to the lowest responsible bidder and may be awarded on a lump-sum basis or on a unit price basis, as the board shall determine.

(d)  After performance of a construction contract has started, the board may approve change orders necessary to:

(1)  change the plans or specifications; or

(2)  decrease or increase:

(A)  the quantity of work to be performed; or

(B)  the materials, equipment, or supplies to be furnished.

(e)  The board may not increase the total contract price by a change order under Subsection (d) unless the board provides for the payment of the added cost by appropriating current or bond funds for that purpose, but the original contract price may not be increased by more than 25 percent.

(f)  The original contract price may not be decreased by more than 25 percent without the consent of the contractor.

(g)  The board may reject any bid.  If a contract is for the construction of public works and requires the expenditure of $5,000 or more, a successful bidder is required to give a good and sufficient payment bond and performance bond.  Each bond must:

(1)  be in the full amount of the contract price; and

(2)  be executed by a surety company authorized to do business in this state under Chapter 2253, Government Code.

(h)  This section does not apply to:

(1)  Section 1010.104(b), 1010.110, 1010.115, or 1010.117;

(2)  a contract for personal or professional services; or

(3)  the purchase of land, buildings, or rights-of-way.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.115.  LEASES. (a) The district through the board may lease all or part of the buildings and facilities comprising the hospital system to any person on terms the board considers to be in the district's best interest.  The term of a lease may not exceed 40 years.

(b)  When leasing a building or other facility, the board may delegate as it considers appropriate the board's power to manage, control, and administer the leased buildings and facilities to furnish hospital care.

(c)  For each leased building or other facility, the board shall provide that the lessee charges sufficient rates for services rendered or goods provided at the leased premise that together with other sources of the lessee's revenue produce an amount sufficient to enable the lessee to pay the expenses of operating and maintaining the leased premise as the lessee is required to pay under the lease.  The rates also must enable the lessee to pay lease rentals to the district that will be sufficient, when taken with any other source of the district's estimated revenue that are pledged for the same purpose, to:

(1)  pay the interest on any revenue or special obligation bonds that are payable wholly or partly from the lease rentals;

(2)  create and maintain a sinking fund to pay the principal of and premium, if any, on the bonds as they become due;

(3)  create and maintain a bond reserve fund and other fund as required by the bond resolution or trust indenture authorizing the issuance of the bonds; and

(4)  pay all other charges, fees, costs, and expenses that the lessee is required to pay under the resolution or indenture.

(d)  The lease, management agreement, bond resolution, or trust indenture may prescribe systems, methods, routines, procedures, and policies for the operation of the buildings and other facilities owned by the district.  If all or part of the district's buildings or other facilities are leased, the district may delegate to the lessee the duty to establish the systems, methods, routines, procedures, and policies needed for the operation of the leased premise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.116.  PURCHASING. The board may purchase any material, supply, equipment, or vehicle needed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.117.  DISPOSITION OF PROPERTY. The district may sell or otherwise dispose of any type of property, including equipment, on terms the board finds are in the best interest of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.118.  PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the board or a board representative may have an inquiry made into the financial circumstances of:

(1)  the patient; and

(2)  the patient's relatives who are legally liable for the patient's support.

(b)  If the board or the board's authorized representative determines that the patient or those relatives cannot pay all or part of the costs of the patient's care and treatment, the amount of the costs that cannot be paid becomes a charge against the district.

(c)  If the inquiry under Subsection (a) discloses that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the board shall order the patient or those relatives to pay the district a specified amount each week for the patient's care and support.  The amount ordered must be proportionate to the person's financial ability.

(d)  The district may collect the amount from the patient's estate, or from any relative who is legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e)  If there is a dispute as to the ability to pay, the board shall hear and determine the issue, after calling witnesses.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.119.  REIMBURSEMENT FOR SERVICES TO NONRESIDENTS. If a welfare patient, who is not a district resident, is admitted to a district facility, the district may:

(1)  seek reimbursement from the patient's county of residence; and

(2)  sue for reimbursement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.120.  AUTHORITY TO SUE AND BE SUED; SERVICE OF PROCESS. (a) The district, through its directors, may sue and be sued in the district's own name in any court of this state.

(b)  Service of process in any suit may be made by serving any two directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1010.151.  BUDGET. An annual budget for each fiscal year shall be prepared as directed by, and for approval of, the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.152.  AMENDMENTS TO BUDGET. The board may amend the budget as the board considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.153.  FISCAL YEAR. The district's fiscal year ends on the last day of April.  The board may change the fiscal year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.154.  ANNUAL AUDIT. (a) The board shall have an independent certified public accountant audit all transactions relating to the district for each fiscal year.

(b)  The accountant's audit report shall be submitted to the board not later than the 90th day after the date the fiscal year ends.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.155.  DEPOSITORY. (a) The board shall select one or more banks to serve as the district's depository.

(b)  District money shall be deposited as received with the district's depository bank.

(c)  All deposits shall be secured in the manner provided for securing county funds.  Deposits may be placed on time deposit or used to purchase certificates of deposit.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.156.  INVESTMENT OF DISTRICT MONEY. The board may invest district money in:

(1)  bonds of the United States, this state, or any political subdivision of this state; or

(2)  bonds issued by any agency of the United States if the payment of the principal and interest is guaranteed by the United States.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER E. BONDS

Sec. 1010.201.  GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to:

(1)  the purchase, construction, acquisition, repair, or renovation of buildings and improvements for hospital purposes; and

(2)  equipping buildings or improvements for those purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.202.  TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued under Section 1010.201, the board shall impose an ad valorem tax on all property in the district subject to district taxation at a rate sufficient to:

(1)  pay the interest on the bonds as the interest comes due; and

(2)  provide and maintain a sinking fund adequate to pay the principal on the bonds as the principal matures.

(b)  The tax required by this section together with any other ad valorem tax the district imposes may not in any year exceed 75 cents on each $100 valuation of taxable property in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.203.  REVENUE AND SPECIAL OBLIGATION BONDS. (a) The district may issue revenue or special obligation bonds as authorized by the laws of this state relating to the issuance of revenue or special obligation bonds, including Sections 264.042-264.049 and 284.031, Health and Safety Code.

(b)  Bonds issued under this section may be payable from and secured by revenue, encumbrances, and mortgages as authorized by law.  Any maintenance and operating expense of the system that is charged against the revenue of the system may include only items set forth and defined in the proceedings authorizing the bond issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.204.  BOND ELECTION. (a) The district may not issue bonds unless the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b)  A proposition to authorize the issuance of district bonds may be submitted at any district election.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.205.  MATURITY OF BONDS. District bonds, including revenue bonds, must mature not later than 40 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.206.  EXECUTION OF BONDS. Bonds shall be signed and executed as provided by the board in the resolution or order authorizing the issuance of bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.207.  BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1)  bonds issued or assumed by the district;

(2)  the transfer and issuance of the bonds; and

(3)  profits made in the sale of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.208.  REFUNDING OR FUNDING AND RETIRING CERTAIN OLDER BONDS. (a) This section applies only to bonds approved in an election held before May 31, 1991.

(b)  Except as provided by Subsection (c) and notwithstanding any legal defect in the incurrence, issuance, or assumption of the obligation or indebtedness, the board may issue and sell bonds in the name and on the faith and credit of the district to refund or fund and retire any outstanding obligation or other indebtedness the district has incurred, issued, or assumed.

(c)  The board may not use the power granted by this section to convert Farmers Home Administration bonds to tax bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

SUBCHAPTER F. TAXES

Sec. 1010.251.  TAX ELECTION. The district may impose a tax only if authorized by a majority of the district voters voting in an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.252.  IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b)  The tax shall be imposed for and may be pledged to:

(1)  meet the requirements of district bonds;

(2)  provide for the district's maintenance and operating expenses, including the cost of contract payments for hospital care for needy district inhabitants;

(3)  make improvements and additions to the district's hospitals or hospital system; and

(4)  acquire necessary sites for hospitals or the hospital system by gift, purchase, lease, or condemnation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.253.  TAX RATE. (a) The board may impose the tax at a rate not to exceed 75 cents on each $100 valuation of taxable property in the district.

(b)  In setting the tax rate, the board shall consider all district income, including income from sources other than taxation that are available for the purposes described by Section 1010.252(b).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.254.  ASSESSMENT AND COLLECTION BY COUNTY TAX ASSESSOR-COLLECTOR. (a) This section applies unless the board elects to have taxes assessed and collected under Section 1010.255 or 1010.256.

(b)  The tax assessor-collector of Burleson County shall assess and collect taxes imposed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.255.  ASSESSMENT AND COLLECTION BY DISTRICT TAX ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes assessed and collected by a tax assessor-collector appointed by the board.  An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by the board.

(b)  The district tax assessor-collector must:

(1)  reside in the district; and

(2)  own real property subject to district taxation.

(c)  The board shall set for the district tax assessor-collector:

(1)  the terms of employment; and

(2)  compensation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.

Sec. 1010.256.  ASSESSMENT AND COLLECTION BY TAX ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The board may elect to have all or part of the district's taxes assessed and collected by a political subdivision in which any part of the district is located.  An election under this subsection must be made by December 1 and governs the manner in which taxes are assessed and collected, until changed by the board.

(b)  The tax assessor or collector of the political subdivision shall assess or collect the appropriate district taxes in accordance with the board's election under Subsection (a) and for the compensation agreed on by the board and the governing body of the political subdivision.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB03166F.HTM)), Sec. 1.02, eff. April 1, 2009.