SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1014. COLLINGSWORTH COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1014.001.  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 Collingsworth 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. 1014.002.  AUTHORITY FOR CREATION. The district is created under the authority of Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties prescribed by 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. 1014.003.  ESSENTIAL PUBLIC FUNCTION. The district performs 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. 1014.004.  DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Collingsworth County, Texas.

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. 1014.005.  DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state.

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. 1014.006.  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 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. 1014.051.  BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected from the district at large.

(b)  Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.

(c)  The election order must state the time, place, and purpose of the 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. 1014.052.  BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action.  The petition must be:

(1)  signed by at least 15 registered voters; and

(2)  filed at least 25 days before the date of the 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. 1014.053.  QUALIFICATIONS FOR OFFICE. To be eligible to hold office as a director, a person must be a resident property-owning taxpaying 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. 1014.054.  BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors by majority vote shall 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. 1014.055.  OFFICERS. (a) The board shall elect from among its members a president, vice president, secretary, and other officers as in the judgment of the board are necessary.

(b)  The president is the chief executive officer of the district and has the same right to vote as any other director.

(c)  If the president is absent or fails or declines to act, the vice president shall perform the president's duties and exercise the president's powers under 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. 1014.056.  COMPENSATION; EXPENSES. A director serves without compensation but may receive actual expenses incurred in attending to district business on approval of the expenses by the remainder 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. 1014.057.  VOTING REQUIREMENT. A concurrence of four 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. 1014.058.  MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1)  keep an account of all board meetings and proceedings; and

(2)  maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b)  The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times.

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. 1014.059.  INDIVIDUAL LIABILITY OF DIRECTORS. A director is individually liable only for the director's individual misapplication of public money.

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. 1014.060.  DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

(b)  The board may appoint an assistant administrator.

(c)  The district administrator and any assistant administrator are entitled to the compensation determined by the board.

(d)  The board may execute an employment contract with the district administrator or assistant administrator for a term of not more than three years.  The employment contract may be renewed or extended annually.

(e)  On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than $25,000 that:

(1)  is conditioned on the administrator performing the administrator's duties; and

(2)  contains other conditions the board may require.

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. 1014.061.  GENERAL DUTIES OF DISTRICT ADMINISTRATOR. The district administrator shall:

(1)  stay informed on the latest methods of hospital administration and the care of hospital patients; and

(2)  subject to the limitations prescribed by the board:

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

(B)  direct the affairs 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. 1014.062.  EMPLOYEES. The board may employ nurses, technicians, and other employees for the efficient operation of the district or may provide that the district administrator has that authority.

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. 1014.063.  LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES. The board may employ legal counsel or contract for other professional services as the board considers advisable.

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. 1014.064.  RETIREMENT PROGRAM. The board may contract with this state or the federal government to establish or 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.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1014.101.  DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1)  operating all hospital facilities for providing medical and hospital care of the indigent persons in the district; and

(2)  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. 1014.102.  RESTRICTION ON COUNTY OR MUNICIPALITY TAXATION AND DEBT. Collingsworth County or a municipality in Collingsworth County may not impose a tax or issue bonds or other obligations for hospital purposes or for medical treatment of indigent persons 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. 1014.103.  MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district's hospitals and 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. 1014.104.  HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:

(1)  purchasing, constructing, acquiring, repairing, or renovating buildings and equipment;

(2)  equipping the buildings; and

(3)  administering the buildings and equipment for hospital 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. 1014.105.  RULES. The board may adopt rules for the operation of the district and as required to administer 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. 1014.106.  PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe:

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

(2)  all accounting and control procedures.

(b)  A purchase that involves the expenditure of more than the amount provided by Section 252.021(a), Local Government Code, may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, Local Government Code.

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.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 778 (H.B. [1967](http://capitol.texas.gov/tlodocs/82R/billtext/html/HB01967F.HTM)), Sec. 1, eff. September 1, 2011.

Sec. 1014.107.  DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

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

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

(b)  The board may:

(1)  acquire by purchase, lease, or lease to purchase or may construct, repair, or renovate property, including facilities or equipment, for use in the district's hospital system; and

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

(c)  The board may lease, sell, or otherwise dispose of all or part of the district's property for the district, including facilities or equipment, to a public or private entity.

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.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 217 (H.B. [468](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB00468F.HTM)), Sec. 1, eff. May 25, 2019.

Sec. 1014.108.  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 power, right, 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.

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. 1014.109.  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 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. 1014.110.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the care and treatment of a sick or injured person of that county or municipality.

(b)  The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the agency is responsible.

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. 1014.111.  PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient who resides in the district is admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1)  the patient; and

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

(b)  If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c)  If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support.  The amount ordered must be proportionate to the person's financial ability and may not exceed the actual per capita cost of maintenance.

(d)  The district administrator 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, or doubt in the mind of the district administrator, the board shall hold a hearing and, after calling witnesses, shall:

(1)  resolve the dispute or doubt; and

(2)  issue any appropriate orders.

(f)  A 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. 1014.112.  AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued.

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. 1014.113.  OPERATING AND MANAGEMENT CONTRACTS.  Notwithstanding any other provision of this chapter, the district, through its board, may contract with any person to manage or operate a district facility.

Added by Acts 2019, 86th Leg., R.S., Ch. 217 (H.B. [468](http://capitol.texas.gov/tlodocs/86R/billtext/html/HB00468F.HTM)), Sec. 2, eff. May 25, 2019.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1014.151.  BUDGET. The district administrator shall prepare an annual budget for approval by 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. 1014.152.  NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b)  Notice of the hearing must be published one time at least 10 days before the date of the hearing.

(c)  The board must approve the budget.

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. 1014.153.  AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances.  The board must approve all amendments.

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. 1014.154.  RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget.

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. 1014.155.  FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30.

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. 1014.156.  ANNUAL AUDIT. (a) The district annually shall have an audit made of the district's financial condition.

(b)  The audit shall be open to inspection at all times at the district's principal office.

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. 1014.157.  FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

(1)  a complete sworn statement of all district money; and

(2)  a complete account of the disbursements of that money.

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. 1014.158.  DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b)  District money shall be immediately deposited on receipt with a depository bank, except that sufficient money must be remitted to an appropriate bank to pay the principal of and interest on the district's outstanding bonds or other obligations on or before the maturity date of the principal and interest.

(c)  To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d)  Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository bank.

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. 1014.201.  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 related to the purchase, construction, acquisition, repair, or renovation of improvements, and equipping the improvements for a hospital and the hospital system, as determined by 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. 1014.202.  TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1014.201, the board shall impose an ad valorem tax on all property in the district subject to district taxation at a rate sufficient to create an interest and sinking fund and 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 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. 1014.203.  GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b)  The board shall call the election.  The election must be held in accordance with Chapter 1251, Government Code.

(c)  The bond election order must specify:

(1)  the date of the election;

(2)  the location of the polling places;

(3)  the presiding election officers;

(4)  the amount of the bonds to be authorized;

(5)  the maximum maturity of the bonds; and

(6)  the maximum interest rate 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. 1014.204.  EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b)  The board secretary shall attest the bonds as provided by Chapter 618, Government Code.

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. 1014.205.  REVENUE OR SPECIAL OBLIGATION BONDS. (a) The board may issue and sell revenue or special obligation bonds for the purposes provided by Section 1014.201.

(b)  Special obligation bonds must be payable from the revenue of the district's entire hospital system, including that portion originally acquired and all past or future extensions, additions, or replacements, excluding taxes, after deducting the cost of maintaining and operating the system.  For purposes of this subsection, the cost of maintaining and operating the system:

(1)  may include only the items set forth and defined in the resolution authorizing the bond issuance; and

(2)  may not include the cost of providing medical or hospital care for the district's needy inhabitants.

(c)  A cost described by Subsection (b)(2) is a maintenance and operating expense for budget and tax purposes.

(d)  The district may issue revenue bonds without an election.

(e)  Revenue bonds may be additionally secured by:

(1)  a mortgage or deed of trust on real property;

(2)  a chattel mortgage on the district's personal property; or

(3)  both.

(f)  The board may issue bonds that are a junior lien on the district's net revenue or property and additional parity bonds under conditions specified in the bond resolution or trust indenture.

(g)  Money for the payment of not more than two years' interest on the bonds and an amount the board estimates will be required for maintenance and operating expenses during the first year of operation may be set aside out of the proceeds from the sale of the bonds.

(h)  A revenue bond issued by the district must contain the following provision:  "The holder of the bond may not demand payment of this bond or appurtenant coupons out of money raised or to be raised by taxation."

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. 1014.206.  CHARGES FOR SERVICES RENDERED. If the board issues revenue bonds, the board shall charge and collect rates for services rendered by the hospital system that are sufficient to:

(1)  pay the maintenance and operating expenses described by Section 1014.205;

(2)  pay the principal and interest on the bonds as each becomes due; and

(3)  create and maintain a bond reserve fund and other funds as provided in the bond resolution or trust indenture.

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. 1014.207.  REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund any bonds issued or assumed by the district.

(b)  A refunding bond may be:

(1)  sold, with the proceeds of the refunding bond applied to the payment of the outstanding bonds; or

(2)  exchanged wholly or partly for not less than a similar principal amount of the outstanding 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. 1014.208.  BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1)  bonds issued by the district;

(2)  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.

SUBCHAPTER F. TAXES

Sec. 1014.251.  IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on property in the district subject to district taxation.

(b)  The board shall impose the tax to pay:

(1)  indebtedness issued or assumed by the district; and

(2)  the maintenance and operating expenses 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. 1014.252.  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 the income of the district from sources other than taxation.

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. 1014.253.  TAX ASSESSOR-COLLECTOR. The tax assessor-collector of Collingsworth 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.