SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1074. COMANCHE COUNTY CONSOLIDATED HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1074.001.  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 Comanche County Consolidated Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.002.  AUTHORITY FOR OPERATION.  The Comanche County Consolidated Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution, and has the rights, powers, and duties provided by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.003.  ESSENTIAL PUBLIC FUNCTION.  The district performs an essential public function administering this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.004.  DISTRICT TERRITORY.  The boundaries of the district are coextensive with the boundaries of Comanche County, except that portion of Comanche County within the boundaries of the South Eastland County Hospital District, as those boundaries existed on June 15, 2001, is not included in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.005.  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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.006.  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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1074.051.  BOARD ELECTION; TERM. (a)  The board consists of six directors elected from the district in accordance with former Section 3.04(f), Chapter 132, Acts of the 74th Legislature, Regular Session, 1995.

(b)  Directors serve staggered three-year terms.

(c)  A directors' election to elect two directors shall be held annually on the May uniform election date or another date authorized by law.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](http://capitol.texas.gov/tlodocs/83R/billtext/html/SB01093F.HTM)), Sec. 18.101(3), eff. September 1, 2013.

Sec. 1074.052.  NOTICE OF ELECTION.  Not earlier than the 30th day or later than the 10th day before the date of a directors' election, notice of the election must be published one time in a newspaper of general circulation in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.053.  QUALIFICATIONS FOR OFFICE. (a)  A person may not be elected or appointed as a director unless the person is:

(1)  a resident of the district; and

(2)  a qualified voter.

(b)  A person is not eligible to serve as a director if the person is:

(1)  the district administrator; or

(2)  a district employee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.054.  BOARD VACANCY.  If a vacancy occurs in the office of director, the remaining directors shall fill the vacancy for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.055.  OFFICERS. (a)  The board shall elect:

(1)  a president and a vice president from among its members; and

(2)  a secretary, who need not be a director.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.056.  COMPENSATION; EXPENSES.  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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.057.  VOTING REQUIREMENT.  A concurrence of a majority of the directors voting is necessary in any matter relating to district business.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.058.  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 serve at the will of the board and receive the compensation determined by the board.

(d)  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 $5,000 that:

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

(2)  contains any other condition the board requires.

(e)  The board may pay for the bond with district money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.059.  GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  Subject to the limitations prescribed by the board, the district administrator shall supervise the work and activities of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.060.  APPOINTMENT OF STAFF AND EMPLOYEES. (a)  The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district if warranted.

(b)  The board may employ, and may delegate to the district administrator the authority to employ, technicians, nurses, fiscal agents, accountants, architects, and other necessary employees for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1074.101.  DISTRICT RESPONSIBILITY.  The district has full responsibility for operating all hospital facilities and providing medical and hospital care for the district's needy residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.102.  RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT.  A political subdivision located wholly or partly in the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care for district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.103.  MANAGEMENT, CONTROL, AND ADMINISTRATION.  The board shall manage, control, and administer the hospital system and the district's business, money, and resources.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.104.  HOSPITAL SYSTEM. (a)  The district shall provide for:

(1)  the establishment of a hospital system by:

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

(B)  equipping the buildings; and

(2)  the administration of the district for hospital purposes.

(b)  The hospital system may include:

(1)  domiciliary care and treatment of the sick, injured, or geriatric;

(2)  outpatient clinics;

(3)  dispensaries;

(4)  convalescent home facilities;

(5)  necessary nurses;

(6)  domiciliaries and training centers;

(7)  blood banks;

(8)  community mental health centers;

(9)  research centers;

(10)  laboratories; and

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.105.  RULES.  The board may adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.106.  PURCHASING AND ACCOUNTING PROCEDURES.  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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.107.  DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a)  The board shall determine:

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

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

(b)  The board may lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of district residents.  The term of the lease may not exceed 25 years.

(c)  The district may:

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

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

(d)  The district may sell or otherwise dispose of any property, including equipment, on terms the board finds are in the best interest of district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.108.  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 to exercise a right 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 the district is not required to deposit in the trial court money or a bond as provided by Section 21.021, Property Code.

(c)  In a condemnation proceeding brought by the district, the district is not required to:

(1)  pay in advance or provide a bond or other security for costs in the trial court;

(2)  provide a 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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.109.  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 of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.110.  CONSTRUCTION CONTRACTS.  A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.111.  OPERATING AND MANAGEMENT CONTRACTS.  The board may enter into an operating or management contract relating to a district facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.112.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a)  The district 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 district may contract with this state or a federal agency to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.113.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES.  The board may contract with a political subdivision or governmental agency for the district to provide investigatory or other services for the medical, hospital, or welfare needs of district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.114.  PAYMENT FOR TREATMENT; PROCEDURES. (a)  The district shall provide without charge to a patient residing in the district the care and treatment that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay.

(b)  When a patient who resides in the district is admitted to a district facility, the district administrator may have an inquiry made into the circumstances of:

(1)  the patient; and

(2)  the patient's relatives legally responsible for the patient's support.

(c)  If the district administrator determines that the patient or relative can pay for all or part of the costs of the patient's care and treatment, the district administrator shall report that finding to the board and the board shall order the patient or relative to pay the district a specified amount each week for the patient's care and support.  The amount ordered must be an amount the individual is able to pay.

(d)  The district administrator may collect amounts under Subsection (c) from the patient's estate, or from a relative legally responsible 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:

(1)  call witnesses;

(2)  hear and resolve the dispute; and

(3)  issue a final order.

(f)  The final order may be appealed to the district court in Comanche County.  The substantial evidence rule applies to the appeal.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.115.  AUTHORITY TO SUE AND BE SUED.  The district, through the board, may sue and be sued.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1074.151.  BUDGET. (a)  The district administrator shall prepare an annual budget for approval by the board.

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

(1)  the outstanding obligations of the district;

(2)  the cash on hand to the credit of each district fund;

(3)  the money received by the district from all sources during the previous year;

(4)  the money available to the district from all sources during the ensuing year;

(5)  the balances expected at the end of the year in which the budget is being prepared;

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

(7)  the estimated tax rate required.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.152.  NOTICE; HEARING; APPROVAL OF BUDGET. (a)  The board shall hold a public hearing on the proposed annual budget.

(b)  At least 10 days before the date of the hearing, notice of the hearing must be published one time in a newspaper of general circulation in the district.

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

(d)  The board shall act on the budget proposed by the district administrator.  The board may make any changes in the proposed budget that the board determines the law warrants and are in the interests of the taxpayers.  The board must approve the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.153.  AMENDMENTS TO BUDGET.  The budget may be amended as required by circumstances.  The board must approve all amendments.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.154.  RESTRICTION ON EXPENDITURES.  Money may be spent only for an expense included in the budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.155.  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 that revenue bonds of the district are outstanding; or

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.156.  ANNUAL AUDIT.  The board annually shall have an audit made of the district's financial condition.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.157.  INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS.  The annual audit and other district records shall be open to inspection at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.158.  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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.159.  DEPOSITORY. (a)  The board shall select one or more banks to serve as a depository for district money.

(b)  All district money, other than money invested as provided by Section 1074.160 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c)  This section does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.160.  INVESTMENT RESTRICTIONS.  The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.161.  AUTHORITY TO BORROW MONEY; SECURITY. (a)  The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for authorized district obligations at the time the loan is made if the board declares that:

(1)  money is not available to meet authorized obligations of the district; and

(2)  an emergency exists.

(b)  To secure a loan, the board may pledge:

(1)  district revenue that is not pledged to pay the district's bonded indebtedness;

(2)  district taxes to be imposed by the district in the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3)  district bonds that have been authorized but not sold.

(c)  A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made.  A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.

(d)  Money obtained from a loan under this section may be spent only for:

(1)  a purpose for which the board declared an emergency; and

(2)  if district taxes or bonds are pledged to pay the loan, the purposes for which the pledged taxes were imposed or the bonds were authorized.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1074.201.  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:

(1)  the purchase, construction, acquisition, repair, or renovation of buildings or improvements;

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

(3)  acquiring and operating a mobile emergency service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.202.  TAX TO PAY GENERAL OBLIGATION BONDS. (a)  At the time general obligation bonds are issued by the district, the board shall impose an ad valorem tax 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 tax imposed for the district may not in any year exceed the limit approved by the voters at the election authorizing the imposition of the tax.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.203.  REVENUE BONDS. (a)  The board may issue revenue bonds to:

(1)  purchase, construct, acquire, repair, equip, or renovate a building or improvement for hospital purposes;

(2)  acquire a site for hospital purposes; or

(3)  acquire and operate a mobile emergency service to assist the district in carrying out its hospital purposes.

(b)  The bonds must be payable from and secured by a pledge of all or part of district revenue derived from the operation of the district's hospital system.

(c)  The bonds may be additionally secured by a mortgage or deed of trust lien on all or any part of district property.

(d)  The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Chapter 264, Health and Safety Code, for the issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.204.  REFUNDING BONDS. (a)  The board may, without an election, issue refunding bonds to refund outstanding indebtedness 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 outstanding indebtedness; or

(2)  exchanged wholly or partly for not less than a similar principal amount of the outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.205.  BOND ELECTION. (a)  The district may issue bonds, other than refunding bonds, to be wholly or partly secured by an ad valorem tax only if the bonds are authorized by a majority of the district voters at an election that is held in the district.

(b)  The bond election order must specify:

(1)  the nature and date of the election;

(2)  the location of the polling places;

(3)  the hours during which the polls will be open;

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

(5)  the maximum maturity of the bonds.

(c)  Notice of a bond election shall be given as provided by Section 1251.003, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.206.  MATURITY OF BONDS.  District bonds must mature not later than the 40th anniversary of the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.207.  EXECUTION OF BONDS.  The board president shall execute the district's bonds in the district's name, and the board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.208.  ADDITIONAL MEANS OF SECURING PAYMENT OF BONDS.  In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1074.202 and revenue and other sources as authorized by Section 1074.203.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.209.  USE OF BOND PROCEEDS.  The district may use the proceeds of bonds issued under this subchapter to pay:

(1)  any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2)  interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3)  costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A)  during an estimated period of acquisition or construction, not to exceed five years; and

(B)  for one year after the project or facility is acquired or constructed;

(4)  costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5)  costs related to the issuance of the bonds;

(6)  costs related to the acquisition of land or interest in land for a project or facility to be provided through the bonds; and

(7)  construction costs of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.210.  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 from the bonds; or

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.211.  SECURITY OF CERTAIN BONDS.  Bonds authorized at an election held in the district before May 20, 2003, may be payable from and secured by:

(1)  taxes as authorized by the election; or

(2)  a pledge of a combination of ad valorem taxes, revenues, and other sources as authorized by Section 1074.208.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1074.251.  IMPOSITION OF AD VALOREM TAX. (a)  The board shall annually impose a tax to pay:

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

(2)  district maintenance and operating expenses.

(b)  The district may not impose a tax to pay the principal of or interest on revenue bonds issued under Section 1074.203.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.252.  TAX RATE. (a)  The board may impose the tax at a rate not to exceed the limit approved by the voters.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.

Sec. 1074.253.  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 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](http://capitol.texas.gov/tlodocs/82R/billtext/html/SB01147F.HTM)), Sec. 1.01, eff. April 1, 2013.