SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1108. TRINITY MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1108.001.  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 Trinity Memorial 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. 1108.002.  AUTHORITY FOR OPERATION.  The Trinity Memorial 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. 1108.003.  ESSENTIAL PUBLIC FUNCTION.  The district performs an essential public function in carrying out the purposes of 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. 1108.004.  DISTRICT TERRITORY.  The district is composed of the territory in Trinity County described by Section 2, Chapter 265, Acts of the 67th Legislature, Regular Session, 1981.

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. 1108.005.  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. 1108.006.  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. 1108.051.  BOARD ELECTION; TERM. (a)  The board consists of nine directors elected by place.

(b)  Unless four-year terms are established under Section 285.081, Health and Safety Code, directors serve staggered two-year terms with the terms of four or five directors expiring each year as appropriate.

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. 1108.052.  NOTICE OF ELECTION.  At least 30 days before the date of a directors' election, notice of the election must be published one time in a newspaper or newspapers that individually or collectively have 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. 1108.053.  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:

(1)  be signed by at least 10 voters in the district;

(2)  be filed by the deadline imposed by Section 144.005, Election Code; and

(3)  specify the place for which the person is to be a candidate.

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. 1108.054.  QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1)  at least 18 years of age;

(2)  a resident of the district; and

(3)  a qualified voter.

(b)  A person elected or appointed to fill Place 1 or 3 on the board must also be a resident of the portion of Commissioners Precinct 1 or 3, respectively, that lies within the district.

(c)  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. 1108.055.  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. 1108.056.  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. 1108.057.  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. 1108.058.  QUORUM; VOTING REQUIREMENT. (a)  Any five directors constitute a quorum.

(b)  A concurrence of five directors is sufficient 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.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](http://capitol.texas.gov/tlodocs/83R/billtext/html/SB01093F.HTM)), Sec. 18.004(a), eff. September 1, 2013.

Sec. 1108.059.  DISTRICT ADMINISTRATOR. (a)  The board may appoint a qualified person as district administrator.

(b)  The district administrator serves at the will of the board and is entitled to receive the compensation determined by the board.

(c)  Before assuming the duties of district administrator, the administrator must execute a bond in the amount set by the board of not less than $5,000 that:

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

(2)  contains any other condition the board requires.

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. 1108.060.  GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  Subject to the limitations prescribed by the board, the district administrator shall:

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

(2)  direct the affairs 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. 1108.061.  ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a)  The board may appoint qualified persons as:

(1)  the assistant district administrator; and

(2)  the attorney for the district.

(b)  The assistant district administrator and the attorney serve at the will of the board and are entitled to receive the compensation determined 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. 1108.062.  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 and may make temporary appointments as warranted.

(b)  The district may employ fiscal agents, accountants, architects, and additional attorneys as the board considers proper.

(c)  The board may delegate to the district administrator the authority to employ district employees, including technicians and nurses.

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. 1108.063.  RETIREMENT BENEFITS.  The board may provide retirement benefits for district employees by:

(1)  establishing or administering a retirement program; or

(2)  participating in:

(A)  the Texas County and District Retirement System; or

(B)  another statewide retirement system in which the district is eligible to participate.

Added by Acts 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. 1108.101.  DISTRICT RESPONSIBILITY.  The district has full responsibility for operating all hospital facilities and for providing medical and hospital care for the district's needy inhabitants.

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. 1108.102.  MANAGEMENT, CONTROL, AND ADMINISTRATION.  The board shall manage, control, and administer the hospital system and the district's 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. 1108.103.  HOSPITAL SYSTEM; MOBILE EMERGENCY MEDICAL SERVICES. (a)  The district shall provide for:

(1)  the establishment of a hospital system and the provision of emergency medical services by:

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

(B)  equipping the buildings; and

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

(b)  The hospital system may include any facilities and equipment 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. 1108.104.  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. 1108.105.  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. 1108.106.  DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a)  The board shall determine the type, number, and location of buildings required to maintain an adequate hospital system.

(b)  The board may lease all or part of the district's facilities on terms considered to be in the best interest of the district's inhabitants.

(c)  The district may acquire equipment for use in the district's hospital system and 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 the district's inhabitants.

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. 1108.107.  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 to 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, 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 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. 1108.108.  COST OF RELOCATING OR ALTERING PROPERTY.  In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, electric transmission, telegraph or telephone line, conduit, pole, or facility, 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 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. 1108.109.  GIFTS AND ENDOWMENTS.  The board may accept for the district a gift or endowment to be held in trust for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are consistent with the proper management and objectives 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. 1108.110.  CONSTRUCTION CONTRACTS.  A construction contract that involves the expenditure of more than $10,000 may be made only after advertising in the manner provided by Chapter 252 and Subchapter C, Chapter 262, 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. 1108.111.  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. 1108.112.  CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES.  The board may contract with a political subdivision or governmental agency for the district to provide mobile emergency medical services and investigatory or other services as to facilities for the medical care, hospital, or welfare needs of district inhabitants.

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. 1108.113.  PAYMENT FOR TREATMENT; PROCEDURES. (a)  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 liable for the patient's support.

(b)  If the district administrator determines that the patient or those relatives cannot pay for all or part of the care and treatment in the hospital, the amount 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 care and support.  The amount ordered must be proportionate to their financial ability.

(d)  The district administrator may collect the amount from the patient's estate, or from those relatives 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:

(1)  call witnesses;

(2)  hear and resolve the dispute or doubt; and

(3)  issue a final order.

(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 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. 1108.114.  REIMBURSEMENT FOR SERVICES. (a)  The board shall require a county or municipality located outside the district to reimburse the district for the care and treatment of a sick or injured person of that county or municipality.

(b)  The board shall require the sheriff of Trinity County to reimburse the district for the care and treatment of a prisoner imprisoned in Trinity County who is not a district resident.

(c)  The district may contract with this state or a federal agency for the reimbursement for the 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. 1108.115.  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. 1108.151.  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 revenue and balances available to cover the 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. 1108.152.  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 with general circulation in the district.

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

(d)  At the conclusion of the hearing, the board shall act on the budget as proposed by the district administrator.  The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and the law warrants.  The budget must be 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. 1108.153.  AMENDMENTS TO BUDGET.  After the annual budget is adopted, 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. 1108.154.  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. 1108.155.  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 district revenue bonds are outstanding; or

(2)  more than once in any 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. 1108.156.  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. 1108.157.  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. 1108.158.  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. 1108.159.  DEPOSITORY. (a)  The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b)  District money, other than money invested as provided by Section 1108.160(b) 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 chapter, including Subsection (b), 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. 1108.160.  SPENDING AND INVESTMENT RESTRICTIONS. (a)  Except as provided by Section 1108.106(c) and by Subchapter E, the district may not incur an obligation payable from district revenue other than the revenue on hand or to be on hand in the current and following district fiscal years.

(b)  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.

SUBCHAPTER E. BONDS

Sec. 1108.201.  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 or improvements;

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

(3)  the acquisition and operation of mobile emergency medical services to assist the district in carrying out its hospital purposes.

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. 1108.202.  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 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 imposed for the district may not in any year exceed 75 cents on each $100 valuation of all taxable property in the district subject to hospital district 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. 1108.203.  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.

(b)  The board, in ordering a bond election, must provide for clerks as in county elections and must specify:

(1)  the date of the election;

(2)  the location of the polling places;

(3)  the presiding and alternate election judges for each polling place;

(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.

(d)  Section 41.001(a), Election Code, does not apply to an election held under this section.

(e)  The board shall declare the results of the election.

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. 1108.204.  REVENUE BONDS. (a)  The board may issue revenue bonds to:

(1)  purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes;

(2)  acquire and operate mobile emergency medical services to assist the district in carrying out its hospital purposes; and

(3)  acquire sites to be used for 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 hospitals.

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

(d)  The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by 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. 1108.205.  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 the outstanding indebtedness; or

(2)  exchanged wholly or partly for not less than a similar principal amount of 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. 1108.206.  MATURITY OF BONDS.  District bonds must mature not later than 40 years after their 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. 1108.207.  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. 1108.208.  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)  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.

SUBCHAPTER F. TAXES

Sec. 1108.251.  IMPOSITION OF AD VALOREM TAX. (a)  The board may impose a tax on all 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)  district maintenance and operating expenses.

(c)  The board may not impose a tax to pay the principal of or interest on revenue bonds issued under Section 1108.204.

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. 1108.252.  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 subject to district taxation.

(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. 1108.253.  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 Title 1, 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.