

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

CHAPTER 1101. SUTTON COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1101.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Commissioners court" means the Commissioners Court of Sutton County, Texas.

(3) "Director" means a member of the board.

(4) "District" means the Sutton County Hospital District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.002. AUTHORITY FOR OPERATION. The Sutton County Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Sutton County, Texas.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. This state may not become obligated for the support or maintenance of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.006. 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](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1101.051. BOARD ELECTION; TERM. (a) The district is governed by a board of seven directors elected as follows:

(1) one director elected from each commissioners precinct; and

(2) three directors elected from the district at large.

(b) Directors serve staggered four-year terms.

(c) An election shall be held in each even-numbered year on the May uniform election date prescribed under Section 41.001, Election Code, or another date authorized by law, to elect the appropriate number of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec.

18.101(8), eff. September 1, 2013.

Sec. 1101.052. NOTICE OF ELECTION. Notice of a directors' election must be published one time in a newspaper with general circulation in the district in accordance with Section 4.003, Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for or to serve as a director, a person must be:

- (1) a resident of the district; and
- (2) a qualified voter.

(b) In addition to the qualifications required by Subsection (a), a person who is elected from a commissioners precinct or who is appointed to fill a vacancy for a commissioners precinct must be a resident of that commissioners precinct.

(c) A district employee may not serve as a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.054. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.055. OFFICERS. (a) The board shall elect from among its members a president and a vice president.

(b) The board shall appoint a secretary, who need not be a director.

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

(d) 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.056. 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.057. 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.058. 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 compensation as determined by the board.

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

- (1) payable to the district; and
- (2) conditioned on the faithful performance of the administrator's duties under this chapter.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

- (1) supervise the work and activities of the district;
- and
- (2) direct the general affairs of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.060. 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 for the district serve at the will of the board and are entitled to compensation as determined by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.061. APPOINTMENT AND RECRUITMENT 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 considered necessary.

(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(c) The board may delegate to the district administrator the authority to employ persons for the district.

(d) The board may spend district money to recruit to the hospital staff any physicians necessary to satisfy the medical needs of district residents.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.062. NURSING SCHOOL SCHOLARSHIPS. The board may spend district money to provide scholarships to district residents to attend nursing school.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.063. 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](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1101.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.102. RESTRICTION ON COUNTY TAXATION AND DEBT. Sutton County 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.103. 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.104. RULES. The board may adopt rules governing:

(1) the operation of the hospital and hospital system;
and

(2) the duties, functions, and responsibilities of district staff and employees.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.105. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

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

(2) accounting and control procedures for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.106. MOBILE EMERGENCY MEDICAL SERVICE. The district may operate or provide for the operation of a mobile

emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.107. 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 hospital system may include:

(1) facilities and equipment to provide for domiciliary care and treatment of geriatric patients; and

(2) convalescent home facilities.

(c) The board may:

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

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

(d) The board may lease hospital facilities for the district.

(e) The board may sell or otherwise dispose of property, including facilities or equipment, for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with the proper management of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.109. CONSTRUCTION CONTRACTS. (a) The board may enter into construction contracts for the district.

(b) The board may enter into a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.110. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into an operating or management contract relating to a hospital facility for the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR SERVICES. The board may contract with a political subdivision of this state or with a state or federal agency for the district to:

- (1) furnish a mobile emergency medical service; or
- (2) provide for the investigatory or welfare needs of district inhabitants.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

- (1) the patient; and
- (2) a relative of the patient legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the individual's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to an individual's ability to pay or if the district administrator has any doubt concerning an individual's ability to pay, the board shall:

- (1) call witnesses;
- (2) hear and resolve the question; and
- (3) issue a final order.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county or municipality located outside the district to reimburse the district for the district's care and treatment of

a sick or injured person of that county or municipality.

(b) The board shall require the sheriff of Sutton County to reimburse the district for the district's care and treatment of a person confined in a jail facility of Sutton County who is not a district resident.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.114. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1101.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

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

- (1) the outstanding obligations of the district;
- (2) the amount of cash on hand to the credit of each district fund;
- (3) the amount of money received by the district from all sources during the previous year;
- (4) the amount of money available to the district from all sources during the ensuing year;
- (5) the amount of the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated amount of revenue 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

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

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget 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.

(e) The budget is effective only after adoption by the board. Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.153. AMENDMENTS TO BUDGET. After the annual budget is adopted, the budget may be amended on the board's approval.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.154. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the annual budget or an amendment to the budget.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.155. FISCAL YEAR. The district operates according to a fiscal year established by the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.156. 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection during regular business hours at the district's principal office.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.158. FINANCIAL REPORT. As soon as practicable after the close of the fiscal year, the district administrator shall prepare for the board:

(1) a sworn statement of the amount of district money;
and

(2) an account of the disbursements of that money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.159. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1101.160(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. This subsection does not limit the power of the board to:

- (1) place a portion of district money on time deposit;

or

- (2) purchase certificates of deposit.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.160. SPENDING AND INVESTMENT RESTRICTIONS.

(a) Except as provided by Sections 1101.109, 1101.201, 1101.204, and 1101.205, the district may not incur a debt payable from district revenue other than the revenue on hand or to be on hand in the current and immediately 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.161. 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 district obligations at the time the loan is made.

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

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

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

- (3) a district bond that has 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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER E. BONDS

Sec. 1101.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

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

(3) acquire and operate a mobile emergency medical service.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.202. 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 the district imposes 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.203. 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 may order a bond election.

(c) The order calling the election must specify:

- (1) the nature and date of the election;
- (2) the hours during which the polls will be open;
- (3) the location of the polling places;
- (4) the amount of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes;
- (2) acquire sites to be used for hospital purposes; or
- (3) acquire and operate a mobile emergency medical 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 the 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 part of district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.205. REFUNDING BONDS. (a) District refunding bonds may be issued 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 outstanding indebtedness.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.206. MATURITY OF BONDS. District bonds must mature not later than 50 years after the date of issuance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.207. 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.208. 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 1101.202 and revenue and other sources authorized by

Section 1101.204.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.209. 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 bond issuance;

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

(7) costs of construction 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.210. 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) any transaction relating to the bonds; and
- (3) profits made in the sale of the bonds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER F. TAXES

Sec. 1101.251. IMPOSITION OF AD VALOREM TAX. (a) The board may impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

- (1) indebtedness issued or assumed by the district; and
- (2) district maintenance and operating expenses.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.252. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate for all purposes may not exceed 75 cents on each \$100 valuation of all taxable property in the district.

(c) 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](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.253. ELECTION TO INCREASE MAXIMUM TAX RATE.

(a) The board may order an election to increase the district's maximum tax rate to 75 cents on each \$100 valuation of taxable

property in the district. The board shall order the election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(b) The ballot for the election shall be printed to permit voting for or against the proposition: "The imposition of annual taxes by the district for hospital purposes at a rate not to exceed 75 cents on the \$100 valuation of all taxable property in the district."

(c) If a majority of the votes favor the proposition, the board may impose taxes as authorized by the proposition, subject to Section 1101.254. If a majority of the votes do not favor the proposition, another election on the question of increasing the district's maximum tax rate may not be held before the first anniversary of the date of the most recent election at which voters disapproved the proposition.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.254. LIMIT ON ANNUAL INCREASE IN TAX RATE.

(a) Notwithstanding Section 1101.253, the board may not in any year increase the tax rate by five cents or more on each \$100 valuation above the tax rate imposed in the preceding year unless the increase is approved at an election held under this section.

(b) The board may order an election to increase the district's tax rate by five cents or more on each \$100 of valuation above the rate imposed in the preceding year. The board shall order the election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(c) The ballot for the election shall be printed to permit

voting for or against the proposition: "The imposition of the (insert year) annual tax by the district for hospital purposes at a rate not to exceed (insert rate) cents on the \$100 valuation of all taxable property in the district."

(d) If a majority of the votes favor the proposition, the board may impose taxes as authorized by the proposition. If a majority of the votes do not favor the proposition, the board may not increase the tax rate for that year by five cents or more on each \$100 valuation above the tax rate imposed in the preceding year.

(e) This section does not authorize the board to impose taxes in an amount that exceeds the maximum amount approved by the voters under Section 1101.253.

(f) This section does not affect any rights district voters may have to petition for an election under Section 26.07, Tax Code, except that if district voters approve a tax rate increase under this section, the voters may not petition for an election under Section 26.07, Tax Code, as to the tax rate for that year.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.255. 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](#)), Sec. 1.01, eff. April 1, 2013.

SUBCHAPTER G. DISSOLUTION

Sec. 1101.301. DISSOLUTION; ELECTION. (a) The district may be dissolved as provided by this subchapter.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of registered voters in the district.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.302. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Sutton County Hospital District."

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.303. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.304. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If

a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer to Sutton County the land, buildings, improvements, equipment, and other assets that belong to the district; or

(2) administer the property, assets, and debts in accordance with Sections 1101.305, 1101.306, and 1101.307.

(b) If the board makes the transfer under Subsection (a)(1), Sutton County assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.305. BOARD MANAGEMENT OF ASSETS ON DISSOLUTION; IMPOSITION OF TAX. (a) If the district does not transfer the land, buildings, improvements, equipment, and other assets to Sutton County under Section 1101.304, the board shall continue to control and administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(c) The board may institute a suit to enforce payment of taxes and to foreclose liens to secure the payment of taxes due the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.306. RETURN OF SURPLUS TAXES. (a) On the payment of all outstanding debts and obligations of the district in accordance with Section 1101.305, the board shall order the board secretary to return to each district taxpayer the pro rata share of all unused tax money.

(b) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the board secretary to transmit the money to the county tax assessor-collector.

Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.

Sec. 1101.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all district debts and has disposed of all district money and other assets as prescribed by this subchapter, the board shall file a written report with the commissioners court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district. Added by Acts 2011, 82nd Leg., R.S., Ch. 70 (S.B. [1147](#)), Sec. 1.01, eff. April 1, 2013.