

1-1 By: Lucio S.B. No. 2034
 1-2 (In the Senate - Filed April 7, 2015; April 7, 2015, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; April 22, 2015, reported favorably by the following
 1-5 vote: Yeas 5, Nays 0; April 22, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Bettencourt	X			
1-9 Campbell	X			
1-10 Garcia	X			
1-11 Menéndez	X			
1-12 Nichols			X	
1-13 Taylor of Galveston			X	

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the Cameron County Healthcare District;
 1-18 granting the authority to impose a tax and issue bonds; granting the
 1-19 power of eminent domain.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Subtitle A, Title 3, Special District Local Laws
 1-22 Code, is amended by adding Chapter 1121 to read as follows:

1-23 CHAPTER 1121. CAMERON COUNTY HEALTHCARE DISTRICT
 1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 1121.001. DEFINITIONS. In this chapter:
 1-26 (1) "Board" means the board of directors of the
 1-27 district.

1-28 (2) "Director" means a member of the board.
 1-29 (3) "District" means the Cameron County Healthcare
 1-30 District.

1-31 Sec. 1121.002. DISTRICT AUTHORIZATION. The Cameron County
 1-32 Healthcare District may be created and, if created, operates and is
 1-33 financed as a hospital district as provided by Section 9, Article
 1-34 IX, Texas Constitution, and by this chapter.

1-35 Sec. 1121.003. ESSENTIAL PUBLIC FUNCTION. The district is
 1-36 a public entity performing an essential public function.

1-37 Sec. 1121.004. DISTRICT TERRITORY. The boundaries of the
 1-38 district are coextensive with the boundaries of Cameron County.

1-39 Sec. 1121.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
 1-40 OBLIGATION. The state may not be obligated for the support or
 1-41 maintenance of the district.

1-42 Sec. 1121.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
 1-43 The legislature may not make a direct appropriation for the
 1-44 construction, maintenance, or improvement of a district facility.

1-45 SUBCHAPTER A-1. TEMPORARY PROVISIONS

1-46 Sec. 1121.021. CREATION ELECTION; ORDERING ELECTION.
 1-47 (a) The district may be created and a tax may be authorized only if
 1-48 the creation and the tax are approved by a majority of the
 1-49 registered voters of the territory of the proposed district voting
 1-50 at an election called and held for that purpose.

1-51 (b) The Cameron County Commissioners Court shall order an
 1-52 election for the registered voters of Cameron County on the
 1-53 question of creation of the Cameron County Healthcare District if
 1-54 the commissioners court receives a petition requesting an election
 1-55 that is signed by at least 100 registered voters who are residents
 1-56 of Cameron County.

1-57 (c) The order calling an election under this section must
 1-58 state:

1-59 (1) the nature of the election, including the
 1-60 proposition that is to appear on the ballot;

1-61 (2) the date of the election;

2-1 (3) the hours during which the polls will be open; and
2-2 (4) the location of the polling places.

2-3 (d) Section 41.001(a), Election Code, does not apply to an
2-4 election ordered under this section.

2-5 (e) The Cameron County Commissioners Court shall give
2-6 notice of an election under this section by publishing a
2-7 substantial copy of the election order in a newspaper with general
2-8 circulation in Cameron County once a week for two consecutive
2-9 weeks. The first publication must appear not later than the 30th
2-10 day before the date set for the election.

2-11 (f) The ballot for an election under this section must be
2-12 printed to permit voting for or against the proposition: "The
2-13 creation of the Cameron County Healthcare District, providing for
2-14 the imposition of an ad valorem tax at a rate determined by the
2-15 board of directors of the district, which rate may not exceed 25
2-16 cents on each \$100 valuation of all taxable property in the
2-17 district. District funds shall be used for district purposes,
2-18 including providing medical and hospital care for the needy
2-19 inhabitants of Cameron County, improving health care services for
2-20 inhabitants of Cameron County, supporting the School of Medicine at
2-21 The University of Texas Rio Grande Valley, training physicians,
2-22 nurses, and other health care professionals, obtaining federal or
2-23 state funds for health care services, and providing community
2-24 health clinics, primary care services, behavioral and mental health
2-25 care services, and prevention and wellness programs."

2-26 (g) The Cameron County Commissioners Court shall find that
2-27 the Cameron County Healthcare District is created if a majority of
2-28 the voters voting in the election held under this section favor the
2-29 creation of the district.

2-30 SUBCHAPTER B. DISTRICT ADMINISTRATION

2-31 Sec. 1121.051. DIRECTORS; TERM. (a) If the creation of
2-32 the district is approved at the election held under Section
2-33 1121.021, the district shall be governed by a board of nine
2-34 directors, appointed as follows:

2-35 (1) the county judge of Cameron County shall appoint
2-36 one director;

2-37 (2) each county commissioner serving on the Cameron
2-38 County Commissioners Court shall appoint one director; and

2-39 (3) the governing bodies of the four municipalities
2-40 located in Cameron County that have the greatest amounts of taxable
2-41 value of property taxable by the district located within their
2-42 corporate boundaries shall each appoint one director.

2-43 (b) Directors serve staggered three-year terms, with three
2-44 directors' terms expiring each year. The initial directors
2-45 appointed under this section shall draw lots as follows to
2-46 determine:

2-47 (1) for the directors appointed by the governing
2-48 bodies of the municipalities in Cameron County described by
2-49 Subsection (a), which director serves a one-year term, which two
2-50 directors serve a two-year term, and which director serves a
2-51 three-year term; and

2-52 (2) for the directors appointed by the Cameron County
2-53 Commissioners Court, including the director appointed by the county
2-54 judge of Cameron County, which two directors serve a one-year term,
2-55 which director serves a two-year term, and which two directors
2-56 serve a three-year term.

2-57 (c) On expiration of the initial directors' terms,
2-58 successor directors shall be appointed for a three-year term by the
2-59 person or governing body that appointed the initial director.

2-60 (d) A director may not serve more than three consecutive
2-61 three-year terms.

2-62 Sec. 1121.052. ELIGIBILITY FOR APPOINTMENT TO BOARD. A
2-63 person is not eligible for appointment to the board if the person
2-64 is:

2-65 (1) an employee of Cameron County;

2-66 (2) an employee of a municipality located in the
2-67 district;

2-68 (3) a district employee; or

2-69 (4) related within the third degree of consanguinity

3-1 or affinity, as determined under Subchapter B, Chapter 573,
3-2 Government Code, to a member of the Commissioners Court of Cameron
3-3 County, to a member of the governing body of a municipality located
3-4 in the district, or to a person described by Subdivision (1), (2),
3-5 or (3).

3-6 Sec. 1121.053. OFFICERS. (a) The board shall elect from
3-7 among the directors:

3-8 (1) a chair; and

3-9 (2) a vice chair to preside in the chair's absence.

3-10 (b) The board shall elect a director or the district
3-11 administrator to serve as secretary.

3-12 Sec. 1121.054. COMPENSATION; REIMBURSEMENT. A director or
3-13 officer serves without compensation but may be reimbursed for
3-14 actual expenses incurred in the performance of official duties.
3-15 The expenses must be:

3-16 (1) reported in the district's records; and

3-17 (2) approved by the board.

3-18 Sec. 1121.055. DIRECTOR'S BOND. (a) Before assuming the
3-19 duties of office, each director must execute a bond in the amount of
3-20 \$5,000 payable to the district and conditioned on the faithful
3-21 performance of the director's duties.

3-22 (b) The bond shall be kept in the permanent records of the
3-23 district.

3-24 (c) The board may pay for a director's bond with district
3-25 money.

3-26 Sec. 1121.056. BOARD VACANCY. A vacancy in the office of
3-27 director shall be filled for the remainder of the unexpired term by
3-28 appointment by the person or governing body that appointed the
3-29 vacating director.

3-30 Sec. 1121.057. VOTING REQUIREMENT. A concurrence of a
3-31 majority of the directors voting is necessary in matters relating
3-32 to district business.

3-33 Sec. 1121.058. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S
3-34 BOND. (a) The board may appoint a qualified person as district
3-35 administrator.

3-36 (b) The district administrator serves at the will of the
3-37 board.

3-38 (c) The district administrator is entitled to compensation
3-39 determined by the board.

3-40 (d) Before assuming the duties of district administrator,
3-41 the administrator must execute a bond payable to the district in an
3-42 amount not less than \$5,000, as determined by the board,
3-43 conditioned on the faithful performance of the administrator's
3-44 duties.

3-45 (e) The board may pay for the bond with district money.

3-46 Sec. 1121.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
3-47 Subject to the limitations prescribed by the board, the district
3-48 administrator shall:

3-49 (1) supervise the work and activities of the district;
3-50 and

3-51 (2) direct the general affairs of the district.

3-52 Sec. 1121.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.
3-53 (a) The board may appoint qualified persons as assistant district
3-54 administrator and attorney for the district.

3-55 (b) The assistant district administrator and attorney for
3-56 the district serve at the will of the board.

3-57 (c) The assistant district administrator and attorney for
3-58 the district are entitled to compensation determined by the board.

3-59 Sec. 1121.061. EMPLOYEES. (a) The district may employ
3-60 nurses, technicians, fiscal agents, accountants, architects,
3-61 additional attorneys, and other necessary employees.

3-62 (b) The board may delegate to the district administrator the
3-63 authority to employ persons for the district.

3-64 Sec. 1121.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.
3-65 The board may spend district money, enter into agreements, and take
3-66 other necessary actions to recruit physicians and other persons to
3-67 serve as medical staff members or district employees. The actions
3-68 may include:

3-69 (1) advertising and marketing;

4-1 (2) paying travel, recruitment, and relocation
 4-2 expenses;
 4-3 (3) providing a loan or scholarship to a physician or a
 4-4 person currently enrolled in health care education courses at an
 4-5 institution of higher education who contracts to become a medical
 4-6 staff member or district employee; or
 4-7 (4) contracting with a full-time medical student or
 4-8 other student in a health occupation who is enrolled in and in good
 4-9 standing at an accredited medical school, college, or university to
 4-10 pay the student's tuition or other expenses for the consideration
 4-11 of the student agreeing to serve as an employee or independent
 4-12 contractor for the district.

4-13 Sec. 1121.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.
 4-14 The board may:

4-15 (1) appoint to the medical staff any doctor the board
 4-16 considers necessary for the efficient operation of the district;
 4-17 (2) remove any doctor from the medical staff, after
 4-18 due process, if the board considers the doctor's removal necessary
 4-19 for the efficient operation of the district; and
 4-20 (3) make temporary appointments to the medical staff
 4-21 as the board considers necessary.

4-22 Sec. 1121.064. RETIREMENT BENEFITS. The board may provide
 4-23 retirement benefits for district employees by:

4-24 (1) establishing or administering a retirement
 4-25 program; or
 4-26 (2) participating in:
 4-27 (A) the Texas County and District Retirement
 4-28 System; or
 4-29 (B) another statewide retirement system in which
 4-30 the district is eligible to participate.

4-31 SUBCHAPTER C. POWERS AND DUTIES

4-32 Sec. 1121.101. DISTRICT RESPONSIBILITY. The district has
 4-33 full responsibility for operating the district's hospital
 4-34 facilities and providing medical and hospital care for the
 4-35 district's needy inhabitants.

4-36 Sec. 1121.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
 4-37 The board shall manage, control, and administer the district and
 4-38 the money and resources of the district.

4-39 Sec. 1121.103. RULES. The board may adopt rules governing:

4-40 (1) the operation of the district and any district
 4-41 hospital; and
 4-42 (2) the duties, functions, and responsibilities of
 4-43 district staff and employees.

4-44 Sec. 1121.104. PURCHASING AND ACCOUNTING PROCEDURES. The
 4-45 board may prescribe:

4-46 (1) the method of making purchases and expenditures by
 4-47 and for the district; and
 4-48 (2) accounting and control procedures for the
 4-49 district.

4-50 Sec. 1121.105. PROVISION OF CERTAIN HEALTH SERVICES.

4-51 (a) The district may operate or provide for the operation of a
 4-52 mobile emergency medical service.
 4-53 (b) The district may operate or provide for home health
 4-54 services, long-term care, skilled nursing care, intermediate
 4-55 nursing care, or hospice care.

4-56 Sec. 1121.106. DISTRICT PROPERTY, FACILITIES, AND
 4-57 EQUIPMENT. (a) The board shall determine:

4-58 (1) the type, number, and location of buildings
 4-59 required to maintain an adequate health care district; and
 4-60 (2) the type of equipment necessary to provide medical
 4-61 care in the district.

4-62 (b) The board may:

4-63 (1) acquire property, facilities, and equipment for
 4-64 use by the district;
 4-65 (2) mortgage or pledge the property, facilities, or
 4-66 equipment as security for payment of the purchase price;
 4-67 (3) sell or otherwise dispose of property, facilities,
 4-68 or equipment for the district; or
 4-69 (4) lease hospital facilities for the district.

5-1 Sec. 1121.107. OPERATING AND MANAGEMENT CONTRACTS. The
 5-2 board may enter into operating or management contracts relating to
 5-3 hospital or other health care facilities for the district.

5-4 Sec. 1121.108. SERVICE CONTRACTS. (a) The board may
 5-5 contract with public or private hospitals, clinics, physicians or
 5-6 other health care providers, political subdivisions of the state,
 5-7 accredited public or private medical schools and their affiliated
 5-8 nonprofit entities or faculty practice plans, allied health
 5-9 education institutions, or state and federal agencies for the
 5-10 district to provide a mobile emergency medical service or other
 5-11 medical, hospital, or health care services needed to provide for
 5-12 the investigatory, welfare, medical, or health care needs of
 5-13 inhabitants of the district.

5-14 (b) The board may contract with a person to receive or
 5-15 supply the services the board considers necessary for the effective
 5-16 operation of the district.

5-17 Sec. 1121.109. EMINENT DOMAIN. (a) The district may
 5-18 exercise the power of eminent domain to acquire a fee simple or
 5-19 other interest in property located in district territory if the
 5-20 interest is necessary for the district to exercise the rights or
 5-21 authority conferred by this chapter.

5-22 (b) The district must exercise the power of eminent domain
 5-23 in the manner provided by Chapter 21, Property Code, except that the
 5-24 district is not required to deposit with the trial court money or a
 5-25 bond as provided by Section 21.021(a), Property Code.

5-26 (c) In a condemnation proceeding brought by the district,
 5-27 the district is not required to:

5-28 (1) pay in advance or provide bond or other security
 5-29 for costs in the trial court;

5-30 (2) provide bond for the issuance of a temporary
 5-31 restraining order or a temporary injunction; or

5-32 (3) provide a bond for costs or a supersedeas bond on
 5-33 an appeal or petition for review.

5-34 Sec. 1121.110. COST OF RELOCATING OR ALTERING PROPERTY. In
 5-35 exercising the power of eminent domain, if the board requires
 5-36 relocating, raising, lowering, rerouting, changing the grade, or
 5-37 altering the construction of any railroad, highway, pipeline, or
 5-38 electric transmission and electric distribution, telegraph, or
 5-39 telephone line, conduit, pole, or facility, the district shall pay
 5-40 the actual cost of that activity to provide a comparable
 5-41 replacement, without enhancement of facilities, after deducting
 5-42 the net salvage value derived from the old facility.

5-43 Sec. 1121.111. GIFTS AND ENDOWMENTS. The board may accept
 5-44 for the district a gift or endowment to be held in trust for any
 5-45 purpose and under any direction, limitation, or provision in
 5-46 writing by the donor that is consistent with the proper management
 5-47 of the district.

5-48 Sec. 1121.112. PAYMENT FOR TREATMENT; PROCEDURES.

5-49 (a) When a person who resides in the district is admitted as a
 5-50 patient to a district facility or receives medical or hospital care
 5-51 from the district, the district administrator may have an inquiry
 5-52 made into the financial circumstances of:

5-53 (1) the patient; and

5-54 (2) a relative of the patient who is legally
 5-55 responsible for the patient's support.

5-56 (b) To the extent that the patient or a relative of the
 5-57 patient who is legally responsible for the patient's support cannot
 5-58 pay for care and treatment provided by the district, the district
 5-59 shall supply the care and treatment without charging the patient or
 5-60 the patient's relative.

5-61 (c) On determining that the patient or a relative legally
 5-62 responsible for the patient's support can pay for all or part of the
 5-63 care and treatment provided by the district, the district
 5-64 administrator shall report that determination to the board, and the
 5-65 board shall issue an order directing the patient or the relative to
 5-66 pay the district a specified amount each week. The amount must be
 5-67 based on the person's ability to pay.

5-68 (d) The district administrator may collect money owed to the
 5-69 district from the patient's estate or from that of a relative

6-1 legally responsible for the patient's support in the manner
 6-2 provided by law for the collection of expenses in the last illness
 6-3 of a deceased person.

6-4 (e) If there is a dispute relating to a person's ability to
 6-5 pay or if the district administrator has any doubt concerning a
 6-6 person's ability to pay, the board shall call witnesses, hear and
 6-7 resolve the question, and issue a final order. The order may be
 6-8 appealed to a district court in Cameron County. The substantial
 6-9 evidence rule applies to an appeal under this subsection.

6-10 Sec. 1121.113. REIMBURSEMENT FOR SERVICES. (a) If the
 6-11 district provides care or treatment to a sick or injured person who
 6-12 is not an inhabitant of Cameron County, the board shall require the
 6-13 county, municipality, or public hospital located outside of the
 6-14 district and in which the person is an inhabitant to reimburse the
 6-15 district for the district's care and treatment of that person as
 6-16 provided by Chapter 61, Health and Safety Code.

6-17 (b) The board shall require the sheriff of Cameron County to
 6-18 reimburse the district for the district's care and treatment of a
 6-19 person who is confined in a jail facility of Cameron County and is
 6-20 not a resident of the district.

6-21 (c) On behalf of the district, the board may contract with
 6-22 the state or federal government for that government to reimburse
 6-23 the district for treatment of a sick or injured person.

6-24 Sec. 1121.114. NONPROFIT CORPORATION. (a) The district
 6-25 may create and sponsor a nonprofit corporation under the Business
 6-26 Organizations Code and may contribute money to or solicit money for
 6-27 the corporation.

6-28 (b) A corporation created under this section may use money
 6-29 contributed by the district only for a district purpose, including
 6-30 the provision of health care or other services the district is
 6-31 authorized to provide under this chapter.

6-32 (c) The corporation may invest the corporation's money in
 6-33 any manner in which the district may invest the district's money,
 6-34 including investing money as authorized by Chapter 2256, Government
 6-35 Code.

6-36 (d) The board shall establish controls to ensure that the
 6-37 corporation uses its money as required by this section.

6-38 Sec. 1121.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT
 6-39 PURPOSES. Under the authority granted by Section 52-a, Article
 6-40 III, Texas Constitution, the district may loan or grant money to any
 6-41 person for the development of medical education and research in the
 6-42 district.

6-43 Sec. 1121.116. AUTHORITY TO SUE AND BE SUED. The board may
 6-44 sue and be sued on behalf of the district.

6-45 Sec. 1121.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR
 6-46 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a
 6-47 construction contract on the district's behalf.

6-48 (b) The board may enter into a construction contract only
 6-49 after competitive bidding as provided by Subchapter B, Chapter 271,
 6-50 Local Government Code, if the amount of the contract is greater than
 6-51 the amount provided by Section 271.024 of that code.

6-52 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6-53 Sec. 1121.151. BUDGET. (a) The board and the district
 6-54 administrator shall jointly prepare a proposed annual budget for
 6-55 the district.

6-56 (b) The proposed budget must contain a complete financial
 6-57 statement, including a statement of:

6-58 (1) the outstanding obligations of the district;

6-59 (2) the amount of cash on hand to the credit of each
 6-60 fund of the district;

6-61 (3) the amount of money received by the district from
 6-62 all sources during the previous year;

6-63 (4) the amount of money available to the district from
 6-64 all sources during the ensuing year;

6-65 (5) the amount of the balances expected at the end of
 6-66 the year in which the budget is being prepared;

6-67 (6) the estimated amount of revenues and balances
 6-68 available to cover the proposed budget; and

6-69 (7) the estimated tax rate required.

7-1 Sec. 1121.152. NOTICE; HEARING; ADOPTION OF BUDGET.
7-2 (a) The board shall hold a public hearing on the proposed budget.
7-3 (b) The board shall publish notice of the hearing in a
7-4 newspaper with general circulation in the district not later than
7-5 the 10th day before the date of the hearing.
7-6 (c) Any district resident is entitled to be present and
7-7 participate at the hearing.
7-8 (d) At the conclusion of the hearing, the board shall adopt
7-9 a budget by acting on the proposed budget. The board may make a
7-10 change in the proposed budget that the board determines to be in the
7-11 interests of the taxpayers.
7-12 (e) The budget is effective only after adoption by the
7-13 board.
7-14 Sec. 1121.153. AMENDMENT OF BUDGET. After the budget is
7-15 adopted, the budget may be amended if the proposed amendment is
7-16 adopted by the board.
7-17 Sec. 1121.154. FISCAL YEAR. (a) The district operates
7-18 according to a fiscal year established by the board.
7-19 (b) The fiscal year may not be changed:
7-20 (1) during a period in which revenue bonds of the
7-21 district are outstanding; or
7-22 (2) more than once in a 24-month period.
7-23 Sec. 1121.155. ANNUAL AUDIT. The board shall have an annual
7-24 audit made of the financial condition of the district.
7-25 Sec. 1121.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT
7-26 RECORDS. The annual audit and other district records are open to
7-27 inspection during regular business hours at the principal office of
7-28 the district.
7-29 Sec. 1121.157. FINANCIAL REPORT. As soon as practicable
7-30 after the close of each fiscal year, the district administrator
7-31 shall prepare for the board a sworn statement of the amount of
7-32 district money and an account of the disbursement of that money.
7-33 Sec. 1121.158. SHORT-TERM FINANCING. The district may
7-34 borrow money through short-term financing.
7-35 Sec. 1121.159. DEBT LIMITATION. Except as provided by this
7-36 chapter and Chapter 1207, Government Code, the district may not
7-37 incur a debt payable from district revenue other than revenue
7-38 available in the current fiscal year and the immediately following
7-39 fiscal year of the district.
7-40 Sec. 1121.160. DEPOSITORY. (a) The board shall select at
7-41 least one bank to serve as a depository for district money.
7-42 (b) The board may solicit bids from local financial
7-43 institutions to determine which institution may serve as a
7-44 depository for district money.
7-45 (c) District money, other than money invested as provided by
7-46 Section 1121.161 and money transmitted to a bank for payment of
7-47 bonds or obligations issued or assumed by the district, shall be
7-48 deposited as received with the depository bank and shall remain on
7-49 deposit. This subsection does not limit the board's power to place
7-50 part of the district's money on time deposit or to purchase
7-51 certificates of deposit.
7-52 Sec. 1121.161. RESTRICTION ON INVESTMENT. The board may
7-53 invest operating, depreciation, or building reserves only in funds
7-54 or securities specified by Chapter 2256, Government Code.
7-55 SUBCHAPTER E. BONDS
7-56 Sec. 1121.201. GENERAL OBLIGATION BONDS. If authorized by
7-57 an election, the board may issue and sell general obligation bonds
7-58 in the name and on the faith and credit of the district to:
7-59 (1) purchase, construct, acquire, repair, or renovate
7-60 buildings or improvements;
7-61 (2) equip buildings or improvements for district
7-62 purposes; or
7-63 (3) acquire and operate a mobile emergency medical
7-64 service.
7-65 Sec. 1121.202. TAX TO PAY GENERAL OBLIGATION BONDS.
7-66 (a) At the time general obligation bonds are issued by the
7-67 district under Section 1121.201, the board shall impose an ad
7-68 valorem tax in an amount sufficient to create an interest and
7-69 sinking fund to pay the principal of and interest on the bonds as

8-1 the bonds mature.
8-2 (b) The tax required by this section together with any other
8-3 tax the district imposes in any year may not exceed the limit
8-4 approved by the voters at the election authorizing the imposition
8-5 of taxes.
8-6 Sec. 1121.203. GENERAL OBLIGATION BOND ELECTION. (a) The
8-7 district may issue general obligation bonds only if the bonds are
8-8 authorized by a majority of the voters voting in an election held
8-9 for that purpose.
8-10 (b) The board may order a bond election. The order calling
8-11 the election must specify:
8-12 (1) the nature and date of the election;
8-13 (2) the hours during which the polls will be open;
8-14 (3) the location of polling places;
8-15 (4) the amounts of the bonds to be authorized; and
8-16 (5) the maximum maturity of the bonds.
8-17 (c) Notice of a bond election must be given as provided by
8-18 Chapter 1251, Government Code.
8-19 (d) The board shall declare the results of the election.
8-20 Sec. 1121.204. REVENUE BONDS. (a) The board may issue
8-21 revenue bonds to:
8-22 (1) acquire, purchase, construct, repair, renovate,
8-23 or equip buildings or improvements for district purposes;
8-24 (2) acquire sites to be used for district purposes; or
8-25 (3) acquire and operate a mobile emergency medical
8-26 service to assist the district in carrying out its purposes.
8-27 (b) The bonds must be payable from and secured by a pledge of
8-28 all or part of the revenues derived from the operation of the
8-29 district.
8-30 (c) The bonds may be additionally secured by a mortgage or
8-31 deed of trust lien on all or part of the district property.
8-32 (d) The bonds must be issued in the manner provided by
8-33 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
8-34 Health and Safety Code, for issuance of revenue bonds by county
8-35 hospital authorities.
8-36 Sec. 1121.205. MATURITY. District bonds must mature not
8-37 later than 40 years after the date of their issuance.
8-38 Sec. 1121.206. EXECUTION OF BONDS. (a) The board chair
8-39 shall execute district bonds in the district's name.
8-40 (b) The board secretary shall countersign the bonds in the
8-41 manner provided by Chapter 618, Government Code.
8-42 Sec. 1121.207. BONDS NOT SUBJECT TO TAXATION. The
8-43 following are not subject to taxation by the state or by a political
8-44 subdivision of the state:
8-45 (1) bonds issued by the district;
8-46 (2) any transaction relating to the bonds; and
8-47 (3) profits made in the sale of the bonds.
8-48 SUBCHAPTER F. AD VALOREM TAX
8-49 Sec. 1121.251. IMPOSITION OF AD VALOREM TAX. (a) The
8-50 board shall impose a tax on all property in the district subject to
8-51 taxation by the district.
8-52 (b) The tax may be used to pay:
8-53 (1) indebtedness issued or assumed by the district;
8-54 and
8-55 (2) the maintenance and operating expenses of the
8-56 district.
8-57 (c) The district may not impose a tax to pay the principal of
8-58 or interest on revenue bonds issued under this chapter.
8-59 Sec. 1121.252. LIMITATION ON TAX RATE. (a) The tax rate on
8-60 all taxable property in the district for all purposes may not exceed
8-61 25 cents on each \$100 valuation of the property according to the
8-62 most recent certified tax appraisal roll of the district.
8-63 (b) In setting the tax rate, the board shall consider
8-64 district income from sources other than taxation.
8-65 (c) Section 285.231, Health and Safety Code, does not apply
8-66 to the district.
8-67 Sec. 1121.253. REDUCTION IN AD VALOREM TAX RATE BY COUNTY.
8-68 The Cameron County Commissioners Court, in determining the county
8-69 ad valorem tax rate for the first year in which the district imposes

9-1 ad valorem taxes on property in the district, shall:

9-2 (1) take into account the decrease in the amount the
 9-3 county will spend for health care purposes in that year because the
 9-4 district is providing health care services previously provided or
 9-5 paid for by the county; and

9-6 (2) reduce the county's ad valorem tax rate in
 9-7 accordance with the decreased amount of required spending described
 9-8 by Subdivision (1).

9-9 Sec. 1121.254. RESIDENCE HOMESTEAD TAX PROVISIONS
 9-10 APPLICABLE. (a) The board shall ensure that all district
 9-11 residents receive all ad valorem tax exemptions and limitations
 9-12 that the residents are entitled to receive under the constitution
 9-13 and the Tax Code.

9-14 (b) The board shall adopt an exemption from ad valorem
 9-15 taxation by the district of a portion of the appraised value of a
 9-16 district resident's residence homestead as provided by Section
 9-17 11.13(d), Tax Code. Unless the board specifies a larger amount as
 9-18 provided by Section 11.13(e), Tax Code, the amount of the exemption
 9-19 required to be adopted by the board under this subsection is \$3,000
 9-20 of the appraised value of a district resident's residence
 9-21 homestead. Section 11.13(f), Tax Code, applies to an exemption
 9-22 adopted by the board under this subsection.

9-23 Sec. 1121.255. PROHIBITION ON PARTICIPATION IN TAX
 9-24 INCREMENT FUND. The district may not enter into an agreement to
 9-25 participate in a reinvestment zone designated by a municipality or
 9-26 a county under Chapter 311, Tax Code.

9-27 Sec. 1121.256. TAX ASSESSOR-COLLECTOR. The board may
 9-28 provide for the appointment of a tax assessor-collector for the
 9-29 district or may contract for the assessment and collection of taxes
 9-30 as provided by the Tax Code.

9-31 SUBCHAPTER G. DISSOLUTION

9-32 Sec. 1121.301. DISSOLUTION; ELECTION. (a) The district
 9-33 may be dissolved only on approval of a majority of the voters voting
 9-34 in an election held for that purpose.

9-35 (b) The board may order an election on the question of
 9-36 dissolving the district and disposing of the district's assets and
 9-37 obligations.

9-38 (c) The board shall order an election if the board receives
 9-39 a petition requesting an election that is signed by at least 15
 9-40 percent of the district's registered voters.

9-41 (d) The order calling the election must state:

9-42 (1) the nature of the election, including the
 9-43 proposition that is to appear on the ballot;

9-44 (2) the date of the election;

9-45 (3) the hours during which the polls will be open; and

9-46 (4) the location of the polling places.

9-47 (e) Section 41.001(a), Election Code, does not apply to an
 9-48 election ordered under this section.

9-49 Sec. 1121.302. NOTICE OF ELECTION. (a) The board shall
 9-50 give notice of an election under this subchapter by publishing a
 9-51 substantial copy of the election order in a newspaper with general
 9-52 circulation in the district once a week for two consecutive weeks.

9-53 (b) The first publication must appear not later than the
 9-54 30th day before the date set for the election.

9-55 Sec. 1121.303. BALLOT. The ballot for an election under
 9-56 this subchapter must be printed to permit voting for or against the
 9-57 proposition: "The dissolution of the Cameron County Healthcare
 9-58 District."

9-59 Sec. 1121.304. ELECTION RESULTS. (a) If a majority of the
 9-60 votes in an election under this subchapter favor dissolution, the
 9-61 board shall order that the district be dissolved.

9-62 (b) If a majority of the votes in an election under this
 9-63 subchapter do not favor dissolution, the board shall continue to
 9-64 administer the district, and another election on the question of
 9-65 dissolution may not be held before the first anniversary of the date
 9-66 of the most recent election to dissolve the district.

9-67 Sec. 1121.305. TRANSFER OR ADMINISTRATION OF ASSETS.
 9-68 (a) If a majority of the votes in an election under this subchapter
 9-69 favor dissolution, the board shall:

10-1 (1) transfer the land, buildings, improvements,
10-2 equipment, and other assets belonging to the district to Cameron
10-3 County; or

10-4 (2) administer the property, assets, and debts of the
10-5 district until all money has been disposed of and all district debts
10-6 have been paid or settled.

10-7 (b) If the board makes the transfer under Subsection (a)(1),
10-8 the county assumes all debts and obligations of the district at the
10-9 time of the transfer and the district is dissolved.

10-10 (c) If Subsection (a)(1) does not apply and the board
10-11 administers the property, assets, and debts of the district under
10-12 Subsection (a)(2), the district is dissolved when all money has
10-13 been disposed of and all district debts have been paid or settled.

10-14 Sec. 1121.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
10-15 TAXES. (a) After the board determines that the district is
10-16 dissolved, the board shall:

10-17 (1) determine the debt owed by the district; and

10-18 (2) impose on the property included in the district's
10-19 tax rolls a tax that is in proportion of the debt to the property
10-20 value.

10-21 (b) On the payment of all outstanding debts and obligations
10-22 of the district, the board shall order the secretary to return to
10-23 each district taxpayer the taxpayer's pro rata share of all unused
10-24 tax money.

10-25 (c) A taxpayer may request that the taxpayer's share of
10-26 surplus tax money be credited to the taxpayer's county taxes. If a
10-27 taxpayer requests the credit, the board shall direct the secretary
10-28 to transmit the funds to the tax assessor-collector for Cameron
10-29 County.

10-30 Sec. 1121.307. REPORT; DISSOLUTION ORDER. (a) After the
10-31 district has paid all its debts and has disposed of all its money
10-32 and other assets as prescribed by this subchapter, the board shall
10-33 file a written report with the Cameron County Commissioners Court
10-34 summarizing the board's actions in dissolving the district.

10-35 (b) Not later than the 10th day after the date the Cameron
10-36 County Commissioners Court receives the report and determines that
10-37 the requirements of this subchapter have been fulfilled, the
10-38 commissioners court shall enter an order dissolving the district
10-39 and releasing the board from any further duty or obligation.

10-40 SECTION 2. On the creation of the Cameron County Healthcare
10-41 District, or as soon as practicable after the district is created,
10-42 the Cameron County Commissioners Court shall transfer to the
10-43 district all operating funds, and any funds held in reserve for
10-44 operating expenses, that have been budgeted by the county to pay the
10-45 costs associated with administering a county program to provide to
10-46 residents of the district indigent health care assistance under
10-47 Chapter 61, Health and Safety Code, during the fiscal year in which
10-48 the district is created.

10-49 SECTION 3. Proof of publication of the notice required to
10-50 enact Chapter 1121, Special District Local Laws Code, as added by
10-51 this Act, under the provisions of Section 9, Article IX, Texas
10-52 Constitution, has been made in the manner and form provided by law
10-53 pertaining to the enactment of local and special laws, and the
10-54 notice is found and declared proper and sufficient to satisfy the
10-55 requirement.

10-56 SECTION 4. (a) Except as provided by Subsection (b) of
10-57 this section, this Act takes effect immediately if it receives a
10-58 vote of two-thirds of all the members elected to each house, as
10-59 provided by Section 39, Article III, Texas Constitution.

10-60 (b) If this Act does not receive the vote necessary for
10-61 immediate effect:

10-62 (1) this Act takes effect September 1, 2015; and

10-63 (2) Section 1121.109, Special District Local Laws
10-64 Code, as added by this Act, has no effect.

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