

By: \_\_\_\_\_

\_\_\_\_.B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Mineola Area Medical District;  
granting the authority to impose a tax and issue bonds; granting the  
power of eminent domain.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 3, Special District Local Laws  
Code, is amended by adding Chapter 1120 to read as follows:

CHAPTER 1120. MINEOLA AREA MEDICAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1120.001. 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 Mineola Area Medical  
District.

Sec. 1120.002. DISTRICT AUTHORIZATION. The Mineola Area  
Medical District may be created and, if created, operates and is  
financed as a hospital district as provided by Section 9, Article  
IX, Texas Constitution, and by this chapter.

Sec. 1120.003. ESSENTIAL PUBLIC FUNCTION. The district is  
a public entity performing an essential public function.

Sec. 1120.004. DISTRICT TERRITORY. The boundaries of the  
district are coextensive with the boundaries of the Mineola  
Independent School District.

1       Sec. 1120.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
2 OBLIGATION. The state may not be obligated for the support or  
3 maintenance of the district.

4       Sec. 1120.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
5 The legislature may not make a direct appropriation for the  
6 construction, maintenance, or improvement of a district facility.

7               SUBCHAPTER A-1. TEMPORARY PROVISIONS

8       Sec. 1120.021. CREATION ELECTION; ORDERING ELECTION. (a)  
9 The district may be created and a tax may be authorized only if the  
10 creation and the tax are approved by a majority of the registered  
11 voters of the territory of the proposed district voting at an  
12 election called and held for that purpose.

13       (b) The Wood County Commissioners Court shall order an  
14 election for the registered voters of the territory of the proposed  
15 district on the question of creation of the Mineola Area Medical  
16 District if the commissioners court receives a petition requesting  
17 an election that is signed by at least 50 registered voters who are  
18 residents of the territory of the proposed district.

19       (c) The order calling an election under this section must  
20 state:

21               (1) the nature of the election, including the  
22 proposition that is to appear on the ballot;

23               (2) the date of the election;

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

25               (4) the location of the polling places.

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

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

7       (f) The ballot for an election under this section must be  
8 printed to permit voting for or against the proposition: "The  
9 creation of the Mineola Area Medical District, providing for the  
10 imposition of an ad valorem tax at a rate not to exceed 75 cents on  
11 each \$100 valuation on all taxable property in the district."

12       (g) The Wood County Commissioners Court shall find that the  
13 Mineola Area Medical District is created if a majority of the voters  
14 voting in the election held under this section favor the creation of  
15 the district.

16       Sec. 1120.022. TEMPORARY DIRECTORS. (a) If the creation of  
17 the district is approved at the election held under Section  
18 1120.021, the Wood County Commissioners Court shall appoint nine  
19 temporary directors to represent the district at large.

20       (b) Temporary directors serve until the date of the next  
21 regular election of directors that occurs after the date of the  
22 election held under Section 1120.021 and that allows sufficient  
23 time to comply with other requirements of law.

24       (c) A vacancy on the temporary board of directors shall be  
25 filled by appointment by the Wood County Commissioners Court.

26       (d) A person must be a qualified voter of the district to  
27 serve as a temporary director.

1       (e) An employee of the district may not serve as a temporary  
2 director.

3       Sec. 1120.023. TEMPORARY OFFICERS. (a) The temporary  
4 board shall elect a president and a vice president from among the  
5 temporary directors.

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

8       (c) The temporary board shall fill a vacancy in a board  
9 office for the remainder of the unexpired term.

10               SUBCHAPTER B. DISTRICT ADMINISTRATION

11       Sec. 1120.051. BOARD ELECTION; TERM. (a) The board  
12 consists of nine directors elected at large.

13       (b) An election shall be held each year on an authorized  
14 uniform election date to elect the appropriate number of directors.

15       (c) Directors serve staggered two-year terms.

16       Sec. 1120.052. NOTICE. Notice of the directors' election  
17 shall be published at least once in a newspaper with general  
18 circulation in the district in accordance with Section 4.003(a),  
19 Election Code.

20       Sec. 1120.053. QUALIFICATION FOR OFFICE. (a) To be  
21 eligible to hold office on the board, a person must be:

22               (1) a resident of the district; and

23               (2) a qualified voter.

24       (b) An administrator or an employee of the district may not  
25 serve as a director.

26       Sec. 1120.054. DIRECTOR'S BOND. (a) Before assuming the  
27 duties of office, each director must execute a bond in the amount of

1 \$5,000 payable to the district and conditioned on the faithful  
2 performance of the director's duties.

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

5 (c) The board may pay for a director's bond with district  
6 money.

7 Sec. 1120.055. BOARD VACANCY. If a vacancy occurs in the  
8 office of director, the remaining directors shall appoint a  
9 director for the remainder of the unexpired term.

10 Sec. 1120.056. OFFICERS. (a) The board shall elect a  
11 president and a vice president from among the directors.

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

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

15 (d) The board shall fill a vacancy in a board office for the  
16 remainder of the unexpired term.

17 Sec. 1120.057. COMPENSATION; REIMBURSEMENT. A director or  
18 officer serves without compensation but may be reimbursed for  
19 actual expenses incurred in the performance of official duties.  
20 The expenses must be:

21 (1) reported in the district's records; and

22 (2) approved by the board.

23 Sec. 1120.058. VOTING REQUIREMENT. A concurrence of a  
24 majority of the directors voting is necessary in matters relating  
25 to district business.

26 Sec. 1120.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S  
27 BOND. (a) The board may appoint a qualified person as district

1 administrator.

2 (b) The district administrator serves at the will of the  
3 board.

4 (c) The district administrator is entitled to compensation  
5 determined by the board.

6 (d) Before assuming the duties of district administrator,  
7 the administrator must execute a bond payable to the district in an  
8 amount not less than \$5,000, as determined by the board,  
9 conditioned on the faithful performance of the administrator's  
10 duties.

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

12 Sec. 1120.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
13 Subject to the limitations prescribed by the board, the district  
14 administrator shall:

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

17 (2) direct the general affairs of the district.

18 Sec. 1120.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.  
19 (a) The board may appoint qualified persons as assistant district  
20 administrator and attorney for the district.

21 (b) The assistant district administrator and attorney for  
22 the district serve at the will of the board.

23 (c) The assistant district administrator and attorney for  
24 the district are entitled to compensation determined by the board.

25 Sec. 1120.062. EMPLOYEES. (a) The district may employ  
26 nurses, technicians, fiscal agents, accountants, architects,  
27 additional attorneys, and other necessary employees.

1       (b) The board may delegate to the district administrator the  
2 authority to employ persons for the district.

3       Sec. 1120.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.  
4 The board may:

5           (1) appoint to the medical staff any doctor the board  
6 considers necessary for the efficient operation of the district;

7           (2) remove any doctor from the medical staff, after  
8 due process, if the board considers the doctor's removal necessary  
9 for the efficient operation of the district; and

10          (3) make temporary appointments to the medical staff  
11 as the board considers necessary.

12       Sec. 1120.064. RETIREMENT BENEFITS. The board may provide  
13 retirement benefits for district employees by:

14           (1) establishing or administering a retirement  
15 program; or

16           (2) participating in:

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

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

21                   SUBCHAPTER C. POWERS AND DUTIES

22       Sec. 1120.101. DISTRICT RESPONSIBILITY. The district has  
23 full responsibility for operating hospital facilities and  
24 providing medical and hospital care for the district's needy  
25 residents.

26       Sec. 1120.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
27 The board shall manage, control, and administer the hospital system

1 and the money and resources of the district.

2 Sec. 1120.103. RULES. The board may adopt rules governing:

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

4 and

5 (2) the duties, functions, and responsibilities of

6 district staff and employees.

7 Sec. 1120.104. PURCHASING AND ACCOUNTING PROCEDURES. The  
8 board may prescribe:

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

11 (2) accounting and control procedures for the  
12 district.

13 Sec. 1120.105. PROVISION OF CERTAIN HEALTH SERVICES. (a)  
14 The district may operate or provide for the operation of a mobile  
15 emergency medical service.

16 (b) The district may operate or provide for home health  
17 services, long-term care, skilled nursing care, intermediate  
18 nursing care, or hospice care.

19 Sec. 1120.106. DISTRICT PROPERTY, FACILITIES, AND  
20 EQUIPMENT. (a) The board shall determine:

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

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

24 (b) The board may:

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

27 (2) mortgage or pledge the property, facilities, or



1 equipment as security for payment of the purchase price;

2 (3) sell or otherwise dispose of property, facilities,  
3 or equipment for the district; or

4 (4) lease hospital facilities for the district.

5 Sec. 1120.107. OPERATING AND MANAGEMENT CONTRACTS. The  
6 board may enter into operating or management contracts relating to  
7 hospital facilities for the district.

8 Sec. 1120.108. SERVICE CONTRACTS. (a) The board may  
9 contract with a public or private hospital, a political subdivision  
10 of the state, or a state or federal agency for the district to  
11 provide a mobile emergency medical service or other health care  
12 services needed to provide for the investigatory or welfare needs  
13 of residents of the district.

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

17 Sec. 1120.109. EMINENT DOMAIN. (a) The district may  
18 exercise the power of eminent domain to acquire a fee simple or  
19 other interest in property located in district territory if the  
20 interest is necessary for the district to exercise the rights or  
21 authority conferred by this chapter.

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

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

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

3           (2) provide bond for the issuance of a temporary  
4 restraining order or a temporary injunction; or

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

7       Sec. 1120.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
8 exercising the power of eminent domain, if the board requires  
9 relocating, raising, lowering, rerouting, changing the grade, or  
10 altering the construction of any railroad, highway, pipeline, or  
11 electric transmission and electric distribution, telegraph, or  
12 telephone line, conduit, pole, or facility, the district shall pay  
13 the actual cost of that activity to provide a comparable  
14 replacement, without enhancement of facilities, after deducting  
15 the net salvage value derived from the old facility.

16       Sec. 1120.111. GIFTS AND ENDOWMENTS. The board may accept  
17 for the district a gift or endowment to be held in trust for any  
18 purpose and under any direction, limitation, or provision in  
19 writing by the donor that is consistent with the proper management  
20 of the district.

21       Sec. 1120.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
22 When a person who resides in the district is admitted as a patient  
23 to a district facility, the district administrator may have an  
24 inquiry made into the financial circumstances of:

25           (1) the patient; and

26           (2) a relative of the patient who is legally  
27 responsible for the patient's support.

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

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

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

18       **(e) If there is a dispute relating to a person's ability to**  
19 **pay or if the district administrator has any doubt concerning a**  
20 **person's ability to pay, the board shall call witnesses, hear and**  
21 **resolve the question, and issue a final order. The order may be**  
22 **appealed to a district court in any county in which the district is**  
23 **located. The substantial evidence rule applies to an appeal under**  
24 **this subsection.**

25       **Sec. 1120.113. REIMBURSEMENT FOR SERVICES. (a) The board**  
26 **shall require a county, municipality, or public hospital located**  
27 **outside of the district to reimburse the district for the**

1 district's care and treatment of a sick or injured person of that  
2 county, municipality, or hospital, as provided by Chapter 61,  
3 Health and Safety Code.

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

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

11 Sec. 1120.114. AUTHORITY TO SUE AND BE SUED. The board may  
12 sue and be sued on behalf of the district.

13 Sec. 1120.115. CONSTRUCTION CONTRACTS; ADVERTISING FOR  
14 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a  
15 construction contract on the district's behalf.

16 (b) The board may enter into a construction contract only  
17 after competitive bidding as provided by Subchapter B, Chapter 271,  
18 Local Government Code, if the amount of the contract is greater than  
19 the amount provided by Section 271.024 of that code.

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Sec. 1120.151. BUDGET. (a) The district administrator  
22 shall prepare a proposed annual budget for the district.

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

- 25 (1) the outstanding obligations of the district;  
26 (2) the amount of cash on hand to the credit of each  
27 fund of the district;

1           (3) the amount of money received by the district from  
2 all sources during the previous year;

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

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

7           (6) the estimated amount of revenues and balances  
8 available to cover the proposed budget; and

9           (7) the estimated tax rate required.

10       Sec. 1120.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
11 The board shall hold a public hearing on the proposed budget.

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

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

17       (d) At the conclusion of the hearing, the board shall adopt  
18 a budget by acting on the budget proposed by the district  
19 administrator. The board may make a change in the proposed budget  
20 that the board determines to be in the interests of the taxpayers.

21       (e) The budget is effective only after adoption by the  
22 board.

23       Sec. 1120.153. AMENDMENT OF BUDGET. After the budget is  
24 adopted, the budget may be amended on the board's approval.

25       Sec. 1120.154. FISCAL YEAR. (a) The district operates  
26 according to a fiscal year established by the board.

27       (b) The fiscal year may not be changed:

1           (1) during a period in which revenue bonds of the  
2 district are outstanding; or

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

4           Sec. 1120.155. ANNUAL AUDIT. The board shall have an annual  
5 audit made of the financial condition of the district.

6           Sec. 1120.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
7 RECORDS. The annual audit and other district records are open to  
8 inspection during regular business hours at the principal office of  
9 the district.

10          Sec. 1120.157. FINANCIAL REPORT. As soon as practicable  
11 after the close of each fiscal year, the district administrator  
12 shall prepare for the board a sworn statement of the amount of  
13 district money and an account of the disbursement of that money.

14          Sec. 1120.158. DEBT LIMITATION. Except as provided by this  
15 chapter and Chapter 1207, Government Code, the district may not  
16 incur a debt payable from district revenue other than revenue  
17 available in the current fiscal year and the immediately following  
18 fiscal year of the district.

19          Sec. 1120.159. DEPOSITORY. (a) The board shall select at  
20 least one bank to serve as a depository for district money.

21          (b) The board may solicit bids from local financial  
22 institutions to determine which institution may serve as a  
23 depository for district money.

24          (c) District money, other than money invested as provided by  
25 Section 1120.160 and money transmitted to a bank for payment of  
26 bonds or obligations issued or assumed by the district, shall be  
27 deposited as received with the depository bank and shall remain on

1 deposit. This subsection does not limit the board's power to place  
2 part of the district's money on time deposit or to purchase  
3 certificates of deposit.

4 Sec. 1120.160. RESTRICTION ON INVESTMENT. The board may  
5 invest operating, depreciation, or building reserves only in funds  
6 or securities specified by Chapter 2256, Government Code.

7 SUBCHAPTER E. BONDS

8 Sec. 1120.201. GENERAL OBLIGATION BONDS. If authorized by  
9 an election, the board may issue and sell general obligation bonds  
10 in the name and on the faith and credit of the district to:

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

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

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

17 Sec. 1120.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
18 the time general obligation bonds are issued by the district under  
19 Section 1120.201, the board shall impose an ad valorem tax in an  
20 amount sufficient to create an interest and sinking fund to pay the  
21 principal of and interest on the bonds as the bonds mature.

22 (b) The tax required by this section together with any other  
23 tax the district imposes in any year may not exceed the limit  
24 approved by the voters at the election authorizing the imposition  
25 of taxes.

26 Sec. 1120.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
27 district may issue general obligation bonds only if the bonds are

1 authorized by a majority of the voters voting in an election held  
2 for that purpose.

3 (b) The board may order a bond election. The order calling  
4 the election must specify:

5 (1) the nature and date of the election;

6 (2) the hours during which the polls will be open;

7 (3) the location of polling places;

8 (4) the amounts of the bonds to be authorized; and

9 (5) the maximum maturity of the bonds.

10 (c) Notice of a bond election must be given as provided by  
11 Chapter 1251, Government Code.

12 (d) The board shall declare the results of the election.

13 Sec. 1120.204. REVENUE BONDS. (a) The board may issue  
14 revenue bonds to:

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

17 (2) acquire sites to be used for hospital purposes; or

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

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

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

26 (d) The bonds must be issued in the manner provided by  
27 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,



1 Health and Safety Code, for issuance of revenue bonds by county  
2 hospital authorities.

3 Sec. 1120.205. MATURITY. District bonds must mature not  
4 later than 40 years after the date of their issuance.

5 Sec. 1120.206. EXECUTION OF BONDS. (a) The board president  
6 shall execute district bonds in the district's name.

7 (b) The board secretary shall countersign the bonds in the  
8 manner provided by Chapter 618, Government Code.

9 Sec. 1120.207. BONDS NOT SUBJECT TO TAXATION. The  
10 following are not subject to taxation by the state or by a political  
11 subdivision of the state:

12 (1) bonds issued by the district;

13 (2) any transaction relating to the bonds; and

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

15 SUBCHAPTER F. AD VALOREM TAX

16 Sec. 1120.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
17 shall impose a tax on all property in the district subject to  
18 hospital district taxation.

19 (b) The tax may be used to pay:

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

21 and

22 (2) the maintenance and operating expenses of the

23 district.

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

26 Sec. 1120.252. TAX RATE. (a) The tax rate on all taxable  
27 property in the district for all purposes may not exceed 75 cents on

1 each \$100 valuation of the property according to the most recent  
2 certified tax appraisal roll of the district.

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

5 Sec. 1120.253. TAX ASSESSOR-COLLECTOR. The board may  
6 provide for the appointment of a tax assessor-collector for the  
7 district or may contract for the assessment and collection of taxes  
8 as provided by the Tax Code.

9 SUBCHAPTER G. DISSOLUTION

10 Sec. 1120.301. DISSOLUTION; ELECTION. (a) The district  
11 may be dissolved only on approval of a majority of the voters voting  
12 in an election held for that purpose.

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

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

19 (d) The order calling the election must state:

20 (1) the nature of the election, including the  
21 proposition that is to appear on the ballot;

22 (2) the date of the election;

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

24 (4) the location of the polling places.

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

27 Sec. 1120.302. NOTICE OF ELECTION. (a) The board shall

1 give notice of an election under this subchapter by publishing a  
2 substantial copy of the election order in a newspaper with general  
3 circulation in the district once a week for two consecutive weeks.

4 (b) The first publication must appear not later than the  
5 30th day before the date set for the election.

6 Sec. 1120.303. BALLOT. The ballot for an election under  
7 this subchapter must be printed to permit voting for or against the  
8 proposition: "The dissolution of the Mineola Area Medical  
9 District."

10 Sec. 1120.304. ELECTION RESULTS. (a) If a majority of the  
11 votes in an election under this subchapter favor dissolution, the  
12 board shall order that the district be dissolved.

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

18 Sec. 1120.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
19 If a majority of the votes in an election under this subchapter  
20 favor dissolution, the board shall:

21 (1) transfer the land, buildings, improvements,  
22 equipment, and other assets belonging to the district to Wood  
23 County or another governmental entity in Wood County; or

24 (2) administer the property, assets, and debts of the  
25 district until all money has been disposed of and all district debts  
26 have been paid or settled.

27 (b) If the board makes the transfer under Subsection (a)(1),

1 the county or entity assumes all debts and obligations of the  
2 district at the time of the transfer and the district is dissolved.

3 (c) If Subsection (a)(1) does not apply and the board  
4 administers the property, assets, and debts of the district under  
5 Subsection (a)(2), the district is dissolved when all money has  
6 been disposed of and all district debts have been paid or settled.

7 Sec. 1120.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
8 TAXES. (a) After the board determines that the district is  
9 dissolved, the board shall:

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

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

14 (b) On the payment of all outstanding debts and obligations  
15 of the district, the board shall order the secretary to return to  
16 each district taxpayer the taxpayer's pro rata share of all unused  
17 tax money.

18 (c) A taxpayer may request that the taxpayer's share of  
19 surplus tax money be credited to the taxpayer's county taxes. If a  
20 taxpayer requests the credit, the board shall direct the secretary  
21 to transmit the funds to the tax assessor-collector for the county  
22 in which the taxpayer resides.

23 Sec. 1120.307. REPORT; DISSOLUTION ORDER. (a) After the  
24 district has paid all its debts and has disposed of all its money  
25 and other assets as prescribed by this subchapter, the board shall  
26 file a written report with the Wood County Commissioners Court  
27 summarizing the board's actions in dissolving the district.

1        (b) Not later than the 10th day after the date the Wood  
2 County Commissioners Court receives the report and determines that  
3 the requirements of this subchapter have been fulfilled, the  
4 commissioners court shall enter an order dissolving the district  
5 and releasing the board from any further duty or obligation.

6        SECTION 2. (a) The members of the board of directors of the  
7 Mineola Area Medical District elected at the first election held  
8 under Section 1120.051, Special District Local Laws Code, as added  
9 by this Act, shall draw lots to determine which five directors serve  
10 a two-year term and which four directors serve a one-year term.

11        (b) Successor directors shall serve two-year terms.

12        SECTION 3. (a) Except as provided by Subsection (b) of this  
13 section, this Act takes effect immediately if it receives a vote of  
14 two-thirds of all the members elected to each house, as provided by  
15 Section 39, Article III, Texas Constitution.

16        (b) If this Act does not receive the vote necessary for  
17 immediate effect:

18                (1) this Act takes effect September 1, 2015; and

19                (2) Section 1120.109, Special District Local Laws  
20 Code, as added by this Act, has no effect.