



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

**WILL WILSON
ATTORNEY GENERAL**

March 9, 1961

Honorable Ben D. Sudderth
County Attorney
Comanche County
Comanche, Texas

Opinion No. WW-1011

Re: Whether a hospital district, authorized by Section 8 of Article IX of the Texas Constitution, and Article 4494q-3 of Vernon's Civil Statutes, has the authority to tax property for the operation and maintenance of hospital facilities therein.

Dear Mr. Sudderth:

Your opinion request, after reference to Section 8 of Article IX of the Texas Constitution and Article 4494q-3 of Vernon's Civil Statutes, states as follows:

" . . . The question now arises as to whether or not under the provision of such constitutional amendment and the enabling legislation passed in connection therewith, a hospital district created under the terms thereof within the confines of Precinct No. 4, Comanche County, Texas has the authority to tax property therein and use such tax money for the purpose of the operation and maintenance of such hospital. . . ."

Section 8 of Article IX of the Texas Constitution provides, in part, that:

"The Legislature may by law authorize the creation of a Hospital District to be co-extensive with the limits of County Commissioners Precinct No. 4 of Comanche County, Texas.

"If such District is created, it may be authorized to levy a tax not to exceed seventy-five cents (75¢) on the One Hundred Dollar (\$100) valuation of taxable property within the District; provided, however, no tax may be levied

until approved by a majority vote of the participating resident qualified property tax-paying voters who have duly rendered their property for taxation. The maximum rate of tax may be changed at subsequent elections so long as obligations are not impaired, and not to exceed the maximum limit of seventy-five cents (75¢) per One Hundred Dollar (\$100) valuation, and no election shall be required by subsequent changes in the boundaries of the Commissioners Precinct No. 4 of Comanche County.

"If such tax is authorized, no political subdivision or municipality within or having the same boundaries as the District may levy a tax for medical or hospital care for needy individuals, nor shall they maintain or erect hospital facilities, but the District shall by resolution assume all such responsibilities and shall assume all of the liabilities and obligations (including bonds and warrants) of such subdivisions or municipalities or both. The maximum tax rate submitted shall be sufficient to discharge such obligations, liabilities, and responsibilities, and to maintain and operate the hospital system, and the Legislature may authorize the District to issue tax bonds for the purpose of the purchase, construction, acquisition, repair or renovation of improvements and initially equipping the same, and such bonds shall be payable from said seventy-five cent (75¢) tax. The Legislature shall provide for transfer of title to properties to the District. . . ."

From this Section of the Constitution the Legislature may by statute provide for the creation of a hospital district co-extensive with the limits of County Commissioners Precinct No. 4 of Comanche County, and further provide that the district may levy a tax, not to exceed the limit therein prescribed, on taxable property within the district. There is also constitutionally provided the authority for the hospital district to assume the liabilities and obligations of existing hospital facilities presently operated by the county or city within the geographical limits of County Commissioners Precinct No. 4.

Once the district assumes these liabilities and obligations the Constitution authorizes a tax rate sufficient to

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discharge such obligations, etc., and to maintain and operate the hospital system.

The Legislature may authorize the district to issue tax bonds for the purpose of the purchase, construction, acquisition, repair or renovation of improvements and initially equipping the same, such bonds to be payable from the above mentioned tax.

Section 1 of Article 4494q-3 of Vernon's Civil Statutes provides that a district may be created with the "power to issue bonds for the sole purpose of purchasing a site for and the construction and initial equipping of a hospital system, and further the power to levy a tax of not to exceed seventy-five cents (75¢) on the One Hundred Dollar (\$100) property valuation therein for the purpose of paying the principal and interest on such bonds."

The remaining Sections of Article 4494q-3 do not provide any authorization to the district to levy taxes. There is constitutional authority for the Legislature to enact the necessary statutes permitting a hospital district to levy a tax for the maintenance and operation of a hospital, however, by Article 4494q-3, Vernon's Civil Statutes, the Legislature has authorized the district to levy no other tax than for the purpose of paying the principal and interest on bonds which may be issued for the sole purpose above mentioned. Therefore, in answer to your inquiry, a hospital district created under Section 8 of Article IX of the Constitution would have no authority under existing statutes to tax property for the operation and maintenance of hospital facilities.

S U M M A R Y

A hospital district, authorized by Section 8 of Article IX of the Texas Constitution and Article 4494q-3 of Vernon's Civil Statutes, has no statutory authority to tax property within the district for the purpose of the operation and maintenance of hospital facilities.

Yours very truly,

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By *William H. Pool, Jr.*
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WHPjr:mm

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APPROVED:

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