

**Limited Purpose Local Government Entities
Board of Trustees Compensation Amendments**

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

House Sponsor: Thomas W. Peterson

LONG TITLE

Committee Note:

The Government Operations Interim Committee recommended this bill.

Legislative Vote: 11 voting for 3 voting against 2 absent

General Description:

This bill eliminates the compensation limit for a member of a board of trustees of a limited purpose local government entity.

Highlighted Provisions:

This bill:

- eliminates the compensation limit for a member of a board of trustees of a limited purpose local government entity;
- requires a board of trustees of a limited purpose local government entity to hold a public hearing on a proposed compensation increase before implementing the compensation increase; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-1-307, as last amended by Laws of Utah 2023, Chapter 15

17D-1-305, as last amended by Laws of Utah 2023, Chapter 15

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **17B-1-307** is amended to read:

17B-1-307 . Annual compensation -- Per diem compensation -- Participation in

30 **group insurance plan -- Reimbursement of expenses.**

31 (1)(a) Except as provided in Subsection 17B-1-308(1)(e), a member of a board of
32 trustees may receive compensation for service on the board, as determined by the
33 board of trustees.

34 ~~[(b) The amount of compensation under this Subsection (1) may not exceed \$5,000 per~~
35 ~~year.]~~

36 ~~[(e)]~~ (b)~~[(i)]~~ As determined by the board of trustees, a member of the board of
37 trustees may participate in a group insurance plan provided to employees of the
38 special district on the same basis as employees of the special district.

39 ~~[(ii) The amount that the special district pays to provide a member with coverage~~
40 ~~under a group insurance plan shall be included as part of the member's~~
41 ~~compensation for purposes of Subsection (1)(b).]~~

42 ~~[(d)]~~ (c) The amount that a special district pays employer-matching employment taxes, if
43 a member of the board of trustees is treated as an employee for federal tax purposes,
44 does not constitute compensation under this Subsection (1).

45 (2) Before a board of trustees may adopt a compensation increase for a member of the
46 board of trustees, the board of trustees shall:

47 (a) hold a public hearing on the compensation increase; and

48 (b) publish notice of the time, place, and purpose of the public hearing:

49 (i) for at least seven days before the date of the hearing; and

50 (ii) as class A notice under Section 63G-30-102.

51 (3) A public hearing described in Subsection (2)(a):

52 (a) shall be held separately from any other public hearing of the board of trustees; and

53 (b) may be held the same day as another public hearing of the board of trustees,
54 including immediately before or after the other public meeting of the board of
55 trustees.

56 (4) In addition to the compensation provided under Subsection (1), the board of trustees
57 may elect to allow a member to receive per diem and travel expenses for up to 12
58 meetings or activities per year in accordance with rules adopted by the board of trustees
59 or Section 11-55-103.

60 Section 2. Section **17D-1-305** is amended to read:

61 **17D-1-305 . Compensation for administrative control board members.**

62 An administrative control board member may receive compensation, per diem, and
63 reimbursement of travel expenses as provided in Section 17B-1-307 to the same extent as if

64 the member were a member of a board of trustees of a special district.

65 Section 3. **Effective date.**

66 This bill takes effect on May 7, 2025.