

Wayne A. Harper proposes the following substitute bill:

Transportation Funding and Governance Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Kay J. Christofferson

LONG TITLE

General Description:

This bill amends provisions related to the governance of a large public transit district and financial reporting of public transit districts.

Highlighted Provisions:

This bill:

- requires public transit districts to provide an annual financial report to the Transportation and Infrastructure Appropriations Subcommittee;
- repeals the structure of the large public transit district board of trustees and changes the body to a transit commission;
- provides for selection process, appointment, and duties of the transit commission of a large public transit district;
- defines duties and reallocates certain responsibilities between the executive director and transit commission of a large public transit district;
- provides for the transition of the governance structure of a large public transit district;
- changes the appointment process for the executive director of a large public transit district to be appointed by the governor;
- repeals the requirement of a large public transit district to have a local advisory council;
- requires the State Tax Commission, beginning in fiscal year 2028, to annually deposit a certain amount of new growth derived from state sales and use taxes into the Transit Transportation Investment Fund; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

17B-1-301 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 76
17B-1-311 (Effective 05/06/26), as last amended by Laws of Utah 2023, Chapter 15
17B-1-702 (Effective 05/06/26), as last amended by Laws of Utah 2023, Chapter 15
17B-2a-802 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 15
17B-2a-804 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 15
17B-2a-808 (Effective 05/06/26), as last amended by Laws of Utah 2018, Chapter 424
17B-2a-809 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2007, Chapter 329
17B-2a-810 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 544
17B-2a-812 (Effective 05/06/26), as enacted by Laws of Utah 2007, Chapter 329
17B-2a-815 (Effective 05/06/26), as last amended by Laws of Utah 2013, Chapter 216
17B-2a-816 (Effective 05/06/26), as enacted by Laws of Utah 2007, Chapter 329
17B-2a-821 (Effective 05/06/26), as last amended by Laws of Utah 2016, Chapter 273
17B-2a-822 (Effective 05/06/26), as last amended by Laws of Utah 2022, Chapter 381
17B-2a-826 (Effective 05/06/26), as last amended by Laws of Utah 2019, Chapter 479
59-12-103 (Effective 07/01/26), as last amended by Laws of Utah 2025, Chapter 285
63N-3-605 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 29
67-22-2 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 232

ENACTS:

17B-2a-807.3 (Effective 05/06/26), Utah Code Annotated 1953

REPEALS AND REENACTS:

17B-2a-808.1 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapters 271, 544
17B-2a-811.1 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 544

REPEALS:

17B-2a-807.1 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 529
17B-2a-807.2 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapters 517, 529
17B-2a-808.2 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 544

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

Section 1. Section **17B-1-301** is amended to read:

17B-1-301 (Effective 05/06/26). Board of trustees duties and powers.

(1)(a) This section does not apply to a large public transit district created in accordance with Chapter 2a, Part 8, Public Transit District Act.

~~[(a)]~~ (b) Each special district shall be governed by a board of trustees that shall:

(i) manage and conduct the business and affairs of the district; and

(ii) determine all questions of district policy.

~~[(b)]~~ (c) All powers of a special district are exercised through the board of trustees.

(2) The board of trustees may:

(a) fix the location of the special district's principal place of business and the location of all offices and departments, if any;

(b) fix the times of meetings of the board of trustees;

(c) select and use an official district seal;

(d) subject to Subsections (3) and (4), employ employees and agents, or delegate to district officers power to employ employees and agents, for the operation of the special district and the special district's properties and prescribe or delegate to district officers the power to prescribe the duties, compensation, and terms and conditions of employment of those employees and agents;

(e) require crime insurance for district officers and employees charged with the handling of district funds in an amount set by the board;

(f) contract for or employ professionals to perform work or services for the special district that cannot satisfactorily be performed by the officers or employees of the district;

(g) through counsel, prosecute on behalf of or defend the special district in all court actions or other proceedings in which the district is a party or is otherwise involved;

(h) adopt bylaws for the orderly functioning of the board;

(i) adopt and enforce rules and regulations for the orderly operation of the special district or for carrying out the district's purposes;

(j) prescribe a system of civil service for district employees;

(k) on behalf of the special district, enter into contracts that the board considers to be for the benefit of the district;

(l) acquire, construct or cause to be constructed, operate, occupy, control, and use buildings, works, or other facilities for carrying out the purposes of the special

97 district;

98 (m) on behalf of the special district, acquire, use, hold, manage, occupy, and possess
99 property necessary to carry out the purposes of the district, dispose of property when
100 the board considers it appropriate, and institute and maintain in the name of the
101 district any action or proceeding to enforce, maintain, protect, or preserve rights or
102 privileges associated with district property;

103 (n) delegate to a district officer the exercise of a district duty; and

104 (o) exercise all powers and perform all functions in the operation of the special district
105 and the special district's properties as are ordinarily exercised by the governing body
106 of a political subdivision of the state and as are necessary to accomplish the purposes
107 of the district.

108 (3)(a) As used in this Subsection (3), "interim vacancy period" means:

109 (i) if any member of the special district board is elected, the period of time that:

110 (A) begins on the day on which an election is held to elect a special district board
111 member; and

112 (B) ends on the day on which the special district board member-elect begins the
113 member's term; or

114 (ii) if any member of the special district board is appointed, the period of time that:

115 (A) begins on the day on which an appointing authority posts a notice of vacancy
116 in accordance with Section 17B-1-304; and

117 (B) ends on the day on which the individual who is appointed by the special
118 district board to fill the vacancy begins the individual's term.

119 (b)(i) The special district may not hire during an interim vacancy period a manager, a
120 chief executive officer, a chief administrative officer, an executive director, or a
121 similar position to perform executive and administrative duties or functions.

122 (ii) Notwithstanding Subsection (3)(b)(i):

123 (A) the special district may hire an interim manager, a chief executive officer, a
124 chief administrative officer, an executive director, or a similar position during
125 an interim vacancy period; and

126 (B) the interim manager's, chief executive officer's, chief administrative officer's,
127 or similar position's employment shall terminate once a new manager, chief
128 executive officer, chief administrative officer, or similar position is hired by
129 the new special district board after the interim vacancy period has ended.

130 (c) Subsection (3)(b) does not apply if:

(i) all the elected special district board members who held office on the day of the election for the special district board members, whose term of office was vacant for the election are re-elected to the special district board; and

(ii) all the appointed special district board members who were appointed whose term of appointment was expiring are re-appointed to the special district board.

- (4) A special district board that hires an interim manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position in accordance with this section may not enter into an employment contract that contains an automatic renewal provision with the interim manager, chief executive officer, chief administrative officer, executive director, or similar position.

Section 2. Section **17B-1-311** is amended to read:

17B-1-311 (Effective 05/06/26). Board member prohibited from district employment -- Exception.

- (1) No elected or appointed member of the board of trustees of a special district may, while serving on the board, be employed by the district, whether as an employee or under a contract.
- (2) No person employed by a special district, whether as an employee or under a contract, may serve on the board of that special district.
- (3) A special district is not in violation of a prohibition described in Subsection (1) or (2) if the special district:
- (a) treats a member of a board of trustees as an employee for income tax purposes; and
 - (b) complies with the compensation limits of Section 17B-1-307 for purposes of that member.
- (4) This section does not apply to a special district if:
- (a) fewer than 3,000 people in the state live within 40 miles of the special district's boundaries or primary place of employment, measured over all weather public roads; and
 - (b) with respect to the employment of a board of trustees member under Subsection (1):
 - (i) the job opening has had reasonable public notice; and
 - (ii) the person employed is the best qualified candidate for the position.
- (5) This section does not apply to a ~~[board of trustees]~~ transit commission of a large public transit district as described in Chapter 2a, Part 8, Public Transit District Act.

Section 3. Section **17B-1-702** is amended to read:

17B-1-702 (Effective 05/06/26). Special districts to submit budgets.

- (1)(a) ~~[Except as provided in Subsection (1)(b), within]~~ Within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of each special district with an annual budget of \$50,000 or more shall send a copy of its tentative budget and notice of the time and place for its budget hearing to:
- (i) each of its constituent entities that has in writing requested a copy; and
 - (ii) to each of its customer agencies that has in writing requested a copy.
- ~~[(b) Within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of trustees of a large public transit district as defined in Section 17B-2a-802 shall send a copy of its tentative budget and notice of the time and place for its budget hearing to:]~~
- ~~[(i) each of its constituent entities;]~~
 - ~~[(ii) each of its customer agencies that has in writing requested a copy;]~~
 - ~~[(iii) the governor; and]~~
 - ~~[(iv) the Legislature.]~~
- ~~[(e)]~~ (b) The special district shall include with the tentative budget a signature sheet that includes:
- (i) language that the constituent entity or customer agency received the tentative budget and has no objection to it; and
 - (ii) a place for the chairperson or other designee of the constituent entity or customer agency to sign.
- (2) Each constituent entity and each customer agency that receives the tentative budget shall review the tentative budget submitted by the district and either:
- (a) sign the signature sheet and return it to the district; or
 - (b) attend the budget hearing or other meeting scheduled by the district to discuss the objections to the proposed budget.
- (3)(a) If any constituent entity or customer agency that received the tentative budget has not returned the signature sheet to the special district within 15 calendar days after the tentative budget was mailed, the special district shall send a written notice of the budget hearing to each constituent entity or customer agency that did not return a signature sheet and invite them to attend that hearing.
- (b) If requested to do so by any constituent entity or customer agency, the special district shall schedule a meeting to discuss the budget with the constituent entities and customer agencies.

- (c) At the budget hearing, the special district board shall:
- (i) explain its budget and answer any questions about it;
 - (ii) specifically address any questions or objections raised by the constituent entity, customer agency, or those attending the meeting; and
 - (iii) seek to resolve the objections.

- (4) Nothing in this part prevents a special district board from approving or implementing a budget over any or all constituent entity's or customer agency's protests, objections, or failure to respond.

Section 4. Section **17B-2a-802** is amended to read:

17B-2a-802 (Effective 05/06/26). Definitions.

As used in this part:

- (1) "Affordable housing" means housing occupied or reserved for occupancy by households that meet certain gross household income requirements based on the area median income for households of the same size.
 - (a) "Affordable housing" may include housing occupied or reserved for occupancy by households that meet specific area median income targets or ranges of area median income targets.
 - (b) "Affordable housing" does not include housing occupied or reserved for occupancy by households with gross household incomes that are more than 60% of the area median income for households of the same size.
- (2) "Appointing entity" means the person, county, unincorporated area of a county, or municipality appointing a member to a public transit district board of trustees or transit commission.
- (3)(a) "Chief executive officer" means a person appointed by the board of trustees of a small public transit district to serve as chief executive officer.
 - (b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities defined in Sections 17B-2a-810 and 17B-2a-811 and includes all rights, duties, and responsibilities assigned to the general manager but prescribed by the board of trustees to be fulfilled by the chief executive officer.
- (4) "Confidential employee" means a person who, in the regular course of the person's duties:
 - (a) assists in and acts in a confidential capacity in relation to other persons who formulate, determine, and effectuate management policies regarding labor relations;
 - or

(b) has authorized access to information relating to effectuating or reviewing the employer's collective bargaining policies.

(5) "Council of governments" means a decision-making body in each county composed of membership including the county governing body and the mayors of each municipality in the county.

(6) "Department" means the Department of Transportation created in Section 72-1-201.

(7) "Executive director" means a person appointed by ~~[the board of trustees of a large public transit district to serve as executive director]~~ the governor as described in Section 17B-2a-811.1 to serve as executive director of a large public transit district.

(8) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

(9) "Fixed guideway capital development" means the same as that term is defined in Section 72-1-102.

(10)(a) "General manager" means a person appointed by the board of trustees of a small public transit district to serve as general manager.

(b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in Sections 17B-2a-810 and 17B-2a-811 prescribed by the board of trustees of a small public transit district.

(11) "Large public transit district" means a public transit district that provides public transit to an area that includes:

(a) more than 65% of the population of the state based on:

(i) the estimate of the Utah Population Committee created in Section 63C-20-103; or

(ii) if the Utah Population Committee estimate is not available for each county, municipality, and unincorporated area that comprise the district, the most recent official census or census estimate of the United States Bureau of the Census; and

(b) two or more counties.

~~[(12) "Local advisory council" means the local advisory council created in accordance with Section 17B-2a-808.2.]~~

~~[(13)]~~ (12)(a) "Locally elected public official" means a person who holds an elected position with a county or municipality.

(b) "Locally elected public official" does not include a person who holds an elected position if the elected position is not with a county or municipality.

~~[(14)]~~ (13) "Managerial employee" means a person who is:

(a) engaged in executive and management functions; and

(b) charged with the responsibility of directing, overseeing, or implementing the

effectuation of management policies and practices.

~~[(15)]~~ (14) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.

~~[(16)]~~ (15) "Multicounty district" means a public transit district located in more than one county.

~~[(17)]~~ (16) "Operator" means a public entity or other person engaged in the transportation of passengers for hire.

~~[(18)]~~ (17)(a) "Public transit" means regular, continuing, shared-ride, surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income.

(b) "Public transit" does not include transportation services provided by:

(i) chartered bus;

(ii) sightseeing bus;

(iii) taxi;

(iv) school bus service;

(v) courtesy shuttle service for patrons of one or more specific establishments; or

(vi) intra-terminal or intra-facility shuttle services.

~~[(19)]~~ (18) "Public transit district" means a special district that provides public transit services.

~~[(20)]~~ (19) "Public transit innovation grant" means~~[-]~~ the same as that term is defined in Section 72-2-401.

~~[(21)]~~ (20) "Small public transit district" means any public transit district that is not a large public transit district.

~~[(22)]~~ (21) "Station area plan" means a plan developed and adopted by a municipality in accordance with Section 10-21-203.

~~[(23)]~~ (22)(a) "Supervisor" means a person who has authority, in the interest of the employer, to:

(i) hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees; or

(ii) adjust another employee's grievance or recommend action to adjust another employee's grievance.

(b) "Supervisor" does not include a person whose exercise of the authority described in Subsection ~~[(23)(a)]~~ (22)(a):

(i) is of a merely routine or clerical nature; and

(ii) does not require the person to use independent judgment.

[(24)] (23) "Transit facility" means a transit vehicle, transit station, depot, passenger loading or unloading zone, parking lot, or other facility:

(a) leased by or operated by or on behalf of a public transit district; and

(b) related to the public transit services provided by the district, including:

(i) railway or other right-of-way;

(ii) railway line; and

(iii) a reasonable area immediately adjacent to a designated stop on a route traveled by a transit vehicle.

[(25)] (24) "Transit vehicle" means a passenger bus, coach, railcar, van, or other vehicle operated as public transportation by a public transit district.

[(26)] (25) "Transit-oriented development" means a mixed use residential or commercial area that is designed to maximize access to public transit and includes the development of land owned by a large public transit district.

[(27)] (26) "Transit-supportive development" means a mixed use residential or commercial area that is designed to maximize access to public transit and does not include the development of land owned by a large public transit district.

Section 5. Section **17B-2a-804** is amended to read:

17B-2a-804 (Effective 05/06/26). Additional public transit district powers.

(1) In addition to the powers conferred on a public transit district under Section 17B-1-103, a public transit district may:

(a) provide a public transit system for the transportation of passengers and their incidental baggage;

(b) notwithstanding Subsection 17B-1-103(2)(g) and subject to Section 17B-2a-817, levy and collect property taxes only for the purpose of paying:

(i) principal and interest of bonded indebtedness of the public transit district; or

(ii) a final judgment against the public transit district if:

(A) the amount of the judgment exceeds the amount of any collectable insurance or indemnity policy; and

(B) the district is required by a final court order to levy a tax to pay the judgment;

(c) insure against:

(i) loss of revenues from damage to or destruction of some or all of a public transit system from any cause;

(ii) public liability;

- 335 (iii) property damage; or
336 (iv) any other type of event, act, or omission;
- 337 (d) subject to Section 72-1-203 pertaining to fixed guideway capital development within
338 a large public transit district, acquire, contract for, lease, construct, own, operate,
339 control, or use:
- 340 (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal,
341 parking lot, or any other facility necessary or convenient for public transit service;
342 or
- 343 (ii) any structure necessary for access by persons and vehicles;
- 344 (e)(i) hire, lease, or contract for the supplying or management of a facility, operation,
345 equipment, service, employee, or management staff of an operator; and
- 346 (ii) provide for a sublease or subcontract by the operator upon terms that are in the
347 public interest;
- 348 (f) operate feeder bus lines and other feeder or ridesharing services as necessary;
- 349 (g) accept a grant, contribution, or loan, directly through the sale of securities or
350 equipment trust certificates or otherwise, from the United States, or from a
351 department, instrumentality, or agency of the United States;
- 352 (h) study and plan transit facilities in accordance with any legislation passed by
353 Congress;
- 354 (i) cooperate with and enter into an agreement with the state or an agency of the state or
355 otherwise contract to finance to establish transit facilities and equipment or to study
356 or plan transit facilities;
- 357 (j) subject to Subsection [~~17B-2a-808.1(4)~~] 17B-2a-811.1(8), issue bonds as provided in
358 and subject to Chapter 1, Part 11, Special District Bonds, to carry out the purposes of
359 the district;
- 360 (k) from bond proceeds or any other available funds, reimburse the state or an agency of
361 the state for an advance or contribution from the state or state agency;
- 362 (l) do anything necessary to avail itself of any aid, assistance, or cooperation available
363 under federal law, including complying with labor standards and making
364 arrangements for employees required by the United States or a department,
365 instrumentality, or agency of the United States;
- 366 (m) sell or lease property;
- 367 (n) except as provided in Subsection (2)(b), [-]assist in or operate transit-oriented or
368 transit-supportive developments;

- (o) subject to Subsections (2) and (3), establish, finance, participate as a limited partner or member in a development with limited liabilities in accordance with Subsection (1)(p), construct, improve, maintain, or operate transit facilities, equipment, and, in accordance with Subsection (3), [-]transit-oriented developments or transit-supportive developments; and
- (p) subject to the [-]restrictions and requirements in Subsections [-](2) and (3), assist in a transit-oriented development or a transit-supportive development in connection with project area development [-]as defined in Section 17C-1-102 by:
- (i) investing in a project as a limited partner or a member, with limited liabilities; or
 - (ii) subordinating an ownership interest in real property owned by the public transit district.

(2)(a) A public transit district may only assist in the development of areas under Subsection (1)(p) that have been approved by the board of trustees or transit commission, and in the manners described in Subsection (1)(p).

(b) A public transit district may not invest in a transit-oriented development or transit-supportive development as a limited partner or other limited liability entity under the provisions of Subsection (1)(p)(i), unless the partners, developer, or other investor in the entity, makes an equity contribution equal to no less than 25% of the appraised value of the property to be contributed by the public transit district.

(c)(i) For transit-oriented development projects, a public transit district shall adopt transit-oriented development policies and guidelines that include provisions on affordable housing.

(ii) For transit-supportive development projects, a public transit district shall work with the metropolitan planning organization and city and county governments where the project is located to collaboratively seek to create joint plans for the areas within one-half mile of transit stations, including plans for affordable housing.

(d) A current board member of a public transit district or a transit commissioner to which the board member or transit commissioner is appointed may not have any interest in the transactions engaged in by the public transit district in accordance with Subsection (1)(p)(i) or (ii), except as may be required by the board member's or transit commissioner's fiduciary duty as a board member or transit commissioner.

(3) For any transit-oriented development or transit-supportive development authorized in this section, the public transit district shall:

- (a) perform a cost-benefit analysis of the monetary investment and expenditures of the development, including effect on:
- (i) service and ridership;
 - (ii) regional plans made by the metropolitan planning agency;
 - (iii) the local economy;
 - (iv) the environment and air quality;
 - (v) affordable housing; and
 - (vi) integration with other modes of transportation;
- (b) provide evidence to the public of a quantifiable positive return on investment, including improvements to public transit service; and
- (c) coordinate with the Department of Transportation in accordance with Section 72-1-203 pertaining to fixed guideway capital development and associated parking facilities within a station area plan for a transit oriented development within a large public transit district.
- (4) For any fixed guideway capital development project with oversight by the Department of Transportation as described in Section 72-1-203, a large public transit district shall coordinate with the Department of Transportation in all aspects of the project, including planning, project development, outreach, programming, environmental studies and impact statements, impacts on public transit operations, and construction.
- (5) A public transit district may participate in a transit-oriented development only if:
- (a) for a transit-oriented development involving a municipality:
 - (i) the relevant municipality has developed and adopted a station area plan; and
 - (ii) the municipality is in compliance with Sections 10-21-201 and 10-21-202 regarding the inclusion of moderate income housing in the general plan and the required reporting requirements; or
 - (b) for a transit-oriented development involving property in an unincorporated area of a county, the county is in compliance with Sections 17-79-403 and 17-80-202 regarding inclusion of moderate income housing in the general plan and required reporting requirements.
- (6) A public transit district may be funded from any combination of federal, state, local, or private funds.
- (7) A public transit district may not acquire property by eminent domain.

Section 6. Section **17B-2a-807.3** is enacted to read:

17B-2a-807.3 (Effective 05/06/26). Transit commission of a large public transit

district -- Appointment -- Quorum -- Compensation -- Terms.

(1)(a) A large public transit district shall have a transit commission.

(b) For a large public transit district created as provided in this part on or before January 1, 2026, the structure and membership of the board of trustees may remain and serve as constituted as of January 1, 2026, until June 30, 2026.

(c) Beginning on July 1, 2026, a large public transit district shall be governed by a transit commission as provided in this section.

(d) A large public transit district shall provide severance pay and benefits through December 31, 2026, to each member of the board of trustees in place on June 30, 2026.

(2)(a) A large public transit district shall be governed by a transit commission consisting of members appointed as follows:

(i) two members appointed by the speaker of the House of Representatives, in consultation with public transit stakeholders from within the public transit district;

(ii) two members appointed by the president of the Senate, in consultation with public transit stakeholders from within the public transit district; and

(iii) three members appointed by the governor from nominations described in Subsection (2)(b).

(b)(i)(A) The councils of governments of Davis County and Weber County shall each nominate to the governor one or more candidates for transit commissioner.

(B) The Box Elder County legislative body and the chief executives of each municipality within the boundary of the large public transit district in Box Elder County, may jointly nominate one or more candidates for transit commissioner.

(C) The governor shall appoint, with advice and consent of the Senate, one candidate nominated as described in Subsection (2)(b)(i)(A) or (2)(b)(i)(B).

(ii)(A) The council of governments of Utah County shall nominate to the governor one or more candidates for transit commissioner.

(B) The Tooele County legislative body and the chief executives of each municipality within the boundary of the large public transit district in Tooele County, may jointly nominate one or more candidates for transit commissioner.

(C) The governor shall appoint, with advice and consent of the Senate, one candidate nominated as described in Subsection (2)(b)(ii)(A) or (2)(b)(ii)(B).

(iii)(A) The council of governments of Salt Lake County shall nominate to the

- governor one or more candidates for transit commissioner.
- (B) The governor shall appoint, with advice and consent of the Senate, one candidate nominated as described in Subsection (2)(b)(iii)(A).
- (iv) The nominations described in Subsections (2)(b)(i) through (iii) shall be made to the governor:
- (A) for the initial terms beginning on July 1, 2026, on or before May 1, 2026; and
- (B) for nominations after the initial nominations described in Subsection (2)(b)(iv)(A), within 30 days after the day on which notice is given by the executive director to the nominating entity of an upcoming vacancy on the transit commission.
- (v)(A) If a nominating body described in this Subsection (2)(b) fails to nominate an individual on or before the deadlines described in Subsection (2)(b)(iv), the governor may, with advice and consent of the Senate, appoint the transit commissioner.
- (B) If the governor does not wish to appoint one or more candidates nominated as described in this Subsection (2)(b), the governor may request additional nominations.
- (c) Beginning on July 1, 2026, and until June 30, 2027, the executive director of the department shall serve as a nonvoting, ex officio member of the transit commission.
- (3)(a) Except as provided in Subsections (3)(b) and (3)(c), each transit commissioner of a large public transit district shall serve for a term of four years.
- (b) Each transit commissioner serves at the pleasure of the individual in the office that appointed the transit commissioner.
- (c)(i) A transit commissioner may serve an unlimited number of terms.
- (ii) For members of the transit commission whose appointments begin on July 1, 2026, the transit commissioners shall serve an initial term as follows:
- (A) the speaker of the House of Representatives shall designate one appointee as serving an initial term for three years, and one appointee as serving an initial term of four years;
- (B) the president of the Senate shall designate one appointee as serving an initial term for three years, and one appointee as serving an initial term of four years; and
- (C) the governor shall designate two appointees as serving an initial term for two years, and one appointee as serving an initial term of five years.

- (d) Each transit commissioner:
- (i) serves and represents the whole of the large public transit district; and
 - (ii) does not represent a specific geographic portion of the large public transit district.
- (4)(a) If a vacancy occurs, the nomination and appointment procedures to replace the individual shall occur in the same manner described in Subsection (2) as for the transit commissioner creating the vacancy.
- (b) If a vacancy occurs on the transit commission of a large public transit district and the vacated seat is a transit commissioner nominated as described in Subsection (2)(b), the nominating body described in Subsection (2)(b) relevant for the vacancy shall nominate individuals for appointment by the governor as described in this section within 60 days after the date on which the vacancy occurs.
- (c) If the respective nominating body described in Subsection (2)(b) does not nominate to fill the vacancy within 60 days, the governor shall, with the advice and consent of the Senate, appoint an individual to fill the vacancy.
- (d) A replacement transit commissioner shall serve for the remainder of the unexpired term, but may serve an unlimited number of terms as provided in Subsection (3)(c)(i).
- (5)(a) The nominating and appointing individuals described in this section shall ensure that each individual nominated or appointed to the transit commission of a large public transit district has extensive experience in one or more of the following areas:
- (i) public transit and mobility;
 - (ii) public finance and budgeting;
 - (iii) community development and engagement;
 - (iv) law, public policy, or public administration; or
 - (v) business management.
- (b) An individual who holds an elected office is ineligible for nomination, appointment, or service on the transit commission.
- (6) A member may not receive compensation or benefits for the member's service, but may receive per diem and local travel expenses in accordance with:
- (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and 63A-3-107.
- (7) Any four members of the transit commission constitute a quorum.
- (8)(a) The governor shall designate one transit commissioner as chair.

(b) The transit commission may select one member as vice chair to act in the chair's absence.

(9) Each transit commissioner shall qualify by taking the constitutional oath of office.

(10) Each transit commissioner is subject to the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

(11) For the purposes of Section 63J-1-504, the transit commission is not considered an agency.

Section 7. Section **17B-2a-808** is amended to read:

17B-2a-808 (Effective 05/06/26). Small public transit district board of trustees powers and duties -- Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.

(1) The powers and duties of a board of trustees of a small public transit district stated in this section are in addition to the powers and duties stated in Section 17B-1-301.

(2) The board of trustees of each small public transit district shall:

(a) appoint and fix the salary of a general manager, a chief executive officer, or both, as provided in Section 17B-2a-811;

(b) determine the transit facilities that the district should acquire or construct;

(c) supervise and regulate each transit facility that the district owns and operates, including:

(i) fixing rates, fares, rentals, and charges and any classifications of rates, fares, rentals, and charges; and

(ii) making and enforcing rules, regulations, contracts, practices, and schedules for or in connection with a transit facility that the district owns or controls;

(d) control the investment of all funds assigned to the district for investment, including funds:

(i) held as part of a district's retirement system; and

(ii) invested in accordance with the participating employees' designation or direction pursuant to an employee deferred compensation plan established and operated in compliance with Section 457 of the Internal Revenue Code;

(e) invest all funds according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act;

(f) if a custodian is appointed under Subsection (3)(d), pay the fees for the custodian's services from the interest earnings of the investment fund for which the custodian is appointed;

- 573 (g)(i) cause an annual audit of all district books and accounts to be made by an
574 independent certified public accountant;
- 575 (ii) as soon as practicable after the close of each fiscal year, submit to the chief
576 administrative officer and legislative body of each county and municipality with
577 territory within the district a financial report showing:
- 578 (A) the result of district operations during the preceding fiscal year; and
579 (B) the district's financial status on the final day of the fiscal year; and
- 580 (iii) supply copies of the report under Subsection (2)(g)(ii) to the general public upon
581 request in a quantity that the board considers appropriate;
- 582 (h) report at least annually to the Transportation Commission created in Section 72-1-301
583 the district's short-term and strategic long-range [~~public~~]transit plans, including the
584 transit portions of applicable regional transportation plans adopted by a metropolitan
585 planning organization established under 23 U.S.C. Sec. 134;
- 586 (i) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits that
587 the board of trustees determines to be the most critical to the success of the
588 organization;[~~and~~]
- 589 (j) hear audit reports for audits conducted in accordance with Subsection (2)(i)[~~;~~] ; and
- 590 (k) provide to the Transportation and Infrastructure Appropriations Subcommittee an
591 annual financial report in conformity with generally accepted accounting principles.
- 592 (3) A board of trustees of a public transit district may:
- 593 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that are:
- 594 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
595 provisions of this part; and
- 596 (ii) necessary for:
- 597 (A) the government and management of the affairs of the district;
598 (B) the execution of district powers; and
599 (C) carrying into effect the provisions of this part;
- 600 (b) provide by resolution, under terms and conditions the board considers fit, for the
601 payment of demands against the district without prior specific approval by the board,
602 if the payment is:
- 603 (i) for a purpose for which the expenditure has been previously approved by the
604 board;
- 605 (ii) in an amount no greater than the amount authorized; and
606 (iii) approved by the general manager or other officer or deputy as the board

- 607 prescribes;
- 608 (c)(i) hold public hearings and subpoena witnesses; and
- 609 (ii) appoint district officers to conduct a hearing and require the officers to make
- 610 findings and conclusions and report them to the board; and
- 611 (d) appoint a custodian for the funds and securities under its control, subject to
- 612 Subsection (2)(f).
- 613 (4) A member of the board of trustees of a public transit district or a hearing officer
- 614 designated by the board may administer oaths and affirmations in a district investigation
- 615 or proceeding.
- 616 (5)(a) The vote of the board of trustees on each ordinance shall be by roll call vote with
- 617 each affirmative and negative vote recorded.
- 618 (b)(i) Subject to Subsection (5)(b)(ii), the board of trustees may adopt a resolution or
- 619 order by voice vote.
- 620 (ii) The vote of the board of trustees on a resolution or order shall be by roll call vote
- 621 if a member of the board so demands.
- 622 (c)(i) Except as provided in Subsection (5)(c)(ii), the board of trustees of a public
- 623 transit district may not adopt an ordinance unless it is:
- 624 (A) introduced at least a day before the board of trustees adopts it; or
- 625 (B) mailed by registered mail, postage prepaid, to each member of the board of
- 626 trustees at least five days before the day upon which the ordinance is presented
- 627 for adoption.
- 628 (ii) Subsection (5)(c)(i) does not apply if the ordinance is adopted by a unanimous
- 629 vote of all board members present at a meeting at which at least 3/4 of all board
- 630 members are present.
- 631 (d) Each ordinance adopted by a public transit district's board of trustees shall take effect
- 632 upon adoption, unless the ordinance provides otherwise.
- 633 Section 8. Section **17B-2a-808.1** is repealed and reenacted to read:
- 634 **17B-2a-808.1 (Effective 05/06/26). Large public transit district transit**
- 635 **commission powers and duties -- Adoption of ordinances, resolutions, or orders --**
- 636 **Effective date of ordinances.**
- 637 (1) The powers and duties of the transit commission of a large public transit district stated
- 638 in this section replace any powers and duties stated in Section 17B-1-301.
- 639 (2)(a) The transit commission of each large public transit district shall, at least monthly,
- 640 hold public meetings and receive public comment.

(b) The transit commission may conduct public meetings described in Subsection (2)(a) at various locations throughout the public transit district.

(3) The transit commission shall perform the following duties, which shall occur in a public meeting described in Subsection (2):

(a) approve an annual budget, which shall emphasize fiscal responsibility, increasing ridership, and maintaining a state of good repair;

(b) approve any interlocal agreement with a local jurisdiction;

(c) approve a strategic long-range transit plan for development and operations proposed by the executive director in accordance with Subsection 17B-2a-811.1(5)(b);

(d) vote on adoption of transit commission ordinances and bylaws; and

(e) review and recommend a proposal from the executive director for the issuance of a bond.

(4) The transit commission shall:

(a) in consultation with local stakeholders, work to establish and enhance transit infrastructure to provide cohesive and efficient public transit services throughout the service area of the large public transit district;

(b) cause an annual audit of all public transit district books and accounts to be made by an independent certified public accountant;

(c)(i) as soon as practicable after the close of each fiscal year, submit to each county, municipality, council of governments, and metropolitan planning organization within the public transit district, and make available upon request, a financial report showing:

(A) the result of the transit district operations during the preceding fiscal year;

(B) an accounting of the expenditures of all local sales and use tax revenues generated under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;

(C) the transit district's financial status on the final day of the fiscal year; and

(D) the transit district's progress and efforts to improve the transit district's fiscal outlook relative to the previous fiscal year; and

(ii) supply copies of the report under Subsection (4)(c)(i) to the general public upon request;

(d)(i) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits that the transit commission determines to be the most critical to the success of the organization;

- 675 (ii) if requested by the executive director, direct the internal auditor appointed under
676 Section 17B-2a-810 to conduct an audit of an internal issue of the large public
677 transit district; and
- 678 (iii) hear audit reports for audits conducted in accordance with this Subsection (4)(d);
- 679 (e) at least annually, engage with the safety and security team of the large public transit
680 district to ensure coordination with local municipalities and counties;
- 681 (f) at least annually, engage with the relevant metropolitan planning organizations and
682 other stakeholders;
- 683 (g) at least annually, for the commissioners nominated by the councils of government,
684 engage with the councils of government about community and local needs,
685 investments, and services;
- 686 (h) engage with elected officials or staff from municipalities and counties within the
687 large public transit district; and
- 688 (i) consult with local officials and stakeholders:
- 689 (i) to review routes, service changes, and service improvements; and
- 690 (ii) regarding the approvals described in Subsections (3)(a) through (c).
- 691 (5) A transit commission of a large public transit district may:
- 692 (a) approve and pass ordinances, resolutions, and orders that are:
- 693 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
694 provisions of this part; and
- 695 (ii) necessary for:
- 696 (A) the governance of the affairs of the district; and
- 697 (B) carrying into effect the provisions of this part;
- 698 (b) provide by resolution, under terms and conditions the transit commission considers
699 fit, for the payment of demands against the district without prior specific approval by
700 the transit commission, if the payment is:
- 701 (i) for a purpose for which the expenditure has been previously approved by the
702 transit commission;
- 703 (ii) in an amount no greater than the amount authorized; and
- 704 (iii) approved by the executive director or other officer or deputy as the transit
705 commission prescribes; or
- 706 (c) appoint a custodian for the funds and securities under large public transit district
707 control.
- 708 (6) A transit commissioner or a hearing officer designated by the transit commission may

administer oaths and affirmations in a public transit district investigation or proceeding.

(7)(a) The vote of the transit commission on each ordinance or resolution shall be by roll call vote with each affirmative and negative vote recorded.

(b) The transit commission may not adopt an ordinance unless the ordinance is introduced at least 48 hours before the transit commission adopts the ordinance.

(c) Each ordinance adopted by the transit commission shall take effect upon adoption, unless the ordinance provides otherwise.

Section 9. Section **17B-2a-809** is amended to read:

17B-2a-809 (Effective 05/06/26). Public transit districts to submit agendas and minutes of board meetings.

(1) The board of trustees or transit commission of each public transit district shall submit to each constituent entity, as defined in Section 17B-1-701:

(a) a copy of the board or transit commission agenda and a notice of the location and time of the board or transit commission meeting within the same time frame provided to members of the board [~~prior to~~] before the meeting; and

(b) a copy of the minutes of board meetings within five working days following approval of the minutes.

(2) The board may submit notices, agendas, and minutes by electronic mail if agreed to by the constituent entity as defined under Section 17B-1-701.

Section 10. Section **17B-2a-810** is amended to read:

17B-2a-810 (Effective 05/06/26). Officers of a public transit district.

(1)(a) The officers of a public transit district shall consist of:

(i) the members of the board of trustees or transit commission;

(ii) for a small public transit district, a chair and vice chair, appointed by the board of trustees, subject to Subsection (1)(c);

(iii) a secretary, appointed by the board of trustees or transit commission;

(iv)(A) for a small public transit district, a general manager, appointed by the board of trustees as provided in Section 17B-2a-811, whose duties may be allocated by the board of trustees, at the board of trustees' discretion, to a chief executive officer, or both; or

(B) for a large public transit district, an executive director appointed by the [~~board of trustees~~] governor as provided in Section 17B-2a-811.1;

(v) for a small public transit district, a chief executive officer appointed by the board of trustees, as provided in Section 17B-2a-811;

- (vi) for a small public transit district, a general counsel, appointed by the board of trustees, subject to Subsection (1)(d);
- (vii) a treasurer, appointed as provided in Section 17B-1-633, except that the treasurer of a large public transit district shall be appointed by the executive director;
- (viii) a comptroller, appointed by the board of trustees, subject to Subsection (1)(e), except that the comptroller of a large public transit district shall be appointed by the executive director;
- (ix) for a large public transit district, an internal auditor, appointed by the ~~board of trustees~~ executive director, subject to Subsection (1)(f); and
- (x) other officers, assistants, and deputies that the board of trustees or transit commission considers necessary.
- (b) The board of trustees of a small public transit district may, at its discretion, appoint a president, who shall also be considered an officer of a public transit district.
- (c) The district chair and vice chair of a small public transit district shall be members of the board of trustees.
- (d) The person appointed as general counsel for a small public transit district shall:
- (i) be admitted to practice law in the state; and
- (ii) have been actively engaged in the practice of law for at least seven years next preceding the appointment.
- (e) The person appointed as comptroller shall have been actively engaged in the practice of accounting for at least seven years next preceding the appointment.
- (f) The person appointed as internal auditor shall be a licensed certified internal auditor or certified public accountant with at least five years experience in the auditing or public accounting profession, or the equivalent, ~~[prior to]~~ before appointment.
- (2)(a) For a small public transit district, the district's general manager or chief executive officer, as the board prescribes, or for a large public transit district, the executive director, shall appoint all officers and employees not specified in Subsection (1).
- (b) Each officer and employee appointed by the district's general manager or chief executive officer of a small public transit district, or the executive director of a large public transit district, serves at the pleasure of the appointing general manager, chief executive officer, or executive director.
- (3) ~~[The]~~ For a small public transit district, the board of trustees shall by ordinance or resolution fix the compensation of all district officers and employees, except as

otherwise provided in this part.

(4)(a) Each officer appointed by the board of trustees or transit commission, or by the district's general manager, chief executive officer, or executive director shall take the oath of office specified in Utah Constitution, Article IV, Section 10.

(b) Each oath under Subsection (4)(a) shall be subscribed and filed with the district secretary no later than 15 days after the commencement of the officer's term of office.

Section 11. Section **17B-2a-811.1** is repealed and reenacted to read:

17B-2a-811.1 (Effective 05/06/26). Executive director of a large public transit district -- Appointment -- Duties -- Reporting.

(1)(a) The governor, with the advice and consent of the Senate, shall appoint an executive director for a large public transit district.

(b) The executive director of a large public transit district in place as of January 1, 2026, shall remain in place until:

(i) reappointed as described in Subsection (1)(a); or

(ii) replaced as described in Subsection (1)(a).

(2)(a) Except as provided in Subsection (2)(b), the salary of the executive director shall be set as described in Section 67-22-2.

(b) For an executive director in place as of January 1, 2026, the salary and other terms of the executive director's employment contract in place as of January 31, 2026, shall remain in force until the expiration of the contract.

(c) After the expiration of the executive director's employment contract as described in Subsection (2)(b), the executive director is eligible to receive the same benefits as other executive employees of the large public transit district.

(3) The executive director manages and directs the operations of the large public transit district, with the primary and overarching mission to:

(a) provide efficient and cost effective public transit services;

(b) increase ridership;

(c) maintain a state of good repair; and

(d) reduce debt and maintain fiscal responsibility.

(4) The executive director:

(a) serves as a full-time officer and devotes full time to the district's business;

(b) serves at the pleasure of the governor;

(c) holds office for an indefinite term;

(d) ensures that all district ordinances are enforced;

- (e) advises the transit commission regarding the needs of the district;
- (f) ensures district compliance with state and federal requirements;
- (g) attends meetings of the transit commission; and
- (h) supervises and has supervisory authority over all employees of the large public transit district.
- (5) The executive director shall:
- (a)(i) as described in Subsection (6), create and present the budget of the large public transit district to the transit commission for approval; and
- (ii) provide notice of the proposed budget hearing and a copy of the proposed budget to the counties and municipalities within the large public transit district no later than 30 days before the hearing;
- (b)(i) at least as frequently as every four years, in consultation with the transit commission and relevant metropolitan planning organizations, develop a strategic long-range transit plan for the district that aligns with relevant transportation and public transit plans on time horizons of five, 10, and 20 years;
- (ii) provide the proposed strategic long-range transit plan described in Subsection (5)(b)(i) to councils of government, counties, municipalities, and other relevant stakeholders for review and input; and
- (iii) after considering input received under Subsection (5)(b)(ii), present the proposed strategic long-range transit plan described in Subsection (5)(b)(i) to the transit commission for approval;
- (c)(i) propose for transit commission approval any ordinances or bylaws with effect outside the transit district organization; and
- (ii) develop and implement internal transit district policies;
- (d) in consultation with the transit commission, create and annually report the public transit district's long-term financial plan to the State Finance Review Commission created in Section 63C-25-201;
- (e)(i) at least as frequently as every five years, perform a cost-effectiveness and cost-benefit study for each mode of public transit; and
- (ii) develop goals for the large public transit district to achieve an effective balance of cost-effective and cost-beneficial services;
- (f) subject to Section 72-1-203, in consultation with the transit commission, prepare plans and specifications for the construction of district works;
- (g) cause to be installed and maintained a system of auditing and accounting that shows

- the district's financial condition at all times;
- (h) notwithstanding Subsections 17B-1-301(2)(l) and (m), have charge of:
- (i) the acquisition, construction, maintenance, and operation of public transit facilities; and
- (ii) the administration of the public transit district's business affairs;
- (i) approve contracts and overall property acquisitions and dispositions for transit-oriented development;
- (j) create and pursue funding opportunities for transit capital and service initiatives to meet anticipated growth within the public transit district and in accordance with the strategic long-range transit plan;
- (k) regulate each transit facility that the public transit district owns and operates, including:
- (i) fix rates, rentals, charges and any classifications of rates, rentals, and charges;
- (ii) fix fares; and
- (iii) propose rules and approve contracts, practices, and schedules for or in connection with a transit facility that the district owns or controls;
- (l) oversee the investment of all funds assigned to the district for investment, including funds:
- (i) held as part of a district's retirement system; and
- (ii) invested in accordance with the participating employees' designation or direction in accordance with an employee deferred compensation plan established and operated in compliance with Section 457 of the Internal Revenue Code;
- (m) if a custodian is appointed under Subsection 17B-2a-808.1(5)(c), pay the fees for the custodian's services from the interest earnings of the investment fund for which the custodian is appointed;
- (n) ensure that the policies established by the public transit district meet state and federal regulatory requirements and federal grantee eligibility;
- (o) coordinate with political subdivisions within the large public transit district and the department to coordinate public transit services provided by the large public transit district with pilot services related to public transit innovation grants; and
- (p) require crime insurance for district officers and employees charged with the handling of district funds in an amount set by the ~~Å~~ → [board] commission ← Å .
- (6)(a) The executive director shall prepare and submit to the transit commission an annual operating budget no later than 60 days before the beginning of each fiscal year.

- 879 (b) The budget shall include:
- 880 (i) estimated revenues from all sources;
- 881 (ii) proposed expenditures for all programs, operations, and administrative functions,
- 882 including:
- 883 (A) personnel and overhead costs;
- 884 (B) new construction and improvement projects;
- 885 (C) operation costs;
- 886 (D) maintenance and state of good repair of the public transit system; and
- 887 (E) capital expenditures, including vehicle purchases;
- 888 (iii) an explanation of significant changes from the budget of the prior fiscal year; and
- 889 (iv) other information as requested by the transit commission.
- 890 (c)(i) The transit commission shall review the proposed budget and may conduct
- 891 hearings and request such additional information as the transit commission
- 892 considers necessary.
- 893 (ii) The budget becomes effective only upon approval by the transit commission.
- 894 (iii) If the budget is not approved before the beginning of the fiscal year, the
- 895 executive director shall operate under the previous year's budget until a new
- 896 budget is approved.
- 897 (d)(i) The executive director may not make or authorize expenditures that result in a
- 898 material deviation from the approved budget without prior approval of the transit
- 899 commission.
- 900 (ii) For purposes of this Subsection (6), a "material deviation" means:
- 901 (A) a single expenditure or group of related expenditures exceeding 10% of any
- 902 major expense budget line item;
- 903 (B) a reallocation of funds between major budget categories exceeding 15% of the
- 904 affected expense category; or
- 905 (C) an expenditure that would cause total organizational spending to exceed the
- 906 approved budget by more than 5%.
- 907 (iii) The executive director shall request a budget amendment in writing to the transit
- 908 commission with:
- 909 (A) an explanation of the necessity for the deviation; and
- 910 (B) the deviation's anticipated impact on the transit district's operations and
- 911 financial position.
- 912 (iv) The executive director may approve minor adjustments within budget categories

- 913 that do not constitute material deviations, if total expenditures do not exceed the
914 approved budget.
- 915 (e)(i) The budget shall include a comprehensive ten-year budget projection and
916 financial forecast.
- 917 (ii) The ten-year budget projection and financial forecast shall include:
- 918 (A) projected revenues by source, including farebox revenue, sales tax receipts,
919 federal grants, state contributions, contributions from local governments, and
920 other operating income;
- 921 (B) projected operating and capital expenditures, including personnel costs, fleet
922 maintenance and replacement, fuel and energy costs, facilities maintenance,
923 and debt service;
- 924 (C) anticipated ridership trends and service level assumptions;
- 925 (D) financial forecast balance sheets showing projected assets, liabilities, and fund
926 balances;
- 927 (E) projected status of indebtedness and bond payoffs;
- 928 (F) material assumptions, including inflation rates, wage adjustments, fuel price
929 projections, and anticipated changes in federal or state funding; and
- 930 (G) identified risks to financial sustainability and proposed mitigation strategies.
- 931 (f) The executive director shall provide quarterly financial reports to the transit
932 commission comparing actual revenues and expenditures to the approved budget and
933 explaining any variances.
- 934 (7)(a) The executive director shall present to the transit commission in a public meeting
935 a proposed contract for reduced-fare, ticket-as-fare, or other fare event contracts.
- 936 (b) The executive director shall provide information about:
- 937 (i) the benefits of the reduced-fare, ticket-as-fare, or other fare event proposal; and
938 (ii) the impacts of the reduced-fare, ticket-as-fare, or other fare event proposal on the
939 budget of the transit district.
- 940 (c) A contract for reduced-fare, ticket-as-fare, or other fare event is subject to approval
941 by the transit commission.
- 942 (8)(a) The executive director may propose the issuance of a bond.
- 943 (b) A bond proposed by the executive director may not be issued unless:
- 944 (i) the bond is reviewed and recommended by the transit commission; and
945 (ii) approved by the State Finance Review Commission created in Section
946 63C-25-201.

- 947 (9) The executive director shall annually prepare and provide to the transit commission and
948 the Transportation Interim Committee:
- 949 (a) a report regarding fare contracts and transit pass programs, including:
- 950 (i) information about institutional contracts as well as reduced-fare, ticket-as-fare, or
951 other fare event contracts;
- 952 (ii) contribution levels from both the large public transit district and each relevant
953 institution or party;
- 954 (iii) projected and observed benefits and costs and return on investment of the
955 proposed contract, including increased ridership, traffic congestion reduction,
956 operational and customer safety, and net financial gain of the large public transit
957 district; and
- 958 (iv) other relevant data used to determine that the contract is in the public's
959 transportation interest;
- 960 (b) a report of the public transit district's efforts to engage in public-private partnerships
961 for public transit services; and
- 962 (c) a financial report in conformity with generally accepted accounting principles.
- 963 (10) The executive director shall annually report the public transit district's progress and
964 expenditures related to state resources to the Executive Appropriations Committee and
965 the Transportation and Infrastructure Appropriations Subcommittee.
- 966 (11)(a) At least every two years, the executive director shall provide a report to the
967 transit commission and provide an accounting of:
- 968 (i) the amount of revenue from local option sales and use taxes under this part that
969 was collected within each respective county, city, or town and allocated to the
970 large public transit district as provided in this part;
- 971 (ii) how much revenue described in Subsection (11)(a)(i) was allocated to provide
972 public transit services utilized by residents of each county, city, and town;
- 973 (iii) how the revenue described in Subsection (11)(a)(i) was spent to provide public
974 transit services utilized by residents of each respective county, city, and town; and
- 975 (iv) the ridership of all transit services.
- 976 (b) After providing the report described in Subsection (11)(a), the executive director
977 shall provide the report to each county, city, and town within the boundary of the
978 large public transit district.
- 979 (c) To provide the report described in this Subsection (11), the executive director may
980 coordinate with the Department of Transportation to report on relevant public transit

- 981 capital development projects administered by the Department of Transportation.
- 982 (12) The executive director shall report at least annually to the Transportation Commission
- 983 created in Section 72-1-301, including:
- 984 (a) the district's short-term and strategic long-range transit plans, including the portions
- 985 of applicable regional transportation plans adopted by a metropolitan planning
- 986 organization established under 23 U.S.C. Sec. 134; and
- 987 (b) any fixed guideway capital development projects that the executive director would
- 988 like the Transportation Commission to consider.
- 989 (13) The executive director or the executive director's designee shall engage:
- 990 (a) with elected officials or staff from the relevant metropolitan planning organizations,
- 991 councils of government, counties, and municipalities within the large public transit
- 992 district; and
- 993 (b) at least annually with elected officials or staff from any county or municipality that
- 994 provides direct financial contributions for transit district operations, including
- 995 expanded service or other similar proposals.

996 Section 12. Section **17B-2a-812** is amended to read:

997 **17B-2a-812 (Effective 05/06/26). Comptroller required to provide statement of**

998 **revenues and expenditures.**

999 The comptroller of each public transit district shall, as soon as possible after the close of

1000 each fiscal year:

- 1001 (1) prepare a statement of revenues and expenditures for the fiscal year just ended, in the
- 1002 detail that the board of trustees or transit commission prescribes; and
- 1003 (2) transmit a copy of the statement to the chief executive officer of:
- 1004 (a) each municipality within the district; and
- 1005 (b) each county with unincorporated area within the district.

1006 Section 13. Section **17B-2a-815** is amended to read:

1007 **17B-2a-815 (Effective 05/06/26). Rates and charges for service -- Fare collection**

1008 **information private.**

- 1009 (1) The board of trustees of a small public transit district, or the executive director of a
- 1010 large public transit district, shall fix rates and charges for service provided by the district
- 1011 by a two-thirds vote of all board members.
- 1012 (2) Rates and charges shall:
- 1013 (a) be reasonable; and
- 1014 (b) to the extent practicable:

(i) result in enough revenue to make the public transit system self supporting; and

(ii) be sufficient to:

(A) pay for district operating expenses;

(B) provide for repairs, maintenance, and depreciation of works and property that the district owns or operates;

(C) provide for the purchase, lease, or acquisition of property and equipment;

(D) pay the interest and principal of bonds that the district issues; and

(E) pay for contracts, agreements, leases, and other legal liabilities that the district incurs.

(3)(a) In accordance with Section 63G-2-302, the following personal information

received by the district from a customer through any debit, credit, or electronic fare

payment process is a private record under Title 63G, Chapter 2, Government Records

Access and Management Act:

(i) travel data, including:

(A) the identity of the purchasing individual or entity;

(B) travel dates, times, or frequency of use; and

(C) locations of use;

(ii) service type or vehicle identification used by the customer;

(iii) the unique transit pass identifier assigned to the customer; or

(iv) customer account information, including the cardholder's name, the credit or debit card number, the card issuer identification, or any other related information.

(b) Private records described in this Subsection (3) that are received by a public transit district may only be disclosed in accordance with Section 63G-2-202.

Section 14. Section **17B-2a-816** is amended to read:

17B-2a-816 (Effective 05/06/26). Hearing on a rate or charge or a proposal to fix the location of district facilities.

(1)(a) The legislative body of a county or municipality with territory within a public transit district may, on behalf of a person who is a resident of the county or municipality, respectively, and who is a user of a public transit system operated by the public transit district, file a request for a hearing before the public transit district's board of trustees or transit commission as to:

(i) the reasonableness of a rate or charge fixed by the board of trustees or transit commission; or

(ii) a proposal for fixing the location of district facilities.

- (b) Each request under Subsection (1)(a) shall:
- (i) be in writing;
 - (ii) be filed with the board of trustees or transit commission of the public transit district; and
 - (iii) state the subject matter on which a hearing is requested.

(2)(a) At least 15 but not more than 60 days after a request under Subsection (1)(a) is filed, the public transit district's board of trustees or transit commission shall hold a hearing on, as the case may be:

- (i) the reasonableness of a rate or charge fixed by the board of trustees or transit commission; or
- (ii) a proposal for fixing the location of district facilities.

(b) The public transit district board of trustees or transit commission shall provide notice of the hearing by:

- (i) mailing, postage prepaid, a notice to:
 - (A) the county or municipality requesting the hearing; and
 - (B) the legislative body of each other county and municipality with territory within the public transit district; and
- (ii) once publishing a notice.

(3) At each hearing under Subsection (2)(a):

- (a) the legislative body of a county or municipality may intervene, be heard, and introduce evidence if the county or municipality:
 - (i) is eligible to file a request for hearing under Subsection (1); and
 - (ii) did not file a request for hearing;
- (b) the public transit district, the county or municipality that filed the request for hearing, and an intervening county or municipality under Subsection (3)(a) may:
 - (i) call and examine witnesses;
 - (ii) introduce exhibits;
 - (iii) cross-examine opposing witnesses on any matter relevant to the issues, even though the matter was not covered in direct examination; and
 - (iv) rebut evidence introduced by others;
- (c) evidence shall be taken on oath or affirmation;
- (d) technical rules of evidence need not be followed, regardless of the existence of a common law or statutory rule that makes improper the admission of evidence over objection in a civil action;

(e) hearsay evidence is admissible in order to supplement or explain direct evidence, but is not sufficient in itself to support a finding unless it would be admissible over objection in a civil action; and

(f) the public transit district board of trustees or transit commission shall appoint a reporter to take a complete record of all proceedings and testimony before the board or transit commission.

(4)(a) Within 60 days after the conclusion of a hearing under Subsection (2)(a), the public transit district board of trustees or transit commission shall render its decision in writing, together with written findings of fact.

(b) The board of trustees or transit commission shall mail by certified mail, postage prepaid, a copy of the decision and findings to:

(i) the county or municipality that filed a request under Subsection (1); and

(ii) each county and municipality that intervened under Subsection (3)(a).

(5) In any action to review a decision of a public transit district board of trustees or transit commission under this section, the record on review shall consist of:

(a) the written request for hearing, the transcript of the testimony at the hearing, and all exhibits introduced at the hearing; or

(b) if the parties stipulate in writing:

(i) the evidence specified in the stipulation; and

(ii) the written stipulation itself.

Section 15. Section **17B-2a-821** is amended to read:

17B-2a-821 (Effective 05/06/26). Multicounty district may establish and enforce parking ordinance.

The board of trustees or transit commission of a multicounty district may adopt an ordinance governing parking of vehicles at a transit facility, including the imposition of a fine or civil penalty for a violation of the ordinance.

Section 16. Section **17B-2a-822** is amended to read:

17B-2a-822 (Effective 05/06/26). Multicounty district may employ or contract for law enforcement officers -- Law enforcement officer status, powers, and jurisdiction.

(1) The board of trustees or transit commission of a multicounty district may employ law enforcement officers or contract with other law enforcement agencies to provide law enforcement services for the district.

(2) A law enforcement officer employed or provided by contract under Subsection (1) is a law enforcement officer under Section 53-13-103 and shall be subject to the provisions

of that section.

Section 17. Section **17B-2a-826** is amended to read:

17B-2a-826 (Effective 05/06/26). Public transit district office of constituent services and office of coordinated mobility.

(1)(a) The ~~[board of trustees]~~ executive director of a large public transit district shall create and employ an office of constituent services.

(b) The duties of the office of constituent services described in Subsection (1)(a) shall include:

(i) establishing a central call number to hear and respond to complaints, requests, comments, concerns, and other communications from customers and citizens within the district;

(ii) keeping a log of the complaints, comments, concerns, and other communications from customers and citizens within the district; and

(iii) reporting complaints, comments, concerns, and other communications to management~~[- and to the local advisory council created in Section 17B-2a-808.2].~~

(2)(a) A large public transit district shall create and employ an office of coordinated mobility.

(b) The duties of the office of coordinated mobility shall include:

(i) establishing a central call number to facilitate human services transportation;

(ii) coordinating all human services transportation needs within the public transit district;

(iii) receiving requests and other communications regarding human services transportation;

(iv) receiving requests and other communications regarding vans, buses, and other vehicles available for use from the public transit district to maximize the utility of and investment in those vehicles; and

(v) supporting local efforts and applications for additional funding.

Section 18. Section **59-12-103** is amended to read:

59-12-103 (Effective 07/01/26). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenue.

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

(b) amounts paid for:

- 1151 (i) telecommunications service, other than mobile telecommunications service, that
1152 originates and terminates within the boundaries of this state;
- 1153 (ii) mobile telecommunications service that originates and terminates within the
1154 boundaries of one state only to the extent permitted by the Mobile
1155 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 1156 (iii) an ancillary service associated with a:
1157 (A) telecommunications service described in Subsection (1)(b)(i); or
1158 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 1159 (c) sales of the following for commercial use:
1160 (i) gas;
1161 (ii) electricity;
1162 (iii) heat;
1163 (iv) coal;
1164 (v) fuel oil; or
1165 (vi) other fuels;
- 1166 (d) sales of the following for residential use:
1167 (i) gas;
1168 (ii) electricity;
1169 (iii) heat;
1170 (iv) coal;
1171 (v) fuel oil; or
1172 (vi) other fuels;
- 1173 (e) sales of prepared food;
- 1174 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1175 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
1176 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
1177 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
1178 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
1179 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
1180 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
1181 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
1182 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
1183 activity;
- 1184 (g) amounts paid or charged for services for repairs or renovations of tangible personal

property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

(i) the tangible personal property; and

(ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:

(A) any parts are actually used in the repairs or renovations of that tangible personal property; or

(B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;

(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;

(i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer court accommodations and services;

(j) amounts paid or charged for laundry or dry cleaning services;

(k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:

(i) stored;

(ii) used; or

(iii) otherwise consumed;

(l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:

(i) stored;

(ii) used; or

(iii) consumed;

(m) amounts paid or charged for a sale:

(i)(A) of a product transferred electronically; or

(B) of a repair or renovation of a product transferred electronically; and

(ii) regardless of whether the sale provides:

(A) a right of permanent use of the product; or

(B) a right to use the product that is less than a permanent use, including a right:

(I) for a definite or specified length of time; and

(II) that terminates upon the occurrence of a condition; and

(n) sales of leased tangible personal property from the lessor to the lessee made in the state.

- (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:
- (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - (A) 4.70%;
 - (B) the rate specified in Subsection (6)(a); and
 - (C) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
- (i) a state tax imposed on the transaction at a tax rate of 2%; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:
- (i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.
- (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B).
- (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not apply to car sharing, a car sharing program, a shared vehicle driver, or a shared vehicle owner, for a car sharing or shared vehicle transaction if a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle.

- 1253 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
1254 required once during the time that the shared vehicle owner owns the shared
1255 vehicle.
- 1256 (C) The commission shall verify that a shared vehicle is an individual-owned
1257 shared vehicle by verifying that the applicable Utah taxes imposed under this
1258 chapter were paid on the purchase of the shared vehicle.
- 1259 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
1260 individual-owned shared vehicle shared through a car-sharing program even if
1261 non-certified shared vehicles are also available to be shared through the same
1262 car-sharing program.
- 1263 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.
- 1264 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
1265 representation that the shared vehicle is an individual-owned shared vehicle
1266 certified with the commission as described in Subsection (2)(e)(i).
- 1267 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
1268 representation that the shared vehicle is an individual-owned shared vehicle
1269 certified with the commission as described in Subsection (2)(e)(i), the
1270 car-sharing program is not liable for any tax, penalty, fee, or other sanction
1271 imposed on the shared vehicle owner.
- 1272 (iv) If all shared vehicles shared through a car-sharing program are certified as
1273 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
1274 no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and
1275 (2)(a)(i)(B) for that tax period.
- 1276 (v) A car-sharing program is not required to list or otherwise identify an
1277 individual-owned shared vehicle on a return or an attachment to a return.
- 1278 (vi) A car-sharing program shall:
- 1279 (A) retain tax information for each car-sharing program transaction; and
- 1280 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
1281 commission at the commission's request.
- 1282 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
1283 tangible personal property other than food and food ingredients, a state tax and a
1284 local tax is imposed on the entire bundled transaction equal to the sum of:
- 1285 (A) the tax rates described in Subsection (2)(a)(i); and
- 1286 (B) a local tax imposed on the entire bundled transaction at the sum of the tax

- 1287 rates described in Subsection (2)(a)(ii).
- 1288 (ii) If an optional computer software maintenance contract is a bundled transaction
- 1289 that consists of taxable and nontaxable products that are not separately itemized
- 1290 on an invoice or similar billing document, the purchase of the optional computer
- 1291 software maintenance contract is 40% taxable under this chapter and 60%
- 1292 nontaxable under this chapter.
- 1293 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
- 1294 transaction described in Subsection (2)(f)(i) or (ii):
- 1295 (A) if the sales price of the bundled transaction is attributable to tangible personal
- 1296 property, a product, or a service that is subject to taxation under this chapter
- 1297 and tangible personal property, a product, or service that is not subject to
- 1298 taxation under this chapter, the entire bundled transaction is subject to taxation
- 1299 under this chapter unless:
- 1300 (I) the seller is able to identify by reasonable and verifiable standards the
- 1301 tangible personal property, product, or service that is not subject to taxation
- 1302 under this chapter from the books and records the seller keeps in the seller's
- 1303 regular course of business; or
- 1304 (II) state or federal law provides otherwise; or
- 1305 (B) if the sales price of a bundled transaction is attributable to two or more items
- 1306 of tangible personal property, products, or services that are subject to taxation
- 1307 under this chapter at different rates, the entire bundled transaction is subject to
- 1308 taxation under this chapter at the higher tax rate unless:
- 1309 (I) the seller is able to identify by reasonable and verifiable standards the
- 1310 tangible personal property, product, or service that is subject to taxation
- 1311 under this chapter at the lower tax rate from the books and records the seller
- 1312 keeps in the seller's regular course of business; or
- 1313 (II) state or federal law provides otherwise.
- 1314 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
- 1315 seller's regular course of business includes books and records the seller keeps in
- 1316 the regular course of business for nontax purposes.
- 1317 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
- 1318 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
- 1319 personal property, a product, or a service that is subject to taxation under this
- 1320 chapter, and the sale, lease, or rental of tangible personal property, other property,

a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and

(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(h)(i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:

(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.

(ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

- 1355 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
1356 imposed under the following shall take effect on the first day of a calendar quarter:
- 1357 (i) Subsection (2)(a)(i)(A);
1358 (ii) Subsection (2)(a)(i)(B);
1359 (iii) Subsection (2)(b)(i);
1360 (iv) Subsection (2)(c)(i); or
1361 (v) Subsection (2)(f)(i)(A).
- 1362 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
1363 begins on or after the effective date of the tax rate increase if the billing period for
1364 the transaction begins before the effective date of a tax rate increase imposed
1365 under:
- 1366 (A) Subsection (2)(a)(i)(A);
1367 (B) Subsection (2)(a)(i)(B);
1368 (C) Subsection (2)(b)(i);
1369 (D) Subsection (2)(c)(i); or
1370 (E) Subsection (2)(f)(i)(A).
- 1371 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
1372 statement for the billing period is rendered on or after the effective date of the
1373 repeal of the tax or the tax rate decrease imposed under:
- 1374 (A) Subsection (2)(a)(i)(A);
1375 (B) Subsection (2)(a)(i)(B);
1376 (C) Subsection (2)(b)(i);
1377 (D) Subsection (2)(c)(i); or
1378 (E) Subsection (2)(f)(i)(A).
- 1379 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
1380 is computed on the basis of sales and use tax rates published in the catalogue, a
1381 tax rate repeal or change in a tax rate takes effect:
- 1382 (A) on the first day of a calendar quarter; and
1383 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
1384 change.
- 1385 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 1386 (A) Subsection (2)(a)(i)(A);
1387 (B) Subsection (2)(a)(i)(B);
1388 (C) Subsection (2)(b)(i);

- 1389 (D) Subsection (2)(c)(i); or
1390 (E) Subsection (2)(f)(i)(A).
- 1391 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1392 the commission may by rule define the term "catalogue sale."
- 1393 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
1394 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
1395 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
1396 fuel at the location.
- 1397 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
1398 or other fuel is furnished through a single meter for two or more of the following
1399 uses:
- 1400 (A) a commercial use;
1401 (B) an industrial use; or
1402 (C) a residential use.
- 1403 (3)(a) The commission shall deposit the following state taxes into the General Fund:
1404 (i) the tax imposed by Subsection (2)(a)(i)(A);
1405 (ii) the tax imposed by Subsection (2)(b)(i);
1406 (iii) the tax imposed by Subsection (2)(c)(i);
1407 (iv) the tax imposed by Subsection (2)(d); and
1408 (v) the tax imposed by Subsection (2)(f)(i)(A).
- 1409 (b) The commission shall distribute the following local taxes to a county, city, or town
1410 as provided in this chapter:
- 1411 (i) the tax imposed by Subsection (2)(a)(ii);
1412 (ii) the tax imposed by Subsection (2)(b)(ii);
1413 (iii) the tax imposed by Subsection (2)(c)(ii); and
1414 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 1415 (4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make
1416 the deposits described in Subsections (4)(b) through ~~[(4)(h)]~~ (4)(i) from the revenue
1417 from the taxes imposed by:
- 1418 (i) Subsection (2)(a)(i)(A);
1419 (ii) Subsection (2)(b)(i);
1420 (iii) Subsection (2)(c)(i); and
1421 (iv) Subsection (2)(f)(i)(A).
- 1422 (b) The commission shall deposit 15% of the difference between 1.4543% of the

- 1423 revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b),
1424 into the Water Rights Restricted Account created in Section 73-2-1.6.
- 1425 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue
1426 described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into
1427 the Water Resources Conservation and Development Fund created in Section
1428 73-10-24 for use by the Division of Water Resources for:
- 1429 (i) preconstruction costs:
- 1430 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
1431 Chapter 26, Bear River Development Act; and
- 1432 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
1433 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 1434 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
1435 73, Chapter 26, Bear River Development Act;
- 1436 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
1437 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
1438 Act; and
- 1439 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
1440 Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i)
1441 through (iii).
- 1442 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a)
1443 into the Water Infrastructure Restricted Account created in Section 73-10g-103.
- 1444 (e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit 26.24% of the
1445 revenue described in Subsection (4)(a) into the Transportation Investment Fund of
1446 2005 created in Section 72-2-124.
- 1447 (ii) The commission shall annually reduce the deposit described in Subsection
1448 (4)(e)(i) by the sum of:
- 1449 (A) \$1,813,400;
- 1450 (B) the earmark described in Subsection (5)(c); and
- 1451 (C) an amount equal to 35% of the revenue generated in the current fiscal year by
1452 the portion of the tax imposed on motor and special fuel that is sold, used, or
1453 received in the state that exceeds 29.4 cents per gallon.
- 1454 (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into
1455 the Transit Transportation Investment Fund created in Section 72-2-124.
- 1456 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into

the Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.

(g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Commuter Rail Subaccount created in Section 72-2-124.

(h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902 as follows:

(i) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902, an amount equal to the amount that was deposited into the Outdoor Adventure Infrastructure Restricted Account in fiscal year 2025; and

(ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

(i)(i) As used in this Subsection (4)(i):

(A) "Base year balance" means the amount of revenue described in Subsection (4)(a) that the commission deposits into the General Fund for the fiscal year beginning on July 1, 2025, after making all other deposits and transfers required under this section.

(B) "Current year balance" means the amount of revenue described in Subsection (4)(a) that the commission deposits into the General Fund for the current fiscal year, after making all other deposits and transfers required under this section.

(C) "Total transit amount" means the sum of the deposits made under Subsections (4)(e)(ii)(C) and (4)(g) for the current fiscal year.

(ii) For each fiscal year beginning on or after July 1, 2027, in which the current year balance exceeds the base year balance, the commission shall deposit into the Transit Transportation Investment Fund created in Section 72-2-124 an amount equal to the lesser of:

(A) 5% of the difference between the current year balance and the base year balance; and

(B) the total transit amount.

(5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make the deposits described in this Subsection (5).

(b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural Resources to be used for watershed rehabilitation or restoration.

(B) At the end of each fiscal year, 100% of any unexpended amount described in Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and Development Fund created in Section 73-10-24.

(ii) The commission shall deposit \$150,000 to the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(iii) The commission shall deposit \$525,000 into the Division of Conservation created in Section 4-46-401 to implement water related programs.

(iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources:

(A) for the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24;

(B) to conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(C) to fund state required dam safety improvements; and

(D) to protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(A) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(B) develop underground sources of water, including springs and wells; and

(C) develop surface water sources.

(vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources

1525 to:

1526 (A) implement the measures described in Subsections 23A-3-214(3)(a) through
1527 (d) to protect sensitive plant and animal species; or

1528 (B) award grants, up to the amount authorized by the Legislature in an
1529 appropriations act, to political subdivisions of the state to implement the
1530 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
1531 sensitive plant and animal species.

1532 (viii) Funds transferred to the Division of Wildlife Resources under Subsection
1533 (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife
1534 Service or any other person to list or attempt to have listed a species as threatened
1535 or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et
1536 seq.

1537 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections
1538 (5)(b)(vii)(A) and (B) shall lapse:

1539 (A) 50% into the Water Resources Conservation and Development Fund created
1540 in Section 73-10-24;

1541 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
1542 73-10c-5; and

1543 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
1544 73-10c-5.

1545 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover
1546 the costs incurred in hiring legal and technical staff for the adjudication of water
1547 rights.

1548 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection
1549 (5)(b)(x) shall lapse:

1550 (A) 50% into the Water Resources Conservation and Development Fund created
1551 in Section 73-10-24;

1552 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
1553 73-10c-5; and

1554 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
1555 73-10c-5.

1556 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment
1557 Fund created in Section 72-2-124.

1558 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food

1559 Agencies Fund created by and expended in accordance with Section 35A-8-1009.

1560 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit
1561 for the sole use of the Search and Rescue Financial Assistance Program created by
1562 and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and
1563 Rescue Act.

1564 (6)(a) The rate specified in this Subsection (6) is 0.15%.

1565 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
1566 on or after July 1, 2019, annually transfer the amount of revenue collected from the
1567 rate described in Subsection (6)(a) on the transactions that are subject to the sales and
1568 use tax under Subsection (2)(a)(i)(B) into the Medicaid ACA Fund created in Section
1569 26B-1-315.

1570 (7)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11),
1571 (12), and (13), and as described in Section 63N-3-610, beginning the first day of a
1572 calendar quarter one year after the sales and use tax boundary for a housing and
1573 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing
1574 and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer
1575 an amount equal to 15% of the sales and use tax increment from the sales and use tax
1576 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within
1577 an established sales and use tax boundary, as defined in Section 63N-3-602, into the
1578 Transit Transportation Investment Fund created in Section 72-2-124.

1579 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and
1580 except as provided in Subsections (11), (12), and (13), and as described in Section
1581 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the
1582 proposal and after the sales and use tax boundary for a convention center
1583 reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6,
1584 Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall
1585 transfer an amount equal to 50% of the sales and use tax increment as defined in
1586 Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
1587 4.7% rate, on transactions occurring within an established sales and use tax boundary,
1588 as defined in Section 63N-3-602, to a convention center public infrastructure district
1589 created in accordance with Section 17D-4-202.1 and specified in the convention
1590 center reinvestment zone proposal submitted ~~[pursuant to]~~ in accordance with Title
1591 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

1592 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and

(13), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring within the district sales tax area, as defined in Section 11-70-101.

(9)(a) As used in this Subsection (9):

(i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)(b) that the point of the mountain authority acquires after the point of the mountain authority provides the commission a map under Subsection (9)(c).

(ii) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.

(iii) "Point of the mountain state land" means the same as that term is defined in Section 11-59-102.

(b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13), the commission shall distribute to the point of the mountain authority 50% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring on the point of the mountain state land.

(c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map that:

(i) accurately describes the point of the mountain state land; and

(ii) the point of the mountain authority certifies as accurate.

(d) A distribution under Subsection (9)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:

(i) accurately describes the point of the mountain state land, including the additional land; and

(ii) the point of the mountain authority certifies as accurate.

(e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the point of the mountain authority under Subsection (9)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.

(ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under

Subsection (9)(e)(i).

(10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section 63N-2-503.5.

(11)(a) As used in this Subsection (11):

(i) "Applicable percentage" means:

(A) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(A);

(B) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(B); and

(C) for the Point of the Mountain State Land Authority created in Section 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(C).

(ii) "Qualified development zone" means:

(A) the sales and use tax boundary of a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Act;

(B) the district sales tax boundary as defined in Section 11-70-101 for the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201; or

(C) the sales and use tax boundary of point of the mountain state land, as defined in Section 11-59-102, under the Point of the Mountain State Land Authority created in Section 11-59-201.

(iii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J or a substantially similar form as designated by the commission.

(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be deposited into the General Fund.

(12)(a) As used in Subsections (12) and (13):

(i) "Applicable percentage" means, for a convention center reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to 50% of the sales and use tax increment, as that term is defined in Section 63N-3-602, from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (12)(a)(ii).

(ii) "Qualified development zone" means the sales and use tax boundary of a convention center reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

(iii) "Qualifying construction materials" means construction materials that are:

(A) delivered to a delivery outlet within a qualified development zone; and

(B) intended to be permanently attached to real property within the qualified development zone.

(b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (12)(c) to a qualified development zone if the seller of the construction materials:

(i) establishes a delivery outlet with the commission within the qualified development zone;

(ii) reports the sales of the construction materials to the delivery outlet described in Subsection (12)(b)(i); and

(iii) does not report the sales of the construction materials on a simplified electronic return.

(c) For the purposes of Subsection (12)(b), the product is equal to:

(i) the sales price or purchase price of the qualifying construction materials; and

(ii) the applicable percentage.

(13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.

(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the General Fund.

Section 19. Section **63N-3-605** is amended to read:

63N-3-605 (Effective 05/06/26). Housing and transit reinvestment zone committee -- Creation.

- (1) For any housing and transit reinvestment zone proposed under this part, or for a first home investment zone proposed in accordance with Part 16, First Home Investment Zone Act, there is created a housing and transit reinvestment zone committee with membership described in Subsection (2).
- (2) Each housing and transit reinvestment zone committee shall consist of the following members:
- (a) one representative from the Governor's Office of Economic Opportunity, designated by the executive director of the Governor's Office of Economic Opportunity;
 - (b) one representative from each municipality that is a party to the proposed housing and transit reinvestment zone or first home investment zone, designated by the chief executive officer of each respective municipality;
 - (c) a member of the Transportation Commission created in Section 72-1-301;
 - (d) a member of the ~~[board of trustees]~~ transit commission of a large public transit district;
 - (e) one individual from the Office of the State Treasurer, designated by the state treasurer;
 - (f) two members designated by the president of the Senate;
 - (g) two members designated by the speaker of the House of Representatives;
 - (h) one member designated by the chief executive officer of each county affected by the housing and transit reinvestment zone or first home investment zone;
 - (i) two representatives designated by the school superintendent from the school district affected by the housing and transit reinvestment zone or first home investment zone; and
 - (j) one representative, representing the largest participating local taxing entity, after the municipality, county, and school district.
- (3) The individual designated by the Governor's Office of Economic Opportunity as described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone committee.
- (4)(a) A majority of the members of the housing and transit reinvestment zone committee constitutes a quorum of the housing and transit reinvestment zone committee.
- (b) An action by a majority of a quorum of the housing and transit reinvestment zone committee is an action of the housing and transit reinvestment zone committee.
- (5)(a) After the Governor's Office of Economic Opportunity receives the results of the

analysis described in Section 63N-3-604, and after the Governor's Office of Economic Opportunity has received a request from the submitting municipality or public transit county to submit the housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each of the entities described in Subsection (2) of the formation of the housing and transit reinvestment zone committee.

(b) For a first home investment zone, the housing and transit reinvestment zone committee shall follow the procedures described in Section 63N-3-1604.

(6)(a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to consider the proposed housing and transit reinvestment zone.

(b) A meeting of the housing and transit reinvestment zone committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.

(7)(a) The proposing municipality or public transit county shall present the housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee in a public meeting.

(b) The housing and transit reinvestment zone committee shall, for a housing and transit reinvestment zone proposal:

(i) evaluate and verify whether the elements of a housing and transit reinvestment zone described in Subsections 63N-3-603(2) and (4) have been met; and

(ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis described in Subsection 63N-3-604(2).

(c) The housing and transit reinvestment zone committee shall, for a convention center reinvestment zone proposal, evaluate and verify whether the objectives of a convention center reinvestment zone described in Section 63N-3-603.1 have been met.

(8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee may:

(i)(A) for a housing and transit reinvestment zone, request changes to the housing and transit reinvestment zone proposal based on the analysis, characteristics, and criteria described in Section 63N-3-604; or

(B) for a convention center reinvestment zone, request changes to the convention center reinvestment zone proposal based on the characteristics and criteria described in Sections 63N-3-603.1 and 63N-3-604.1; or

(ii) vote to approve or deny the proposal.

(b) Before the housing and transit reinvestment zone committee may approve the housing and transit reinvestment zone proposal, the municipality or public transit county proposing the housing and transit reinvestment zone shall ensure that the area of the proposed housing and transit reinvestment zone is zoned in such a manner to accommodate the requirements of a housing and transit reinvestment zone described in this section and the proposed development.

(9) If a housing and transit reinvestment zone is approved by the committee:

- (a) the proposed housing and transit reinvestment zone is established according to the terms of the housing and transit reinvestment zone proposal;
- (b) affected local taxing entities are required to participate according to the terms of the housing and transit reinvestment zone proposal; and
- (c) each affected taxing entity is required to participate at the same rate.

(10) A housing and transit reinvestment zone proposal may be amended by following the same procedure as approving a housing and transit reinvestment zone proposal.

(11)(a) The approval for a convention center reinvestment zone in a capital city may be completed with a condition that the relevant municipality also create a public infrastructure district as provided in Subsection 63N-3-607(8)(b).

(b) The approval described in Subsection (11)(a) shall verify that the requirements and limitations on use of funds is limited to the conditions described under Subsections 63N-3-604.1(2)(b) and (c).

Section 20. Section **67-22-2** is amended to read:

67-22-2 (Effective 05/06/26). Compensation -- Other state officers.

(1) As used in this section:

- (a) "Appointed executive" means the:
 - (i) commissioner of the Department of Agriculture and Food;
 - (ii) commissioner of the Insurance Department;
 - (iii) commissioner of the Labor Commission;
 - (iv) director, Department of Alcoholic Beverage Services;
 - (v) commissioner of the Department of Financial Institutions;
 - (vi) executive director, Department of Commerce;
 - (vii) executive director, Commission on Criminal and Juvenile Justice;
 - (viii) adjutant general;
 - (ix) executive director, Department of Cultural and Community Engagement;
 - (x) executive director, Department of Corrections;

- (xi) commissioner, Department of Public Safety;
- (xii) executive director, Department of Natural Resources;
- (xiii) executive director, Governor's Office of Planning and Budget;
- (xiv) executive director, Department of Government Operations;
- (xv) executive director, Department of Environmental Quality;
- (xvi) executive director, Governor's Office of Economic Opportunity;
- (xvii) executive director, Department of Workforce Services;
- (xviii) executive director, Department of Health and Human Services, Nonphysician;
- (xix) executive director, Department of Transportation;
- (xx) executive director, Department of Veterans and Military Affairs;
- (xxi) advisor, Public Lands Policy Coordinating Office, created in Section 63L-11-201;
- (xxii) Great Salt Lake commissioner, appointed under Section 73-32-201;~~[-and]~~
- (xxiii) Utah water agent, appointed under Section 73-10g-702[-] ; and
- (xxiv) a local district executive.

(b) "Board or commission executive" means:

- (i) members, Board of Pardons and Parole;
- (ii) chair, State Tax Commission;
- (iii) commissioners, State Tax Commission;
- (iv) executive director, State Tax Commission;
- (v) chair, Public Service Commission; and
- (vi) commissioners, Public Service Commission.

(c) "Deputy" means the person who acts as the appointed executive's second in command as determined by the Division of Human Resource Management.

(d) "Local district executive" means the executive director of a large public transit district, as defined in Section 17B-2a-802.

(2)(a)(i) The director of the Division of Human Resource Management shall:

[~~(i)~~] (A) before October 31 of each year, recommend to the governor a compensation plan for the appointed executives and the board or commission executives; and

[~~(ii)~~] (B) base those recommendations on market salary studies conducted by the Division of Human Resource Management.

(ii) For a market salary study described in Subsection (2)(a)(i)(B) for a local district executive, the Division of Human Resource Management shall include a salary

comparison with executives of public transit districts of similar size and
sophistication in other states.

(b)(i) The Division of Human Resource Management shall determine the salary range for the appointed executives by:

- (A) identifying the salary range assigned to the appointed executive's deputy;
- (B) designating the lowest minimum salary from those deputies' salary ranges as the minimum salary for the appointed executives' salary range; and
- (C) designating 105% of the highest maximum salary range from those deputies' salary ranges as the maximum salary for the appointed executives' salary range.

(ii) If the deputy is a medical doctor, the Division of Human Resource Management may not consider that deputy's salary range in designating the salary range for appointed executives.

(c)(i) Except as provided in Subsection (2)(c)(ii), in establishing the salary ranges for board or commission executives, the Division of Human Resource Management shall set the maximum salary in the salary range for each of those positions at 90% of the salary for district judges as established in the annual appropriation act under Section 67-8-2.

(ii) In establishing the salary ranges for an individual described in Subsection (1)(b)(ii), (1)(b)(iii), or (1)(b)(iv), the Division of Human Resource Management shall set the maximum salary in the salary range for each of those positions at 100% of the salary for district judges as established in the annual appropriation act under Section 67-8-2.

(3)(a)(i) Except as provided in Subsection (3)(a)(ii) or Subsection (3)(d), the governor shall establish a specific salary for each appointed executive within the range established under Subsection (2)(b).

(ii) If the executive director of the Department of Health and Human Services is a physician, the governor shall establish a salary within the highest physician salary range established by the Division of Human Resource Management.

(iii) The governor may provide salary increases for appointed executives within the range established by Subsection (2)(b) and identified in Subsection (3)(a)(ii).

(b) The governor shall apply the same overtime regulations applicable to other FLSA exempt positions.

(c) The governor may develop standards and criteria for reviewing the appointed executives.

(d) If under Section 73-10g-702 the governor appoints an individual who is serving in an appointed executive branch position to be the Utah water agent, the governor shall adjust the salary of the Utah water agent to account for salary received for the appointed executive branch position.

(4) Salaries for other Schedule A employees, as defined in Section 63A-17-301, that are not provided for in this chapter, or in Title 67, Chapter 8, Utah Elected Official and Judicial Salary Act, shall be established as provided in Section 63A-17-301.

(5)(a) [The] Except as provided in Subsection (5)(c), the Legislature fixes benefits for the appointed executives and the board or commission executives as follows:

(i) the option of participating in a state retirement system established by Title 49, Utah State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered by the State Retirement Office in accordance with the Internal Revenue Code and its accompanying rules and regulations;

(ii) health insurance;

(iii) dental insurance;

(iv) basic life insurance;

(v) unemployment compensation;

(vi) workers' compensation;

(vii) required employer contribution to Social Security;

(viii) long-term disability income insurance;

(ix) the same additional state-paid life insurance available to other noncareer service employees;

(x) the same severance pay available to other noncareer service employees;

(xi) the same leave, holidays, and allowances granted to Schedule B state employees as follows:

(A) sick leave;

(B) converted sick leave if accrued [~~prior to~~] before January 1, 2014;

(C) educational allowances;

(D) holidays; and

(E) annual leave except that annual leave shall be accrued at the maximum rate provided to Schedule B state employees;

(xii) the option to convert accumulated sick leave to cash or insurance benefits as provided by law or rule upon resignation or retirement according to the same criteria and procedures applied to Schedule B state employees;

- 1899 (xiii) the option to purchase additional life insurance at group insurance rates
 1900 according to the same criteria and procedures applied to Schedule B state
 1901 employees; and
 1902 (xiv) professional memberships if being a member of the professional organization is
 1903 a requirement of the position.
- 1904 (b) Each department shall pay the cost of additional state-paid life insurance for its
 1905 executive director from its existing budget.
- 1906 (c) Subject to Subsection 17B-2a-811.1(2)(b), the transit commission of a large public
 1907 transit district, as defined in Section 17B-2a-802, shall fix the benefits for the
 1908 executive director of a large public transit district similar to benefits for other
 1909 employees of the large public transit district.
- 1910 (6) The Legislature fixes the following additional benefits:
- 1911 (a) for the executive director of the Department of Transportation a vehicle for official
 1912 and personal use;
- 1913 (b) for the executive director of the Department of Natural Resources a vehicle for
 1914 commute and official use;
- 1915 (c) for the commissioner of Public Safety:
- 1916 (i) an accidental death insurance policy if POST certified; and
 1917 (ii) a public safety vehicle for official and personal use;
- 1918 (d) for the executive director of the Department of Corrections:
- 1919 (i) an accidental death insurance policy if POST certified; and
 1920 (ii) a public safety vehicle for official and personal use;
- 1921 (e) for the adjutant general a vehicle for official and personal use;
- 1922 (f) for each member of the Board of Pardons and Parole a vehicle for commute and
 1923 official use; and
- 1924 (g) for the executive director of the Department of Veterans and Military Affairs a
 1925 vehicle for commute and official use.
- 1926 Section 21. **Repealer.**
- 1927 This bill repeals:
- 1928 Section **17B-2a-807.1, Large public transit district board of trustees -- Appointment --**
 1929 **Quorum -- Compensation -- Terms.**
- 1930 Section **17B-2a-807.2, Existing large public transit district board of trustees --**
 1931 **Appointment -- Quorum -- Compensation -- Terms.**
- 1932 Section **17B-2a-808.2, Large public transit district local advisory council -- Powers and**

1933 **duties.**

1934 Section 22. **Effective Date.**

1935 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

1936 (2) The actions affecting Section 59-12-103 **(Effective 07/01/26)** take effect on July 1, 2026.