

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;
- and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-1-301, as last amended by Laws of Utah 2025, Chapter 76

17B-2a-802, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

31 **17B-2a-804**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

32 **17B-2a-808**, as last amended by Laws of Utah 2018, Chapter 424

33 **17B-2a-809**, as renumbered and amended by Laws of Utah 2007, Chapter 329

34 **17B-2a-810**, as last amended by Laws of Utah 2025, Chapter 544

35 **17B-2a-812**, as enacted by Laws of Utah 2007, Chapter 329

36 **17B-2a-815**, as last amended by Laws of Utah 2013, Chapter 216

37 **17B-2a-816**, as enacted by Laws of Utah 2007, Chapter 329

38 **17B-2a-821**, as last amended by Laws of Utah 2016, Chapter 273

39 **17B-2a-822**, as last amended by Laws of Utah 2022, Chapter 381

40 **17B-2a-826**, as last amended by Laws of Utah 2019, Chapter 479

41 **67-22-2**, as last amended by Laws of Utah 2025, Chapter 232

42 ENACTS:

43 **17B-2a-807.3**, Utah Code Annotated 1953

44 REPEALS AND REENACTS:

45 **17B-2a-808.1**, as last amended by Laws of Utah 2025, Chapters 271, 544

46 **17B-2a-811.1**, as last amended by Laws of Utah 2025, Chapter 544

47 REPEALS:

48 **17B-2a-807.1**, as last amended by Laws of Utah 2024, Chapter 529

49 **17B-2a-807.2**, as last amended by Laws of Utah 2024, Chapters 517, 529

50 **17B-2a-808.2**, as last amended by Laws of Utah 2025, Chapter 544

51

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

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

54 **17B-1-301 . Board of trustees duties and powers.**

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

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

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

59 (ii) determine all questions of district policy.

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

61 (2) The board of trustees may:

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

64 (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 district;
 - (m) on behalf of the special district, acquire, use, hold, manage, occupy, and possess property necessary to carry out the purposes of the district, dispose of property when the board considers it appropriate, and institute and maintain in the name of the district any action or proceeding to enforce, maintain, protect, or preserve rights or privileges associated with district property;
 - (n) delegate to a district officer the exercise of a district duty; and
 - (o) exercise all powers and perform all functions in the operation of the special district and the special district's properties as are ordinarily exercised by the governing body of a political subdivision of the state and as are necessary to accomplish the purposes of the district.
- (3)(a) As used in this Subsection (3), "interim vacancy period" means:
- (i) if any member of the special district board is elected, the period of time that:

- 99 (A) begins on the day on which an election is held to elect a special district board
100 member; and
- 101 (B) ends on the day on which the special district board member-elect begins the
102 member's term; or
- 103 (ii) if any member of the special district board is appointed, the period of time that:
- 104 (A) begins on the day on which an appointing authority posts a notice of vacancy
105 in accordance with Section 17B-1-304; and
- 106 (B) ends on the day on which the individual who is appointed by the special
107 district board to fill the vacancy begins the individual's term.
- 108 (b)(i) The special district may not hire during an interim vacancy period a manager, a
109 chief executive officer, a chief administrative officer, an executive director, or a
110 similar position to perform executive and administrative duties or functions.
- 111 (ii) Notwithstanding Subsection (3)(b)(i):
- 112 (A) the special district may hire an interim manager, a chief executive officer, a
113 chief administrative officer, an executive director, or a similar position during
114 an interim vacancy period; and
- 115 (B) the interim manager's, chief executive officer's, chief administrative officer's,
116 or similar position's employment shall terminate once a new manager, chief
117 executive officer, chief administrative officer, or similar position is hired by
118 the new special district board after the interim vacancy period has ended.
- 119 (c) Subsection (3)(b) does not apply if:
- 120 (i) all the elected special district board members who held office on the day of the
121 election for the special district board members, whose term of office was vacant
122 for the election are re-elected to the special district board; and
- 123 (ii) all the appointed special district board members who were appointed whose term
124 of appointment was expiring are re-appointed to the special district board.
- 125 (4) A special district board that hires an interim manager, a chief executive officer, a chief
126 administrative officer, an executive director, or a similar position in accordance with this
127 section may not enter into an employment contract that contains an automatic renewal
128 provision with the interim manager, chief executive officer, chief administrative officer,
129 executive director, or similar position.

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

131 **17B-2a-802 . Definitions.**

132 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.

235 [(26)] (25) "Transit-oriented development" means a mixed use residential or commercial
236 area that is designed to maximize access to public transit and includes the development
237 of land owned by a large public transit district.

238 [(27)] (26) "Transit-supportive development" means a mixed use residential or commercial
239 area that is designed to maximize access to public transit and does not include the
240 development of land owned by a large public transit district.

241 Section 3. Section **17B-2a-804** is amended to read:

242 **17B-2a-804 . Additional public transit district powers.**

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

- 245 (a) provide a public transit system for the transportation of passengers and their
246 incidental baggage;
- 247 (b) notwithstanding Subsection 17B-1-103(2)(g) and subject to Section 17B-2a-817,
248 levy and collect property taxes only for the purpose of paying:
- 249 (i) principal and interest of bonded indebtedness of the public transit district; or
250 (ii) a final judgment against the public transit district if:
- 251 (A) the amount of the judgment exceeds the amount of any collectable insurance
252 or indemnity policy; and
- 253 (B) the district is required by a final court order to levy a tax to pay the judgment;
- 254 (c) insure against:
- 255 (i) loss of revenues from damage to or destruction of some or all of a public transit
256 system from any cause;
- 257 (ii) public liability;
- 258 (iii) property damage; or
- 259 (iv) any other type of event, act, or omission;
- 260 (d) subject to Section 72-1-203 pertaining to fixed guideway capital development within
261 a large public transit district, acquire, contract for, lease, construct, own, operate,
262 control, or use:
- 263 (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal,
264 parking lot, or any other facility necessary or convenient for public transit service;
265 or
- 266 (ii) any structure necessary for access by persons and vehicles;
- 267 (e)(i) hire, lease, or contract for the supplying or management of a facility, operation,
268 equipment, service, employee, or management staff of an operator; and

- (ii) provide for a sublease or subcontract by the operator upon terms that are in the public interest;
- (f) operate feeder bus lines and other feeder or ridesharing services as necessary;
- (g) accept a grant, contribution, or loan, directly through the sale of securities or equipment trust certificates or otherwise, from the United States, or from a department, instrumentality, or agency of the United States;
- (h) study and plan transit facilities in accordance with any legislation passed by Congress;
- (i) cooperate with and enter into an agreement with the state or an agency of the state or otherwise contract to finance to establish transit facilities and equipment or to study or plan transit facilities;
- (j) subject to Subsection 17B-2a-808.1(4), issue bonds as provided in and subject to Chapter 1, Part 11, Special District Bonds, to carry out the purposes of the district;
- (k) from bond proceeds or any other available funds, reimburse the state or an agency of the state for an advance or contribution from the state or state agency;
- (l) do anything necessary to avail itself of any aid, assistance, or cooperation available under federal law, including complying with labor standards and making arrangements for employees required by the United States or a department, instrumentality, or agency of the United States;
- (m) sell or lease property;
- (n) except as provided in Subsection (2)(b), assist in or operate transit-oriented or 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 4. Section **17B-2a-807.3** is enacted to read:

17B-2a-807.3 . 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 stakeholder 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 a 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 one 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 a 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 one 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 subsequent to 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 Representative 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.

(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 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

- 439 the Senate, appoint an individual to fill the vacancy.
- 440 (d) A replacement transit commissioner shall serve for the remainder of the unexpired
- 441 term, but may serve an unlimited number of terms as provided in Subsection (3)(c)(i).
- 442 (5)(a) The nominating and appointing individuals described in this section shall ensure
- 443 that each individual nominated or appointed to the transit commission of a large
- 444 public transit district has extensive experience in one or more of the following areas:
- 445 (i) public transit and mobility;
- 446 (ii) public finance and budgeting;
- 447 (iii) community development and engagement;
- 448 (iv) public policy or administration; or
- 449 (v) business management.
- 450 (b) An individual who holds an elected office is ineligible for nomination, appointment,
- 451 or service on the transit commission.
- 452 (6) A member may not receive compensation or benefits for the member's service, but may
- 453 receive per diem and travel expenses in accordance with:
- 454 (a) Section 63A-3-106;
- 455 (b) Section 63A-3-107; and
- 456 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and
- 457 63A-3-107.
- 458 (7) Any four members of the transit commission constitute a quorum.
- 459 (8)(a) The governor shall designate one transit commissioner as chair.
- 460 (b) The transit commission may select one member as vice chair to act in the chair's
- 461 absence.
- 462 (9) Each transit commissioner shall qualify by taking the constitutional oath of office.
- 463 (10) Each transit commissioner is subject to the conflict of interest provisions described in
- 464 Title 63G, Chapter 24, Part 3, Conflicts of Interest.
- 465 (11) For the purposes of Section 63J-1-504, the transit commission is not considered an
- 466 agency.
- 467 Section 5. Section **17B-2a-808** is amended to read:
- 468 **17B-2a-808 . Small public transit district board of trustees powers and duties --**
- 469 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**
- 470 (1) The powers and duties of a board of trustees of a small public transit district stated in
- 471 this section are in addition to the powers and duties stated in Section 17B-1-301.
- 472 (2) The board of trustees of each small public transit district shall:

- 473 (a) appoint and fix the salary of a general manager, a chief executive officer, or both, as
474 provided in Section 17B-2a-811;
- 475 (b) determine the transit facilities that the district should acquire or construct;
- 476 (c) supervise and regulate each transit facility that the district owns and operates,
477 including:
- 478 (i) fixing rates, fares, rentals, and charges and any classifications of rates, fares,
479 rentals, and charges; and
- 480 (ii) making and enforcing rules, regulations, contracts, practices, and schedules for or
481 in connection with a transit facility that the district owns or controls;
- 482 (d) control the investment of all funds assigned to the district for investment, including
483 funds:
- 484 (i) held as part of a district's retirement system; and
- 485 (ii) invested in accordance with the participating employees' designation or direction
486 pursuant to an employee deferred compensation plan established and operated in
487 compliance with Section 457 of the Internal Revenue Code;
- 488 (e) invest all funds according to the procedures and requirements of Title 51, Chapter 7,
489 State Money Management Act;
- 490 (f) if a custodian is appointed under Subsection (3)(d), pay the fees for the custodian's
491 services from the interest earnings of the investment fund for which the custodian is
492 appointed;
- 493 (g)(i) cause an annual audit of all district books and accounts to be made by an
494 independent certified public accountant;
- 495 (ii) as soon as practicable after the close of each fiscal year, submit to the chief
496 administrative officer and legislative body of each county and municipality with
497 territory within the district a financial report showing:
- 498 (A) the result of district operations during the preceding fiscal year; and
- 499 (B) the district's financial status on the final day of the fiscal year; and
- 500 (iii) supply copies of the report under Subsection (2)(g)(ii) to the general public upon
501 request in a quantity that the board considers appropriate;
- 502 (h) report at least annually to the Transportation Commission created in Section 72-1-301
503 the district's short-term and long-range public transit plans, including the transit
504 portions of applicable regional transportation plans adopted by a metropolitan
505 planning organization established under 23 U.S.C. Sec. 134;
- 506 (i) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits that

- 507 the board of trustees determines to be the most critical to the success of the
508 organization;~~[-and]~~
- 509 (j) hear audit reports for audits conducted in accordance with Subsection (2)(i)~~[-]~~ ; and
510 (k) provide to the Transportation and Infrastructure Appropriations Subcommittee an
511 annual financial report in conformity with generally accepted accounting principles.
- 512 (3) A board of trustees of a public transit district may:
- 513 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that are:
- 514 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
515 provisions of this part; and
- 516 (ii) necessary for:
- 517 (A) the government and management of the affairs of the district;
518 (B) the execution of district powers; and
519 (C) carrying into effect the provisions of this part;
- 520 (b) provide by resolution, under terms and conditions the board considers fit, for the
521 payment of demands against the district without prior specific approval by the board,
522 if the payment is:
- 523 (i) for a purpose for which the expenditure has been previously approved by the
524 board;
- 525 (ii) in an amount no greater than the amount authorized; and
526 (iii) approved by the general manager or other officer or deputy as the board
527 prescribes;
- 528 (c)(i) hold public hearings and subpoena witnesses; and
529 (ii) appoint district officers to conduct a hearing and require the officers to make
530 findings and conclusions and report them to the board; and
- 531 (d) appoint a custodian for the funds and securities under its control, subject to
532 Subsection (2)(f).
- 533 (4) A member of the board of trustees of a public transit district or a hearing officer
534 designated by the board may administer oaths and affirmations in a district investigation
535 or proceeding.
- 536 (5)(a) The vote of the board of trustees on each ordinance shall be by roll call vote with
537 each affirmative and negative vote recorded.
- 538 (b)(i) Subject to Subsection (5)(b)(ii), the board of trustees may adopt a resolution or
539 order by voice vote.
- 540 (ii) The vote of the board of trustees on a resolution or order shall be by roll call vote

if a member of the board so demands.

(c)(i) Except as provided in Subsection (5)(c)(ii), the board of trustees of a public transit district may not adopt an ordinance unless it is:

(A) introduced at least a day before the board of trustees adopts it; or

(B) mailed by registered mail, postage prepaid, to each member of the board of trustees at least five days before the day upon which the ordinance is presented for adoption.

(ii) Subsection (5)(c)(i) does not apply if the ordinance is adopted by a unanimous vote of all board members present at a meeting at which at least 3/4 of all board members are present.

(d) Each ordinance adopted by a public transit district's board of trustees shall take effect upon adoption, unless the ordinance provides otherwise.

Section 6. Section **17B-2a-808.1** is repealed and reenacted to read:

17B-2a-808.1 . Large public transit district transit commission powers and duties

-- Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.

(1) The powers and duties of the transit commission of a large public transit district stated in this section replace any powers and duties stated in Section 17B-1-301.

(2)(a) The transit commission of each large public transit district shall, at least monthly, 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 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) cause an annual audit of all public transit district books and accounts to be made by an independent certified public accountant;

- (b)(i) as soon as practicable after the close of each fiscal year, submit to each 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)(b)(i) to the general public upon request;
- (c)(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;
- (ii) if requested by the executive director, direct the internal auditor appointed under Section 17B-2a-810 to conduct an audit of an internal issue of the large public transit district; and
- (iii) hear audit reports for audits conducted in accordance with this Subsection (4)(c); and
- (d) at least annually, engage with the safety and security team of the large public transit district to ensure coordination with local municipalities and counties.
- (5) A transit commission of a large public transit district may:
- (a) approve and pass ordinances, resolutions, and orders that are:
 - (i) not repugnant to the United States Constitution, the Utah Constitution, or the provisions of this part; and
 - (ii) necessary for:
 - (A) the governance of the affairs of the district; and
 - (B) carrying into effect the provisions of this part;
 - (b) provide by resolution, under terms and conditions the transit commission considers fit, for the payment of demands against the district without prior specific approval by the transit commission, if the payment is:
 - (i) for a purpose for which the expenditure has been previously approved by the transit commission;

- 609 (ii) in an amount no greater than the amount authorized; and
- 610 (iii) approved by the executive director or other officer or deputy as the transit
- 611 commission prescribes; or
- 612 (c) appoint a custodian for the funds and securities under large public transit district
- 613 control.
- 614 (6) A transit commissioner or a hearing officer designated by the transit commission may
- 615 administer oaths and affirmations in a public transit district investigation or proceeding.
- 616 (7)(a) The vote of the transit commission on each ordinance or resolution shall be by roll
- 617 call vote with each affirmative and negative vote recorded.
- 618 (b) The transit commission may not adopt an ordinance unless the ordinance is
- 619 introduced at least 48 hours before the transit commission adopts the ordinance.
- 620 (c) Each ordinance adopted by the transit commission shall take effect upon adoption,
- 621 unless the ordinance provides otherwise.

622 Section 7. Section **17B-2a-809** is amended to read:

623 **17B-2a-809 . Public transit districts to submit agendas and minutes of board**

624 **meetings.**

- 625 (1) The board of trustees or transit commission of each public transit district shall submit to
- 626 each constituent entity, as defined in Section 17B-1-701:
- 627 (a) a copy of the board agenda and a notice of the location and time of the board meeting
- 628 within the same time frame provided to members of the board prior to the meeting;
- 629 and
- 630 (b) a copy of the minutes of board meetings within five working days following
- 631 approval of the minutes.
- 632 (2) The board may submit notices, agendas, and minutes by electronic mail if agreed to by
- 633 the constituent entity as defined under Section 17B-1-701.

634 Section 8. Section **17B-2a-810** is amended to read:

635 **17B-2a-810 . Officers of a public transit district.**

- 636 (1)(a) The officers of a public transit district shall consist of:
- 637 (i) the members of the board of trustees or transit commission;
- 638 (ii) for a small public transit district, a chair and vice chair, appointed by the board of
- 639 trustees, subject to Subsection (1)(c);
- 640 (iii) a secretary, appointed by the board of trustees or transit commission;
- 641 (iv)(A) for a small public transit district, a general manager, appointed by the
- 642 board of trustees as provided in Section 17B-2a-811, whose duties may be

- 643 allocated by the board of trustees, at the board of trustees' discretion, to a chief
644 executive officer, or both; or
- 645 (B) for a large public transit district, an executive director appointed by the [~~board~~
646 ~~of trustees~~] governor as provided in Section 17B-2a-811.1;
- 647 (v) for a small public transit district, a chief executive officer appointed by the board
648 of trustees, as provided in Section 17B-2a-811;
- 649 (vi) for a small public transit district, a general counsel, appointed by the board of
650 trustees, subject to Subsection (1)(d);
- 651 (vii) a treasurer, appointed as provided in Section 17B-1-633, except that the
652 treasurer of a large public transit district shall be appointed by the executive
653 director;
- 654 (viii) a comptroller, appointed by the board of trustees, subject to Subsection (1)(e),
655 except that the comptroller of a large public transit district shall be appointed by
656 the executive director;
- 657 (ix) for a large public transit district, an internal auditor, appointed by the [~~board of~~
658 ~~trustees~~] executive director, subject to Subsection (1)(f); and
- 659 (x) other officers, assistants, and deputies that the board of trustees or transit
660 commission considers necessary.
- 661 (b) The board of trustees of a small public transit district may, at its discretion, appoint a
662 president, who shall also be considered an officer of a public transit district.
- 663 (c) The district chair and vice chair of a small public transit district shall be members of
664 the board of trustees.
- 665 (d) The person appointed as general counsel for a small public transit district shall:
666 (i) be admitted to practice law in the state; and
667 (ii) have been actively engaged in the practice of law for at least seven years next
668 preceding the appointment.
- 669 (e) The person appointed as comptroller shall have been actively engaged in the practice
670 of accounting for at least seven years next preceding the appointment.
- 671 (f) The person appointed as internal auditor shall be a licensed certified internal auditor
672 or certified public accountant with at least five years experience in the auditing or
673 public accounting profession, or the equivalent, prior to appointment.
- 674 (2)(a) For a small public transit district, the district's general manager or chief executive
675 officer, as the board prescribes, or for a large public transit district, the executive
676 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 9. Section **17B-2a-811.1** is repealed and reenacted to read:

17B-2a-811.1 . 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) as described in Subsection (6), create and present the budget of the large public transit district to the transit commission for approval;

(b)(i) at least as frequently as every four years, in consultation with the transit commission, metropolitan planning organizations, operations specialists of the large public transit district, and other relevant stakeholders, develop a strategic plan for the district that aligns with relevant transportation and public transit plans, including corresponding proposed projects on time horizons of five, 10, and 20 years; and

(ii) present the strategic 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;

- 745 (g) cause to be installed and maintained a system of auditing and accounting that shows
746 the district's financial condition at all times;
- 747 (h) notwithstanding Subsections 17B-1-301(2)(l) and (m), have charge of:
- 748 (i) the acquisition, construction, maintenance, and operation of public transit
749 facilities; and
- 750 (ii) the administration of the public transit district's business affairs;
- 751 (i) approve contracts and overall property acquisitions and dispositions for
752 transit-oriented development;
- 753 (j) create and pursue funding opportunities for transit capital and service initiatives to
754 meet anticipated growth within the public transit district and in accordance with the
755 strategic plan;
- 756 (k) regulate each transit facility that the public transit district owns and operates,
757 including:
- 758 (i) fix rates, rentals, charges and any classifications of rates, rentals, and charges;
- 759 (ii) fix fares; and
- 760 (iii) propose rules and approve contracts, practices, and schedules for or in
761 connection with a transit facility that the district owns or controls;
- 762 (l) oversee the investment of all funds assigned to the district for investment, including
763 funds:
- 764 (i) held as part of a district's retirement system; and
- 765 (ii) invested in accordance with the participating employees' designation or direction
766 in accordance with an employee deferred compensation plan established and
767 operated in compliance with Section 457 of the Internal Revenue Code;
- 768 (m) if a custodian is appointed under Subsection 17B-2a-808.1(5)(c), pay the fees for the
769 custodian's services from the interest earnings of the investment fund for which the
770 custodian is appointed;
- 771 (n) ensure that the policies established by the public transit district meet state and federal
772 regulatory requirements and federal grantee eligibility; and
- 773 (o) coordinate with political subdivisions within the large public transit district and the
774 department to coordinate public transit services provided by the large public transit
775 district with pilot services related to public transit innovation grants.
- 776 (6)(a) The executive director shall prepare and submit to the transit commission an
777 annual operating budget no later than 60 days before the beginning of each fiscal year.
- 778 (b) The budget shall include:

- 779 (i) estimated revenues from all sources;
780 (ii) proposed expenditures for all programs, operations, and administrative functions,
781 including:
782 (A) personnel and overhead costs;
783 (B) new construction and improvement projects;
784 (C) operation costs;
785 (D) maintenance and state of good repair of the public transit system; and
786 (E) capital expenditures, including vehicle purchases;
787 (iii) an explanation of significant changes from the budget of the prior fiscal year; and
788 (iv) other information as requested by the transit commission.
789 (c)(i) The transit commission shall review the proposed budget and may conduct
790 hearings and request such additional information as the transit commission
791 considers necessary.
792 (ii) The budget becomes effective only upon approval by the transit commission.
793 (iii) If the budget is not approved before the beginning of the fiscal year, the
794 executive director shall operate under the previous year's budget until a new
795 budget is approved.
796 (d)(i) The executive director may not make or authorize expenditures that result in a
797 material deviation from the approved budget without prior approval of the transit
798 commission.
799 (ii) For purposes of this Subsection (6), a "material deviation" means:
800 (A) a single expenditure or group of related expenditures exceeding 10% of any
801 major budget line item;
802 (B) a reallocation of funds between major budget categories exceeding 15% of the
803 affected category; or
804 (C) an expenditure that would cause total organizational spending to exceed the
805 approved budget by more than 5%.
806 (iii) The executive director shall request a budget amendment in writing to the transit
807 commission with:
808 (A) an explanation of the necessity for the deviation; and
809 (B) the deviation's anticipated impact on the transit district's operations and
810 financial position.
811 (iv) The executive director may approve minor adjustments within budget categories
812 that do not constitute material deviations, provided that total expenditures do not

- 813 exceed the approved budget.
- 814 (e)(i) The budget shall include a comprehensive ten-year budget projection and pro
- 815 forma financial statement.
- 816 (ii) The ten-year budget projection and pro forma shall include:
- 817 (A) projected revenues by source, including farebox revenue, sales tax receipts,
- 818 federal grants, state contributions, and other operating income;
- 819 (B) projected operating and capital expenditures, including personnel costs, fleet
- 820 maintenance and replacement, fuel and energy costs, facilities maintenance,
- 821 and debt service;
- 822 (C) anticipated ridership trends and service level assumptions;
- 823 (D) pro forma balance sheets showing projected assets, liabilities, and fund
- 824 balances;
- 825 (E) projected status of indebtedness and bond payoffs;
- 826 (F) material assumptions, including inflation rates, wage adjustments, fuel price
- 827 projections, and anticipated changes in federal or state funding; and
- 828 (G) identified risks to financial sustainability and proposed mitigation strategies.
- 829 (f) The executive director shall provide quarterly financial reports to the transit
- 830 commission comparing actual revenues and expenditures to the approved budget and
- 831 explaining any variances.
- 832 (7)(a) The executive director shall present to the transit commission in a public meeting
- 833 a proposed contract for reduced-fare, ticket-as-fare, or other fare event contracts.
- 834 (b) The executive director shall provide information about:
- 835 (i) the benefits of the reduced-fare, ticket-as-fare, or other fare event proposal; and
- 836 (ii) the impacts of the reduced-fare, ticket-as-fare, or other fare event proposal on the
- 837 budget of the transit district.
- 838 (c) A contract for reduced-fare, ticket-as-fare, or other fare event is subject to approval
- 839 by the transit commission.
- 840 (8)(a) The executive director may propose the issuance of a bond.
- 841 (b) A bond proposed by the executive director may not be issued unless:
- 842 (i) the bond is reviewed and recommended by the transit commission; and
- 843 (ii) approved by the State Finance Review Commission created in Section
- 844 63C-25-201.
- 845 (9) The executive director shall annually prepare and provide to the transit commission and
- 846 the Transportation Interim Committee:

- 847 (a) a report regarding fare contracts and transit pass programs, including:
848 (i) information about institutional contracts as well as reduced-fare, ticket-as-fare, or
849 other fare event contracts;
850 (ii) contribution levels from both the large public transit district and each relevant
851 institution or party;
852 (iii) projected and observed benefits and costs and return on investment of the
853 proposed contract, including increased ridership, traffic congestion reduction,
854 operational and customer safety, and net financial gain of the large public transit
855 district; and
856 (iv) other relevant data used to determine that the contract is in the public's
857 transportation interest;
858 (b) a report of the public transit district's efforts to engage in public-private partnerships
859 for public transit services; and
860 (c) a financial report in conformity with generally accepted accounting principles.
861 (10) The executive director shall annually report the public transit district's progress and
862 expenditures related to state resources to the Executive Appropriations Committee and
863 the Transportation and Infrastructure Appropriations Subcommittee.
864 (11)(a) At least every two years, the executive director shall provide a report to the
865 transit commission and provide an accounting of:
866 (i) the amount of revenue from local option sales and use taxes under this part that
867 was collected within each respective county, city, or town and allocated to the
868 large public transit district as provided in this part;
869 (ii) how much revenue described in Subsection (11)(a)(i) was allocated to provide
870 public transit services utilized by residents of each city and town; and
871 (iii) how the revenue described in Subsection (11)(a)(i) was spent to provide public
872 transit services utilized by residents of each respective city and town.
873 (b) After providing the report described in Subsection (11)(a), the executive director
874 shall provide the report to each county, city, and town within the boundary of the
875 large public transit district.
876 (c) To provide the report described in this Subsection (11), the executive director may
877 coordinate with the Department of Transportation to report on relevant public transit
878 capital development projects administered by the Department of Transportation.
879 (12) The executive director shall report at least annually to the Transportation Commission
880 created in Section 72-1-301, including:

- 881 (a) the district's short-term and long-range public transit plans, including the portions of
 882 applicable regional transportation plans adopted by a metropolitan planning
 883 organization established under 23 U.S.C. Sec. 134; and
 884 (b) any fixed guideway capital development projects that the executive director would
 885 like the Transportation Commission to consider.

886 Section 10. Section **17B-2a-812** is amended to read:

887 **17B-2a-812 . Comptroller required to provide statement of revenues and**
 888 **expenditures.**

889 The comptroller of each public transit district shall, as soon as possible after the close of
 890 each fiscal year:

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

896 Section 11. Section **17B-2a-815** is amended to read:

897 **17B-2a-815 . Rates and charges for service -- Fare collection information private.**

- 898 (1) The board of trustees of a small public transit district, or the executive director of a
 899 large public transit district, shall fix rates and charges for service provided by the district
 900 by a two-thirds vote of all board members.
 901 (2) Rates and charges shall:
 902 (a) be reasonable; and
 903 (b) to the extent practicable:
 904 (i) result in enough revenue to make the public transit system self supporting; and
 905 (ii) be sufficient to:
 906 (A) pay for district operating expenses;
 907 (B) provide for repairs, maintenance, and depreciation of works and property that
 908 the district owns or operates;
 909 (C) provide for the purchase, lease, or acquisition of property and equipment;
 910 (D) pay the interest and principal of bonds that the district issues; and
 911 (E) pay for contracts, agreements, leases, and other legal liabilities that the district
 912 incurs.

- 913 (3)(a) In accordance with Section 63G-2-302, the following personal information
 914 received by the district from a customer through any debit, credit, or electronic fare

915 payment process is a private record under Title 63G, Chapter 2, Government Records
916 Access and Management Act:

917 (i) travel data, including:

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

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

920 (C) locations of use;

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

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

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

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

927 Section 12. Section **17B-2a-816** is amended to read:

928 **17B-2a-816 . Hearing on a rate or charge or a proposal to fix the location of**
929 **district facilities.**

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

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

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

938 (b) Each request under Subsection (1)(a) shall:

939 (i) be in writing;

940 (ii) be filed with the board of trustees or transit commission of the public transit
941 district; and

942 (iii) state the subject matter on which a hearing is requested.

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

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

948 (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:

- 983 (i) the county or municipality that filed a request under Subsection (1); and
984 (ii) each county and municipality that intervened under Subsection (3)(a).
985 (5) In any action to review a decision of a public transit district board of trustees or transit
986 commission under this section, the record on review shall consist of:
987 (a) the written request for hearing, the transcript of the testimony at the hearing, and all
988 exhibits introduced at the hearing; or
989 (b) if the parties stipulate in writing:
990 (i) the evidence specified in the stipulation; and
991 (ii) the written stipulation itself.

992 Section 13. Section **17B-2a-821** is amended to read:

993 **17B-2a-821 . Multicounty district may establish and enforce parking ordinance.**

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

997 Section 14. Section **17B-2a-822** is amended to read:

998 **17B-2a-822 . Multicounty district may employ or contract for law enforcement**
999 **officers -- Law enforcement officer status, powers, and jurisdiction.**

- 1000 (1) The board of trustees or transit commission of a multicounty district may employ law
1001 enforcement officers or contract with other law enforcement agencies to provide law
1002 enforcement services for the district.
1003 (2) A law enforcement officer employed or provided by contract under Subsection (1) is a
1004 law enforcement officer under Section 53-13-103 and shall be subject to the provisions
1005 of that section.

1006 Section 15. Section **17B-2a-826** is amended to read:

1007 **17B-2a-826 . Public transit district office of constituent services and office of**
1008 **coordinated mobility.**

- 1009 (1)(a) The [~~board of trustees~~] executive director of a large public transit district shall
1010 create and employ an office of constituent services.
1011 (b) The duties of the office of constituent services described in Subsection (1)(a) shall
1012 include:
1013 (i) establishing a central call number to hear and respond to complaints, requests,
1014 comments, concerns, and other communications from customers and citizens
1015 within the district;
1016 (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 16. Section **67-22-2** is amended to read:

67-22-2 . 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:

~~[(+)]~~ (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

~~[(+)]~~ (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 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;

(xiii) the option to purchase additional life insurance at group insurance rates according to the same criteria and procedures applied to Schedule B state employees; and

(xiv) professional memberships if being a member of the professional organization is a requirement of the position.

- 1153 (b) Each department shall pay the cost of additional state-paid life insurance for its
1154 executive director from its existing budget.
- 1155 (c) Subject to Subsection 17B-2a-811.1(2)(b), the transit commission of a large public
1156 transit district, as defined in Section 17B-2a-802, shall fix the benefits for the
1157 executive director of a large public transit district similar to benefits for other
1158 employees of the large public transit district.
- 1159 (6) The Legislature fixes the following additional benefits:
- 1160 (a) for the executive director of the Department of Transportation a vehicle for official
1161 and personal use;
- 1162 (b) for the executive director of the Department of Natural Resources a vehicle for
1163 commute and official use;
- 1164 (c) for the commissioner of Public Safety:
- 1165 (i) an accidental death insurance policy if POST certified; and
1166 (ii) a public safety vehicle for official and personal use;
- 1167 (d) for the executive director of the Department of Corrections:
- 1168 (i) an accidental death insurance policy if POST certified; and
1169 (ii) a public safety vehicle for official and personal use;
- 1170 (e) for the adjutant general a vehicle for official and personal use;
- 1171 (f) for each member of the Board of Pardons and Parole a vehicle for commute and
1172 official use; and
- 1173 (g) for the executive director of the Department of Veterans and Military Affairs a
1174 vehicle for commute and official use.

1175 Section 17. **Repealer.**

1176 This bill repeals:

1177 Section **17B-2a-807.1, Large public transit district board of trustees -- Appointment --**
1178 **Quorum -- Compensation -- Terms.**

1179 Section **17B-2a-807.2, Existing large public transit district board of trustees --**
1180 **Appointment -- Quorum -- Compensation -- Terms.**

1181 Section **17B-2a-808.2, Large public transit district local advisory council -- Powers and**
1182 **duties.**

1183 Section 18. **Effective Date.**

1184 This bill takes effect on May 6, 2026.