

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

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

53 **17B-1-301 . Board of trustees duties and powers.**

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

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

57 (i) manage and conduct the business and affairs of the district; and
58 (ii) determine all questions of district policy.

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

60 (2) The board of trustees may:

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

65 (c) select and use an official district seal;

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

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

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

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

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

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

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

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

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

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

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

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

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

98 (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:

133 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
134 that meet certain gross household income requirements based on the area median income
135 for households of the same size.

136 (a) "Affordable housing" may include housing occupied or reserved for occupancy by
137 households that meet specific area median income targets or ranges of area median
138 income targets.

139 (b) "Affordable housing" does not include housing occupied or reserved for occupancy by
140 households with gross household incomes that are more than 60% of the area
141 median income for households of the same size.

142 (2) "Appointing entity" means the person, county, unincorporated area of a county, or
143 municipality appointing a member to a public transit district board of trustees or transit
144 commission.

145 (3)(a) "Chief executive officer" means a person appointed by the board of trustees of a
146 small public transit district to serve as chief executive officer.

147 (b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities
148 defined in Sections 17B-2a-810 and 17B-2a-811 and includes all rights, duties, and
149 responsibilities assigned to the general manager but prescribed by the board of
150 trustees to be fulfilled by the chief executive officer.

151 (4) "Confidential employee" means a person who, in the regular course of the person's
152 duties:

153 (a) assists in and acts in a confidential capacity in relation to other persons who
154 formulate, determine, and effectuate management policies regarding labor relations;
155 or

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

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

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

162 (7) "Executive director" means a person appointed by [the board of trustees of a large
163 public transit district to serve as executive director] the governor as described in Section
164 17B-2a-811.1 to serve as executive director of a large public transit district.

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

166 (9) "Fixed guideway capital development" means the same as that term is defined in

167 Section 72-1-102.

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

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

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

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

176 (i) the estimate of the Utah Population Committee created in Section 63C-20-103; or
177 (ii) if the Utah Population Committee estimate is not available for each county,
178 municipality, and unincorporated area that comprise the district, the most recent
179 official census or census estimate of the United States Bureau of the Census; and

180 (b) two or more counties.

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

183 [~~(13)~~] (12)(a) "Locally elected public official" means a person who holds an elected
184 position with a county or municipality.

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

187 [~~(14)~~] (13) "Managerial employee" means a person who is:

188 (a) engaged in executive and management functions; and
189 (b) charged with the responsibility of directing, overseeing, or implementing the
190 effectuation of management policies and practices.

191 [~~(15)~~] (14) "Metropolitan planning organization" means the same as that term is defined in
192 Section 72-1-208.5.

193 [~~(16)~~] (15) "Multicounty district" means a public transit district located in more than one
194 county.

195 [~~(17)~~] (16) "Operator" means a public entity or other person engaged in the transportation of
196 passengers for hire.

197 [~~(18)~~] (17)(a) "Public transit" means regular, continuing, shared-ride, surface
198 transportation services that are open to the general public or open to a segment of the
199 general public defined by age, disability, or low income.

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

201 (i) chartered bus;
202 (ii) sightseeing bus;
203 (iii) taxi;
204 (iv) school bus service;
205 (v) courtesy shuttle service for patrons of one or more specific establishments; or
206 (vi) intra-terminal or intra-facility shuttle services.

207 [~~(19)~~] (18) "Public transit district" means a special district that provides public transit
208 services.

209 [~~(20)~~] (19) "Public transit innovation grant" means the same as that term is defined in
210 Section 72-2-401.

211 [~~(21)~~] (20) "Small public transit district" means any public transit district that is not a large
212 public transit district.

213 [~~(22)~~] (21) "Station area plan" means a plan developed and adopted by a municipality in
214 accordance with Section 10-21-203.

215 [~~(23)~~] (22)(a) "Supervisor" means a person who has authority, in the interest of the
216 employer, to:

217 (i) hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or
218 discipline other employees; or
219 (ii) adjust another employee's grievance or recommend action to adjust another
220 employee's grievance.

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

223 (i) is of a merely routine or clerical nature; and
224 (ii) does not require the person to use independent judgment.

225 [~~(24)~~] (23) "Transit facility" means a transit vehicle, transit station, depot, passenger loading
226 or unloading zone, parking lot, or other facility:

227 (a) leased by or operated by or on behalf of a public transit district; and
228 (b) related to the public transit services provided by the district, including:
229 (i) railway or other right-of-way;
230 (ii) railway line; and
231 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled
232 by a transit vehicle.

233 [~~(25)~~] (24) "Transit vehicle" means a passenger bus, coach, railcar, van, or other vehicle
234 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

269 (ii) provide for a sublease or subcontract by the operator upon terms that are in the
270 public interest;

271 (f) operate feeder bus lines and other feeder or ridesharing services as necessary;

272 (g) accept a grant, contribution, or loan, directly through the sale of securities or
273 equipment trust certificates or otherwise, from the United States, or from a
274 department, instrumentality, or agency of the United States;

275 (h) study and plan transit facilities in accordance with any legislation passed by
276 Congress;

277 (i) cooperate with and enter into an agreement with the state or an agency of the state or
278 otherwise contract to finance to establish transit facilities and equipment or to study
279 or plan transit facilities;

280 (j) subject to Subsection 17B-2a-808.1(4), issue bonds as provided in and subject to
281 Chapter 1, Part 11, Special District Bonds, to carry out the purposes of the district;

282 (k) from bond proceeds or any other available funds, reimburse the state or an agency of
283 the state for an advance or contribution from the state or state agency;

284 (l) do anything necessary to avail itself of any aid, assistance, or cooperation available
285 under federal law, including complying with labor standards and making
286 arrangements for employees required by the United States or a department,
287 instrumentality, or agency of the United States;

288 (m) sell or lease property;

289 (n) except as provided in Subsection (2)(b), assist in or operate transit-oriented or
290 transit-supportive developments;

291 (o) subject to Subsections (2) and (3), establish, finance, participate as a limited partner
292 or member in a development with limited liabilities in accordance with Subsection
293 (1)(p), construct, improve, maintain, or operate transit facilities, equipment, and, in
294 accordance with Subsection (3), transit-oriented developments or transit-supportive
295 developments; and

296 (p) subject to the restrictions and requirements in Subsections (2) and (3), assist in a
297 transit-oriented development or a transit-supportive development in connection with
298 project area development as defined in Section 17C-1-102 by:
299 (i) investing in a project as a limited partner or a member, with limited liabilities; or
300 (ii) subordinating an ownership interest in real property owned by the public transit
301 district.

302 (2)(a) A public transit district may only assist in the development of areas under

303 Subsection (1)(p) that have been approved by the board of trustees or transit
304 commission, and in the manners described in Subsection (1)(p).

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

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

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

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

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

325 (a) perform a cost-benefit analysis of the monetary investment and expenditures of the
326 development, including effect on:
327 (i) service and ridership;
328 (ii) regional plans made by the metropolitan planning agency;
329 (iii) the local economy;
330 (iv) the environment and air quality;
331 (v) affordable housing; and
332 (vi) integration with other modes of transportation;

333 (b) provide evidence to the public of a quantifiable positive return on investment,
334 including improvements to public transit service; and

335 (c) coordinate with the Department of Transportation in accordance with Section
336 72-1-203 pertaining to fixed guideway capital development and associated parking

337 facilities within a station area plan for a transit oriented development within a large
338 public transit district.

339 (4) For any fixed guideway capital development project with oversight by the Department
340 of Transportation as described in Section 72-1-203, a large public transit district shall
341 coordinate with the Department of Transportation in all aspects of the project, including
342 planning, project development, outreach, programming, environmental studies and
343 impact statements, impacts on public transit operations, and construction.

344 (5) A public transit district may participate in a transit-oriented development only if:

345 (a) for a transit-oriented development involving a municipality:

346 (i) the relevant municipality has developed and adopted a station area plan; and
347 (ii) the municipality is in compliance with Sections 10-21-201 and 10-21-202
348 regarding the inclusion of moderate income housing in the general plan and the
349 required reporting requirements; or

350 (b) for a transit-oriented development involving property in an unincorporated area of a
351 county, the county is in compliance with Sections 17-79-403 and 17-80-202
352 regarding inclusion of moderate income housing in the general plan and required
353 reporting requirements.

354 (6) A public transit district may be funded from any combination of federal, state, local, or
355 private funds.

356 (7) A public transit district may not acquire property by eminent domain.

357 Section 4. Section **17B-2a-807.3** is enacted to read:

358 **17B-2a-807.3 . Transit commission of a large public transit district --**

359 **Appointment -- Quorum -- Compensation -- Terms.**

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

361 (b) For a large public transit district created as provided in this part on or before January
362 1, 2026, the structure and membership of the board of trustees may remain and serve
363 as constituted as of January 1, 2026, until June 30, 2026.

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

366 (d) A large public transit district shall provide severance pay and benefits through
367 December 31, 2026, to each member of the board of trustees in place on June 30,
368 2026.

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

371 (i) two members appointed by the speaker of the House of Representatives, in
372 consultation with public transit stakeholder from within the public transit district;
373 (ii) two members appointed by the president of the Senate, in consultation with
374 public transit stakeholders from within the public transit district; and
375 (iii) three members appointed by the governor from nominations described in
376 Subsection (2)(b).

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

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

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

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

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

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

394 (iii)(A) The council of governments of Salt Lake County shall nominate to the
395 governor one or more candidates for transit commissioner.

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

398 (iv) The nominations described in Subsections (2)(b)(i) through (iii) shall be made to
399 the governor:

400 (A) for the initial terms beginning on July 1, 2026, on or before May 1, 2026; and
401 (B) for nominations subsequent to the initial nominations described in Subsection
402 (2)(b)(iv)(A), within 30 days after the day on which notice is given by the
403 executive director to the nominating entity of an upcoming vacancy on the
404 transit commission.

405 (v)(A) If a nominating body described in this Subsection (2)(b) fails to nominate
406 an individual on or before the deadlines described in Subsection (2)(b)(iv), the
407 governor may, with advice and consent of the Senate, appoint the transit
408 commissioner.

409 (B) If the governor does not wish to appoint one or more candidates nominated as
410 described in this Subsection (2)(b), the governor may request additional
411 nominations.

412 (c) Beginning on July 1, 2026, and until June 30, 2027, the executive director of the
413 department shall serve as a nonvoting, ex officio member of the transit commission.

414 (3)(a) Except as provided in Subsections (3)(b) and (3)(c), each transit commissioner of
415 a large public transit district shall serve for a term of four years.

416 (b) Each transit commissioner serves at the pleasure of the individual in the office that
417 appointed the transit commissioner.

418 (c)(i) A transit commissioner may serve an unlimited number of terms.
419 (ii) For members of the transit commission whose appointments begin on July 1,
420 2026, the transit commissioners shall serve an initial term as follows:

421 (A) the speaker of the House of Representative shall designate one appointee as
422 serving an initial term for three years, and one appointee as serving an initial
423 term of four years;

424 (B) the president of the Senate shall designate one appointee as serving an initial
425 term for three years, and one appointee as serving an initial term of four years;
426 and

427 (C) the governor shall designate two appointees as serving an initial term for two
428 years, and one appointee as serving an initial term of five years.

429 (4)(a) If a vacancy occurs, the nomination and appointment procedures to replace the
430 individual shall occur in the same manner described in Subsection (2) as for the
431 transit commissioner creating the vacancy.

432 (b) If a vacancy occurs on the transit commission of a large public transit district and the
433 vacated seat is a transit commissioner nominated as described in Subsection (2)(b),
434 the nominating body described Subsection (2)(b) relevant for the vacancy shall
435 nominate individuals for appointment by the governor as described in this section
436 within 60 days after the date on which the vacancy occurs.

437 (c) If the respective nominating body described in Subsection (2)(b) does not nominate
438 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) public policy or 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 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 5. Section **17B-2a-808** is amended to read:

17B-2a-808 . 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:

- 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

541 if a member of the board so demands.

542 (c)(i) Except as provided in Subsection (5)(c)(ii), the board of trustees of a public
543 transit district may not adopt an ordinance unless it is:
544 (A) introduced at least a day before the board of trustees adopts it; or
545 (B) mailed by registered mail, postage prepaid, to each member of the board of
546 trustees at least five days before the day upon which the ordinance is presented
547 for adoption.
548 (ii) Subsection (5)(c)(i) does not apply if the ordinance is adopted by a unanimous
549 vote of all board members present at a meeting at which at least 3/4 of all board
550 members are present.

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

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

554 **17B-2a-808.1 . Large public transit district transit commission powers and duties**

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

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

558 (2)(a) The transit commission of each large public transit district shall, at least monthly,
559 hold public meetings and receive public comment.

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

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

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

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

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

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

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

572 (4) The transit commission shall:

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

575 (b)(i) as soon as practicable after the close of each fiscal year, submit to each council
576 of governments and metropolitan planning organization within the public transit
577 district, and make available upon request, a financial report showing:
578 (A) the result of the transit district operations during the preceding fiscal year;
579 (B) an accounting of the expenditures of all local sales and use tax revenues
580 generated under Title 59, Chapter 12, Part 22, Local Option Sales and Use
581 Taxes for Transportation Act;
582 (C) the transit district's financial status on the final day of the fiscal year; and
583 (D) the transit district's progress and efforts to improve the transit district's fiscal
584 outlook relative to the previous fiscal year; and
585 (ii) supply copies of the report under Subsection (4)(b)(i) to the general public upon
586 request;
587 (c)(i) direct the internal auditor appointed under Section 17B-2a-810 to conduct
588 audits that the transit commission determines to be the most critical to the success
589 of the organization;
590 (ii) if requested by the executive director, direct the internal auditor appointed under
591 Section 17B-2a-810 to conduct an audit of an internal issue of the large public
592 transit district; and
593 (iii) hear audit reports for audits conducted in accordance with this Subsection (4)(c);
594 and
595 (d) at least annually, engage with the safety and security team of the large public transit
596 district to ensure coordination with local municipalities and counties.
597 (5) A transit commission of a large public transit district may:
598 (a) approve and pass ordinances, resolutions, and orders that are:
599 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
600 provisions of this part; and
601 (ii) necessary for:
602 (A) the governance of the affairs of the district; and
603 (B) carrying into effect the provisions of this part;
604 (b) provide by resolution, under terms and conditions the transit commission considers
605 fit, for the payment of demands against the district without prior specific approval by
606 the transit commission, if the payment is:
607 (i) for a purpose for which the expenditure has been previously approved by the
608 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

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 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).

677 (b) Each officer and employee appointed by the district's general manager or chief
678 executive officer of a small public transit district, or the executive director of a large
679 public transit district, serves at the pleasure of the appointing general manager, chief
680 executive officer, or executive director.

681 (3) [The] For a small public transit district, the board of trustees shall by ordinance or
682 resolution fix the compensation of all district officers and employees, except as
683 otherwise provided in this part.

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

687 (b) Each oath under Subsection (4)(a) shall be subscribed and filed with the district
688 secretary no later than 15 days after the commencement of the officer's term of office.
689 Section 9. Section **17B-2a-811.1** is repealed and reenacted to read:

690 **17B-2a-811.1 . Executive director of a large public transit district -- Appointment**

691 **-- Duties -- Reporting.**

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

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

696 (i) reappointed as described in Subsection (1)(a); or
697 (ii) replaced as described in Subsection (1)(a).

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

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

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

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

708 (a) provide efficient and cost effective public transit services;
709 (b) increase ridership;
710 (c) maintain a state of good repair; and

711 (d) reduce debt and maintain fiscal responsibility.

712 (4) The executive director:

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

714 (b) serves at the pleasure of the governor;

715 (c) holds office for an indefinite term;

716 (d) ensures that all district ordinances are enforced;

717 (e) advises the transit commission regarding the needs of the district;

718 (f) ensures district compliance with state and federal requirements;

719 (g) attends meetings of the transit commission; and

720 (h) supervises and has supervisory authority over all employees of the large public
721 transit district.

722 (5) The executive director shall:

723 (a) as described in Subsection (6), create and present the budget of the large public
724 transit district to the transit commission for approval;

725 (b)(i) at least as frequently as every four years, in consultation with the transit
726 commission, metropolitan planning organizations, operations specialists of the
727 large public transit district, and other relevant stakeholders, develop a strategic
728 plan for the district that aligns with relevant transportation and public transit
729 plans, including corresponding proposed projects on time horizons of five, 10, and
730 20 years; and

731 (ii) present the strategic plan described in Subsection (5)(b)(i) to the transit
732 commission for approval;

733 (c)(i) propose for transit commission approval any ordinances or bylaws with effect
734 outside the transit district organization; and

735 (ii) develop and implement internal transit district policies;

736 (d) in consultation with the transit commission, create and annually report the public
737 transit district's long-term financial plan to the State Finance Review Commission
738 created in Section 63C-25-201;

739 (e)(i) at least as frequently as every five years, perform a cost-effectiveness and
740 cost-benefit study for each mode of public transit; and

741 (ii) develop goals for the large public transit district to achieve an effective balance of
742 cost-effective and cost-beneficial services;

743 (f) subject to Section 72-1-203, in consultation with the transit commission, prepare
744 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.

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

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

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

957 (a) the legislative body of a county or municipality may intervene, be heard, and
958 introduce evidence if the county or municipality:
959 (i) is eligible to file a request for hearing under Subsection (1); and
960 (ii) did not file a request for hearing;
961 (b) the public transit district, the county or municipality that filed the request for hearing,
962 and an intervening county or municipality under Subsection (3)(a) may:
963 (i) call and examine witnesses;
964 (ii) introduce exhibits;
965 (iii) cross-examine opposing witnesses on any matter relevant to the issues, even
966 though the matter was not covered in direct examination; and
967 (iv) rebut evidence introduced by others;
968 (c) evidence shall be taken on oath or affirmation;
969 (d) technical rules of evidence need not be followed, regardless of the existence of a
970 common law or statutory rule that makes improper the admission of evidence over
971 objection in a civil action;
972 (e) hearsay evidence is admissible in order to supplement or explain direct evidence, but
973 is not sufficient in itself to support a finding unless it would be admissible over
974 objection in a civil action; and
975 (f) the public transit district board of trustees or transit commission shall appoint a
976 reporter to take a complete record of all proceedings and testimony before the board
977 or transit commission.

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

981 (b) The board of trustees or transit commission shall mail by certified mail, postage
982 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:

17B-2a-821 . 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.

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

17B-2a-822 . Multicounty district may employ or contract for law enforcement 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:

17B-2a-826 . Public transit district office of constituent services and office of 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

1017 from customers and citizens within the district; and
1018 (iii) reporting complaints, comments, concerns, and other communications to
1019 management[and to the local advisory council created in Section 17B-2a-808.2].

1020 (2)(a) A large public transit district shall create and employ an office of coordinated
1021 mobility.

1022 (b) The duties of the office of coordinated mobility shall include:

- 1023 (i) establishing a central call number to facilitate human services transportation;
- 1024 (ii) coordinating all human services transportation needs within the public transit
1025 district;
- 1026 (iii) receiving requests and other communications regarding human services
1027 transportation;
- 1028 (iv) receiving requests and other communications regarding vans, buses, and other
1029 vehicles available for use from the public transit district to maximize the utility of
1030 and investment in those vehicles; and
- 1031 (v) supporting local efforts and applications for additional funding.

1032 Section 16. Section **67-22-2** is amended to read:

1033 **67-22-2 . Compensation -- Other state officers.**

1034 (1) As used in this section:

1035 (a) "Appointed executive" means the:

- 1036 (i) commissioner of the Department of Agriculture and Food;
- 1037 (ii) commissioner of the Insurance Department;
- 1038 (iii) commissioner of the Labor Commission;
- 1039 (iv) director, Department of Alcoholic Beverage Services;
- 1040 (v) commissioner of the Department of Financial Institutions;
- 1041 (vi) executive director, Department of Commerce;
- 1042 (vii) executive director, Commission on Criminal and Juvenile Justice;
- 1043 (viii) adjutant general;
- 1044 (ix) executive director, Department of Cultural and Community Engagement;
- 1045 (x) executive director, Department of Corrections;
- 1046 (xi) commissioner, Department of Public Safety;
- 1047 (xii) executive director, Department of Natural Resources;
- 1048 (xiii) executive director, Governor's Office of Planning and Budget;
- 1049 (xiv) executive director, Department of Government Operations;
- 1050 (xv) executive director, Department of Environmental Quality;

1051 (xvi) executive director, Governor's Office of Economic Opportunity;
1052 (xvii) executive director, Department of Workforce Services;
1053 (xviii) executive director, Department of Health and Human Services, Nonphysician;
1054 (xix) executive director, Department of Transportation;
1055 (xx) executive director, Department of Veterans and Military Affairs;
1056 (xxi) advisor, Public Lands Policy Coordinating Office, created in Section
1057 63L-11-201;
1058 (xxii) Great Salt Lake commissioner, appointed under Section 73-32-201;[-and]
1059 (xxiii) Utah water agent, appointed under Section 73-10g-702[.] ; and
1060 (xxiv) a local district executive.

1061 (b) "Board or commission executive" means:
1062 (i) members, Board of Pardons and Parole;
1063 (ii) chair, State Tax Commission;
1064 (iii) commissioners, State Tax Commission;
1065 (iv) executive director, State Tax Commission;
1066 (v) chair, Public Service Commission; and
1067 (vi) commissioners, Public Service Commission.

1068 (c) "Deputy" means the person who acts as the appointed executive's second in
1069 command as determined by the Division of Human Resource Management.

1070 (d) "Local district executive" means the executive director of a large public transit
1071 district, as defined in Section 17B-2a-802.

1072 (2)(a)(i) The director of the Division of Human Resource Management shall:

1073 [(i)] (A) before October 31 of each year, recommend to the governor a
1074 compensation plan for the appointed executives and the board or commission
1075 executives; and
1076 [(ii)] (B) base those recommendations on market salary studies conducted by the
1077 Division of Human Resource Management.

1078 (ii) For a market salary study described in Subsection (2)(a)(i)(B) for a local district
1079 executive, the Division of Human Resource Management shall include a salary
1080 comparison with executives of public transit districts of similar size and
1081 sophistication in other states.

1082 (b)(i) The Division of Human Resource Management shall determine the salary range
1083 for the appointed executives by:

1084 (A) identifying the salary range assigned to the appointed executive's deputy;

1085 (B) designating the lowest minimum salary from those deputies' salary ranges as
1086 the minimum salary for the appointed executives' salary range; and
1087 (C) designating 105% of the highest maximum salary range from those deputies'
1088 salary ranges as the maximum salary for the appointed executives' salary range.

1089 (ii) If the deputy is a medical doctor, the Division of Human Resource Management
1090 may not consider that deputy's salary range in designating the salary range for
1091 appointed executives.

1092 (c)(i) Except as provided in Subsection (2)(c)(ii), in establishing the salary ranges for
1093 board or commission executives, the Division of Human Resource Management
1094 shall set the maximum salary in the salary range for each of those positions at
1095 90% of the salary for district judges as established in the annual appropriation act
1096 under Section 67-8-2.

1097 (ii) In establishing the salary ranges for an individual described in Subsection
1098 (1)(b)(ii), (1)(b)(iii), or (1)(b)(iv), the Division of Human Resource Management
1099 shall set the maximum salary in the salary range for each of those positions at
1100 100% of the salary for district judges as established in the annual appropriation act
1101 under Section 67-8-2.

1102 (3)(a)(i) Except as provided in Subsection (3)(a)(ii) or Subsection (3)(d), the
1103 governor shall establish a specific salary for each appointed executive within the
1104 range established under Subsection (2)(b).

1105 (ii) If the executive director of the Department of Health and Human Services is a
1106 physician, the governor shall establish a salary within the highest physician salary
1107 range established by the Division of Human Resource Management.

1108 (iii) The governor may provide salary increases for appointed executives within the
1109 range established by Subsection (2)(b) and identified in Subsection (3)(a)(ii).

1110 (b) The governor shall apply the same overtime regulations applicable to other FLSA
1111 exempt positions.

1112 (c) The governor may develop standards and criteria for reviewing the appointed
1113 executives.

1114 (d) If under Section 73-10g-702 the governor appoints an individual who is serving in an
1115 appointed executive branch position to be the Utah water agent, the governor shall
1116 adjust the salary of the Utah water agent to account for salary received for the
1117 appointed executive branch position.

1118 (4) Salaries for other Schedule A employees, as defined in Section 63A-17-301, that are not

1119 provided for in this chapter, or in Title 67, Chapter 8, Utah Elected Official and Judicial
1120 Salary Act, shall be established as provided in Section 63A-17-301.

1121 (5)(a) [The] Except as provided in Subsection (5)(c), the Legislature fixes benefits for the
1122 appointed executives and the board or commission executives as follows:

- 1123 (i) the option of participating in a state retirement system established by Title 49,
1124 Utah State Retirement and Insurance Benefit Act, or in a deferred compensation
1125 plan administered by the State Retirement Office in accordance with the Internal
1126 Revenue Code and its accompanying rules and regulations;
- 1127 (ii) health insurance;
- 1128 (iii) dental insurance;
- 1129 (iv) basic life insurance;
- 1130 (v) unemployment compensation;
- 1131 (vi) workers' compensation;
- 1132 (vii) required employer contribution to Social Security;
- 1133 (viii) long-term disability income insurance;
- 1134 (ix) the same additional state-paid life insurance available to other noncareer service
1135 employees;
- 1136 (x) the same severance pay available to other noncareer service employees;
- 1137 (xi) the same leave, holidays, and allowances granted to Schedule B state employees
1138 as follows:
 - 1139 (A) sick leave;
 - 1140 (B) converted sick leave if accrued prior to January 1, 2014;
 - 1141 (C) educational allowances;
 - 1142 (D) holidays; and
 - 1143 (E) annual leave except that annual leave shall be accrued at the maximum rate
1144 provided to Schedule B state employees;
- 1145 (xii) the option to convert accumulated sick leave to cash or insurance benefits as
1146 provided by law or rule upon resignation or retirement according to the same
1147 criteria and procedures applied to Schedule B state employees;
- 1148 (xiii) the option to purchase additional life insurance at group insurance rates
1149 according to the same criteria and procedures applied to Schedule B state
1150 employees; and
- 1151 (xiv) professional memberships if being a member of the professional organization is
1152 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.