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PUBLIC TRANSIT FARES

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill prohibits a large public transit district from charging a fare to a passenger of a public transit service.

Highlighted Provisions:

This bill:

- ▶ prohibits a large public transit district from charging a fare to a passenger of a public transit service; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-2a-808.1, as last amended by Laws of Utah 2021, Chapter 239

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

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

Section 1. Section **17B-2a-808.1** is amended to read:

17B-2a-808.1. Large public transit district board of trustees powers and duties --



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

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

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

32 (a) hold public meetings and receive public comment;

33 (b) ensure that the policies, procedures, and management practices established by the
34 public transit district meet state and federal regulatory requirements and federal grantee
35 eligibility;

36 (c) subject to Subsection (8), create and approve an annual budget, including the
37 issuance of bonds and other financial instruments, after consultation with the local advisory
38 council;

39 (d) approve any interlocal agreement with a local jurisdiction;

40 (e) in consultation with the local advisory council, approve contracts and overall
41 property acquisitions and dispositions for transit-oriented development;

42 (f) in consultation with constituent counties, municipalities, metropolitan planning
43 organizations, and the local advisory council:

44 (i) develop and approve a strategic plan for development and operations on at least a
45 four-year basis; and

46 (ii) create and pursue funding opportunities for transit capital and service initiatives to
47 meet anticipated growth within the public transit district;

48 (g) annually report the public transit district's long-term financial plan to the State
49 Bonding Commission;

50 (h) annually report the public transit district's progress and expenditures related to state
51 resources to the Executive Appropriations Committee and the Infrastructure and General
52 Government Appropriations Subcommittee;

53 (i) annually report to the Transportation Interim Committee the public transit district's
54 efforts to engage in public-private partnerships for public transit services;

55 (j) hire, set salaries, and develop performance targets and evaluations for:

56 (i) the executive director; and

57 (ii) all chief level officers;

58 (k) supervise and regulate each transit facility that the public transit district owns and

59 operates, including:

60 (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and
61 charges; and

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

64 (l) subject to Subsection (4), control the investment of all funds assigned to the district
65 for investment, including funds:

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

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

70 (m) in consultation with the local advisory council created under Section

71 [17B-2a-808.2](#), invest all funds according to the procedures and requirements of Title 51,
72 Chapter 7, State Money Management Act;

73 (n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4),
74 pay the fees for the custodian's services from the interest earnings of the investment fund for
75 which the custodian is appointed;

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

78 (ii) as soon as practicable after the close of each fiscal year, submit to each of the
79 councils of governments within the public transit district a financial report showing:

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

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

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

84 (D) the district's progress and efforts to improve efficiency relative to the previous
85 fiscal year; and

86 (iii) supply copies of the report under Subsection (2)(o)(ii) to the general public upon
87 request;

88 (p) report at least annually to the Transportation Commission created in Section
89 [72-1-301](#), which report shall include:

90 (i) the district's short-term and long-range public transit plans, including the portions of
91 applicable regional transportation plans adopted by a metropolitan planning organization
92 established under 23 U.S.C. Sec. 134; and

93 (ii) any transit capital development projects that the board of trustees would like the
94 Transportation Commission to consider;

95 (q) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits
96 that the board of trustees determines, in consultation with the local advisory council created in
97 Section 17B-2a-808.2, to be the most critical to the success of the organization;

98 (r) together with the local advisory council created in Section 17B-2a-808.2, hear audit
99 reports for audits conducted in accordance with Subsection (2)(o);

100 ~~[(s) review and approve all contracts pertaining to reduced fares, and evaluate existing
101 contracts, including review of:]~~

102 ~~[(i) how negotiations occurred;]~~

103 ~~[(ii) the rationale for providing a reduced fare; and]~~

104 ~~[(iii) identification and evaluation of cost shifts to offset operational costs incurred and
105 impacted by each contract offering a reduced fare;]~~

106 ~~[(t)]~~ (s) in consultation with the local advisory council, develop and approve other
107 board policies, ordinances, and bylaws; and

108 ~~[(u)]~~ (t) review and approve any:

109 (i) contract or expense exceeding \$200,000; or

110 (ii) proposed change order to an existing contract if the change order:

111 (A) increases the total contract value to \$200,000 or more;

112 (B) increases a contract of or expense of \$200,000 or more by 15% or more; or

113 (C) has a total change order value of \$200,000 or more.

114 (3) A board of trustees of a large public transit district may:

115 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that
116 are:

117 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
118 provisions of this part; and

119 (ii) necessary for:

120 (A) the governance and management of the affairs of the district;

- 121 (B) the execution of district powers; and
- 122 (C) carrying into effect the provisions of this part;
- 123 (b) provide by resolution, under terms and conditions the board considers fit, for the
- 124 payment of demands against the district without prior specific approval by the board, if the
- 125 payment is:
- 126 (i) for a purpose for which the expenditure has been previously approved by the board;
- 127 (ii) in an amount no greater than the amount authorized; and
- 128 (iii) approved by the executive director or other officer or deputy as the board
- 129 prescribes;
- 130 (c) in consultation with the local advisory council created in Section [17B-2a-808.2](#):
- 131 (i) hold public hearings and subpoena witnesses; and
- 132 (ii) appoint district officers to conduct a hearing and require the officers to make
- 133 findings and conclusions and report them to the board; and
- 134 (d) appoint a custodian for the funds and securities under its control, subject to
- 135 Subsection (2)(n).
- 136 (4) For a large public transit district in existence as of May 8, 2018, on or before
- 137 September 30, 2019, the board of trustees of a large public transit district shall present a report
- 138 to the Transportation Interim Committee regarding retirement benefits of the district, including:
- 139 (a) the feasibility of becoming a participating employer and having retirement benefits
- 140 of eligible employees and officials covered in applicable systems and plans administered under
- 141 Title 49, Utah State Retirement and Insurance Benefit Act;
- 142 (b) any legal or contractual restrictions on any employees that are party to a collectively
- 143 bargained retirement plan; and
- 144 (c) a comparison of retirement plans offered by the large public transit district and
- 145 similarly situated public employees, including the costs of each plan and the value of the
- 146 benefit offered.
- 147 (5) The board of trustees may not issue a bond unless the board of trustees has
- 148 consulted and received approval from the State Bonding Commission created in Section
- 149 [63B-1-201](#).
- 150 (6) A member of the board of trustees of a large public transit district or a hearing
- 151 officer designated by the board may administer oaths and affirmations in a district investigation

152 or proceeding.

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

155 (b) The board of trustees of a large public transit district may not adopt an ordinance
156 unless it is introduced at least 24 hours before the board of trustees adopts it.

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

159 (8) (a) For a large public transit district in existence on May 8, 2018, for the budget for
160 calendar year 2019, the board in place on May 8, 2018, shall create the tentative annual budget.

161 (b) The budget described in Subsection (8)(a) shall include setting the salary of each of
162 the members of the board of trustees that will assume control on or before November 1, 2018,
163 which salary may not exceed \$150,000, plus additional retirement and other standard benefits,
164 as set by the local advisory council as described in Section 17B-2a-808.2.

165 (c) For a large public transit district in existence on May 8, 2018, the board of trustees
166 that assumes control of the large public transit district on or before November 2, 2018, shall
167 approve the calendar year 2019 budget on or before December 31, 2018.

168 Section 2. Section 17B-2a-815 is amended to read:

169 **17B-2a-815. Rates and charges for service -- Fare collection information private.**

170 (1) (a) ~~[The]~~ Except as provided in Subsection (1)(b), the board of trustees of a public
171 transit district shall fix rates and charges for service provided by the district by a two-thirds
172 vote of all board members.

173 (b) A large public transit district may not charge a fare for any public transit service
174 provided by the large public transit district.

175 (2) Rates and charges shall:

176 (a) be reasonable; and

177 (b) to the extent practicable:

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

179 (ii) be sufficient to:

180 (A) pay for district operating expenses;

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

- 183 (C) provide for the purchase, lease, or acquisition of property and equipment;
- 184 (D) pay the interest and principal of bonds that the district issues; and
- 185 (E) pay for contracts, agreements, leases, and other legal liabilities that the district
- 186 incurs.

187 (3) (a) In accordance with Section [63G-2-302](#), the following personal information
188 received by the district from a customer through any debit, credit, or electronic fare payment
189 process is a private record under Title 63G, Chapter 2, Government Records Access and
190 Management Act:

- 191 (i) travel data, including:
 - 192 (A) the identity of the purchasing individual or entity;
 - 193 (B) travel dates, times, or frequency of use; and
 - 194 (C) locations of use;
- 195 (ii) service type or vehicle identification used by the customer;
- 196 (iii) the unique transit pass identifier assigned to the customer; or
- 197 (iv) customer account information, including the cardholder's name, the credit or debit
198 card number, the card issuer identification, or any other related information.

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