

1 **Transportation Funding and Governance Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor:

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2 **LONG TITLE**

3 **General Description:**

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

6 **Highlighted Provisions:**

7 This bill:

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9 ▶ requires public transit districts to provide an annual financial report to the Transportation  
10 and Infrastructure Appropriations Subcommittee;

11 ▶ repeals the structure of the large public transit district board of trustees and changes the  
12 body to a transit commission;

13 ▶ provides for selection process, appointment, and duties of the transit commission of a  
14 large public transit district;

15 ▶ defines duties and reallocates certain responsibilities between the executive director and  
16 transit commission of a large public transit district;

17 ▶ provides for the transition of the governance structure of a large public transit district;

18 ▶ changes the appointment process for the executive director of a large public transit district  
19 to be appointed by the governor;

20 ▶ repeals the requirement of a large public transit district to have a local advisory council;  
21 and

22 ▶ makes technical changes.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **17B-1-301**, as last amended by Laws of Utah 2025, Chapter 76

30 **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

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

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

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

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

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

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

59 (ii) determine all questions of district policy.

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

61 (2) The board of trustees may:

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

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

- 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  
140 by 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

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

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

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

- 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

- 643 allocated by the board of trustees, at the board of trustees' discretion, to a chief  
644 executive officer, or both; or
- 645 (B) for a large public transit district, an executive director appointed by the [~~board~~  
646 ~~of trustees~~] governor as provided in Section 17B-2a-811.1;
- 647 (v) for a small public transit district, a chief executive officer appointed by the board  
648 of trustees, as provided in Section 17B-2a-811;
- 649 (vi) for a small public transit district, a general counsel, appointed by the board of  
650 trustees, subject to Subsection (1)(d);
- 651 (vii) a treasurer, appointed as provided in Section 17B-1-633, except that the  
652 treasurer of a large public transit district shall be appointed by the executive  
653 director;
- 654 (viii) a comptroller, appointed by the board of trustees, subject to Subsection (1)(e),  
655 except that the comptroller of a large public transit district shall be appointed by  
656 the executive director;
- 657 (ix) for a large public transit district, an internal auditor, appointed by the [~~board of~~  
658 ~~trustees~~] executive director, subject to Subsection (1)(f); and
- 659 (x) other officers, assistants, and deputies that the board of trustees or transit  
660 commission considers necessary.
- 661 (b) The board of trustees of a small public transit district may, at its discretion, appoint a  
662 president, who shall also be considered an officer of a public transit district.
- 663 (c) The district chair and vice chair of a small public transit district shall be members of  
664 the board of trustees.
- 665 (d) The person appointed as general counsel for a small public transit district shall:  
666 (i) be admitted to practice law in the state; and  
667 (ii) have been actively engaged in the practice of law for at least seven years next  
668 preceding the appointment.
- 669 (e) The person appointed as comptroller shall have been actively engaged in the practice  
670 of accounting for at least seven years next preceding the appointment.
- 671 (f) The person appointed as internal auditor shall be a licensed certified internal auditor  
672 or certified public accountant with at least five years experience in the auditing or  
673 public accounting profession, or the equivalent, prior to appointment.
- 674 (2)(a) For a small public transit district, the district's general manager or chief executive  
675 officer, as the board prescribes, or for a large public transit district, the executive  
676 director, shall appoint all officers and employees not specified in Subsection (1).

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:

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

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

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

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

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

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

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

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

- 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 [(+)] (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 [(+)] (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.