

**Chapter 4**  
**Sales, Exchanges, and Leases of Trust Lands**

**Part 1**  
**Sales of Trust Lands**

**53C-4-101 Criteria for sale, lease, exchange, or other disposition of trust lands.**

- (1)
  - (a) The director shall establish criteria by rule for the sale, exchange, lease, or other disposition or conveyance of trust lands, including procedures for determining fair market value of those lands.
  - (b)
    - (i) Nothing in this title or in the administration's rules and procedures shall be considered to require the director or the administration to execute any transaction for the disposition of trust lands on terms that the director determines by a written finding to be unfavorable to the beneficiaries.
    - (ii) The director shall send a copy of the written finding to each board member for review and comment.
- (2) The governor, with the consent of the board, may participate in efforts and initiatives related to school and institutional trust lands inholdings.

Amended by Chapter 247, 2011 General Session

**53C-4-102 Sale of trust lands -- Fair market value -- Determination of sale -- Advertising proposed sales -- Sale procedures -- Defaults.**

- (1) Trust lands may not be sold for less than the fair market value.
- (2)
  - (a) The director shall determine whether disposal or retention of all or a portion of a property interest in trust lands is in the best interest of the trust.
  - (b) When it is determined that the disposal of an interest in trust lands is in the best interest of the applicable trust, the transaction shall be accomplished in an orderly and timely manner.
- (3) The director shall advertise any proposed sale, lease, or exchange of an interest in trust lands in a reasonable manner consistent with the director's fiduciary responsibilities.
- (4)
  - (a) Any tract of trust land may be subdivided and sold, leased, or exchanged in accordance with a plan, contract, or other action designating the land to be subdivided that is approved by the director.
  - (b) The director may survey the tract and direct its subdivision.
  - (c) A plat of the survey shall be filed with the county recorder of the county in which the land is located and with the administration.
- (5) Sale conditions, including qualification of prospective purchasers, shall be in accordance with accepted mortgage lending and real estate practices.
- (6) Upon the sale of land, the director shall issue to the purchaser a certificate of sale which describes the land purchased and states the amount paid, the amount due, and the time when the principal and interest will become due.
- (7) Upon payment in full of principal and interest and the surrender of the original certificate of sale for any tract of land sold, payment in full of any amounts required to be paid for the partial

release of property, or acceptance of appropriate conveyance documents in satisfaction of a land exchange, the governor, or the governor's designee, shall issue a patent to the purchaser, heir, assignee, successor in interest, or other grantee as determined by the director.

- (8)
- (a) If a purchaser of trust lands defaults in the payment of any installment of principal or interest due under the terms of the contract of sale, the director shall notify the purchaser that if the default is not corrected within 30 days after issuance of the notice the director shall proceed with any remedy which the administration may pursue under law or the contract of sale.
  - (b) The notice shall be sent by registered or certified mail to the purchaser at the latest address as shown by the records of the administration.
  - (c) If the default is not corrected by compliance with the requirements of the notice of default within the time provided by the notice, the director may pursue any available remedy under the contract of sale, including forfeiture.
  - (d) If forfeited lands are sold again to the same purchaser, the sale may be made by a new and independent contract without regard to the forfeited agreement.

Amended by Chapter 247, 2011 General Session

**53C-4-103 Rulemaking for sale of real property -- Licensed or certified appraisers -- Exceptions.**

- (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the administration buys, sells, or exchanges real property, the administration shall make rules to ensure that the value of the real property is congruent with the proposed price and other terms of the purchase, sale, or exchange.
- (2) The rules:
  - (a) shall establish procedures for determining the value of the real property;
  - (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the real property's value; and
  - (c) may require that the appraisal be completed by a state-certified general appraiser, as defined under Section 61-2g-102.
- (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to an interest in real property:
  - (a) that is under a contract or other written agreement before May 5, 2008; or
  - (b) with a value of less than \$100,000, as estimated by the state agency.

Amended by Chapter 289, 2011 General Session

**Part 2**  
**Surface Leases and Easements**

**53C-4-201 Surface leases and user permits -- Procedures for issuing leases and user permits.**

- (1) The director may issue surface leases and user permits of trust lands for any term consistent with sound and prudent real estate practices.
- (2) This section does not apply to leases for grazing, oil, gas, and hydrocarbons, or other minerals.
- (3)

- (a)
  - (i) Surface leases or user permits may be entered into by negotiation, public auction, or other public competitive bidding process as determined by rules of the director.
  - (ii) The director may lease trust lands for development and subsequent sale of all or portions of such lands to third parties for no less than fair market value.
- (b) Requests for proposals (RFP) on trust lands may be offered by the director after public notice.

Amended by Chapter 247, 2011 General Session

**53C-4-202 Lease and permit covenants.**

Each surface lease or user permit shall contain the following covenants:

- (1) the lessee or permittee shall promptly pay the rent annually upon demand;
- (2) no waste may be committed on the land;
- (3) the premises shall be promptly surrendered at the expiration of the term;
- (4) the lessee or permittee may not sublet or assign without the prior written consent of the director;
- (5) failure to pay the agreed rent for a period of one month from the time rent is due shall result in a forfeiture of the lease or permit after notice; and
- (6) where authorized improvements have been placed on the land by any person other than the lessee or permittee, the director may require the lessee or permittee to allow the owner of the improvements to remove them within 90 days.

Amended by Chapter 299, 1995 General Session

**53C-4-203 Easements on trust lands -- Director to establish rules.**

- (1) The director shall establish rules for the issuance of easements on, through, and over any trust land, and may establish price schedules.
- (2) A patent for trust lands is subject to any valid existing easement or public right-of-way.

Amended by Chapter 299, 1995 General Session

**Part 3  
Exchanges and Grants**

**53C-4-301 Exchange of trust lands -- Based on equal value -- Lands encumbered by a lease.**

- (1)
  - (a) In accordance with rules of the director, trust lands or other trust assets may be exchanged for other land or other assets.
  - (b) The director shall deliver the necessary patents to other proprietors and receive proper deeds for the lands exchanged.
  - (c) The director shall issue, deliver, and accept conveyance documents in land exchanges in accordance with accepted real estate closing practices.
- (2)
  - (a) If trust lands are encumbered by an existing lease, the director may, upon approval of an exchange, and with the consent of the lessee, terminate the existing lease and issue a lease

of the same type on lands which may be acquired in the same exchange in which the leased lands are used as base.

(b) The state shall honor all vested rights upon acceptance of exchanged lands.

Amended by Chapter 247, 2011 General Session

**53C-4-302 Public land grants -- Board and director to request a survey.**

The board and director shall take all necessary steps to encourage the federal Bureau of Land Management to complete the survey of public unsurveyed lands for the purpose of satisfying the public land grants to this state in accordance with federal law.

Enacted by Chapter 294, 1994 General Session

**53C-4-303 Public land grants -- Procedures for selection of additional lands.**

- (1) All selections of land shall be made in legal subdivisions according to the United States survey.
- (2) When a selection has been made and approved by the director, the director shall take action necessary to secure the approval of the proper officers of the United States and the final transfer of the lands selected to this state.
- (3) The director may cancel, relinquish, or release the claims of the state to, and may reconvey to the United States, any particular tract of land erroneously listed to the state, or any tract upon which, at the time of selection, a bona fide claim has been initiated by an actual settler.

Enacted by Chapter 294, 1994 General Session

**53C-4-304 Public land grants -- Transcription of selected lands to be sent to county recorders.**

- (1) The director shall receive clear lists to lands in this state from the Department of the Interior.
- (2) Within 90 days of receipt, the director shall transmit to the county recorders a certified transcript of all lands within their respective counties selected and approved for this state under federal law.
- (3) The county recorder shall immediately, upon receipt of the certified transcripts, enter them in the records of the recorder's office.
- (4) Any certified transcript required by this section, when recorded, shall be accepted in lieu of the original approved lists, and shall be sufficient evidence of the conveyance of the lands described in it by the United States to the state.

Enacted by Chapter 294, 1994 General Session