

Senator Kevin T. Van Tassell proposes the following substitute bill:

UTAH NAVAJO ROYALTIES AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kevin T. Van Tassell

House Sponsor: Jack R. Draxler

LONG TITLE

General Description:

This bill modifies provisions related to public funds and accounts to provide for a Navajo Trust Fund to replace the Utah Navajo Royalties Holding Fund.

Highlighted Provisions:

This bill:

- ▶ exempts the Navajo Trust Fund from the State Money Management Act;
- ▶ defines terms;
- ▶ creates the Navajo Trust Fund;
- ▶ outlines the duties of the Division of Finance, state treasurer, and state auditor with regard to the fund;
- ▶ provides for the board of trustees of the fund;
- ▶ outlines powers and duties of the board of trustees;
- ▶ provides for the appointment of a trust administrator and, if necessary, the creation of the Office of Trust Administrator;
- ▶ outlines powers and duties of the trust administrator;
- ▶ requires the attorney general to act as legal counsel to the board;
- ▶ provides for consultation with state personnel;
- ▶ addresses expenditures from the fund;



- 26 ▶ creates the Diné Advisory Committee and provides for its duties;
- 27 ▶ repeals provisions related to the Utah Navajo Royalties Holding Fund; and
- 28 ▶ makes technical changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 This bill provides a special effective date.

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **51-7-2**, as last amended by Laws of Utah 2013, Chapter 211

36 ENACTS:

37 **51-10-101**, Utah Code Annotated 1953

38 **51-10-102**, Utah Code Annotated 1953

39 **51-10-201**, Utah Code Annotated 1953

40 **51-10-202**, Utah Code Annotated 1953

41 **51-10-203**, Utah Code Annotated 1953

42 **51-10-204**, Utah Code Annotated 1953

43 **51-10-205**, Utah Code Annotated 1953

44 **51-10-206**, Utah Code Annotated 1953

45 REPEALS:

46 **51-9-501**, as enacted by Laws of Utah 2008, Chapter 202

47 **51-9-502**, as enacted by Laws of Utah 2008, Chapter 202

48 **51-9-503**, as enacted by Laws of Utah 2008, Chapter 202

49 **51-9-504**, as last amended by Laws of Utah 2014, Chapter 71



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

52 Section 1. Section **51-7-2** is amended to read:

53 **51-7-2. Exemptions from chapter.**

54 The following funds are exempt from this chapter:

- 55 (1) funds invested in accordance with the participating employees' designation or
- 56 direction pursuant to a public employees' deferred compensation plan established and operated

- 57 in compliance with Section 457 of the Internal Revenue Code of 1986, as amended;
- 58 (2) funds of the Workers' Compensation Fund;
- 59 (3) funds of the Utah State Retirement Board;
- 60 (4) funds of the Utah Housing Corporation;
- 61 (5) endowment funds of higher education institutions;
- 62 (6) permanent and other land grant trust funds established pursuant to the Utah
- 63 Enabling Act and the Utah Constitution;
- 64 (7) the State Post-Retirement Benefits Trust Fund;
- 65 (8) the funds of the Utah Educational Savings Plan; [and]
- 66 (9) funds of the permanent state trust fund created by and operated under Utah
- 67 Constitution, Article XXII, Section 4[-]; and
- 68 (10) the funds in the Navajo Trust Fund.

69 Section 2. Section **51-10-101** is enacted to read:

70 **CHAPTER 10. NAVAJO TRUST FUND ACT**

71 **Part 1. General Provisions**

72 **51-10-101. Title.**

73 This chapter is known as the "Navajo Trust Fund Act."

74 Section 3. Section **51-10-102** is enacted to read:

75 **51-10-102. Definitions.**

76 As used in this chapter:

77 (1) "Administrative expenditure" means:

78 (a) an expenditure for professional services;

79 (b) per diem and travel expenses for the board and the Diné Advisory Committee; and

80 (c) expense reimbursements, salaries, and benefits for the trust administrator and the
81 trust administrator's staff.

82 (2) "Blue Mountain Diné" means the off-reservation Navajo community organization
83 known as the Blue Mountain Diné.

84 (3) "Board" means the board of trustees created in Section [51-10-202](#).

85 (4) "Business enterprise" means a sole proprietorship, partnership, corporation, limited
86 liability company, or other private entity organized to provide goods or services for a profit.

87 (5) "Diné Advisory Committee" means the committee created in Section [51-10-206](#).

88 (6) "Fund" means the Navajo Trust Fund created in Section 51-10-201.

89 (7) "Income" means the revenues from investments made by the state treasurer of the
90 fund principal.

91 (8) "Navajos" means San Juan County, Utah, Navajos.

92 (9) "Office of Trust Administrator" means the office created in Section 51-10-203.

93 (10) "Principal" means:

94 (a) the balance of the fund as of July 1, 2015; and

95 (b) the revenue to the fund from whatever source except income.

96 (11) "Service provider" means any of the following that provides a good or service to
97 Navajos:

98 (a) a business enterprise;

99 (b) a private nonprofit organization; or

100 (c) a government entity.

101 (12) "Trust administrator" means the trust administrator selected as provided in
102 Subsection 51-10-202(2).

103 (13) "Utah Navajo Chapter" means one of the following chapters of the Navajo Nation:

104 (a) Aneth Chapter;

105 (b) Mexican Water Chapter;

106 (c) Naatsis'áán Chapter;

107 (d) Oljato Chapter;

108 (e) Dennehotso Chapter;

109 (f) Red Mesa Chapter; and

110 (g) Teec Nos Pos Chapter.

111 Section 4. Section **51-10-201** is enacted to read:

112 **Part 2. Administration of Navajo Trust Fund**

113 **51-10-201. Fund created.**

114 (1) There is created a private-purpose trust fund entitled the "Navajo Trust Fund."

115 (2) The fund consists of:

116 (a) revenue received by the state that represents the 37-1/2% of the net oil royalties

117 from the Aneth Extension of the Navajo Indian Reservation required by Pub. L. No. 72-403, 47

118 Stat. 141, to be paid to the state;

- 119 (b) money received by the trust administrator from a contract executed by:
- 120 (i) the trust administrator; or
- 121 (ii) the board;
- 122 (c) appropriations made to the fund by the Legislature, if any;
- 123 (d) income;
- 124 (e) money related to litigation, including settlement of litigation, related to the royalties
- 125 described in Subsection (2)(a);
- 126 (f) the balance of the Utah Navajo Royalties Holding Fund as of July 1, 2015, which
- 127 shall be transferred to the fund; and
- 128 (g) other revenue received from other sources.
- 129 (3) The trust administrator shall account for the receipt and expenditures of fund
- 130 money in accordance with Subsection 51-10-204(1)(m) and the policies and guidance of the
- 131 Division of Finance.
- 132 (4) (a) (i) The state treasurer shall invest the fund money with the primary goal of
- 133 providing for the stability, income, and growth of the principal.
- 134 (ii) Nothing in this section requires a specific outcome in investing.
- 135 (iii) The state treasurer may deduct any administrative costs incurred in managing fund
- 136 assets from earnings before distributing them.
- 137 (iv) (A) The state treasurer may employ professional asset managers to assist in the
- 138 investment of assets of the fund.
- 139 (B) The state treasurer may only provide compensation to asset managers from
- 140 earnings generated by the fund's investments.
- 141 (v) The state treasurer shall invest and manage the fund assets as a prudent investor
- 142 would, by:
- 143 (A) considering the purposes, terms, distribution requirements, and other
- 144 circumstances of the fund; and
- 145 (B) exercising reasonable care, skill, and caution in order to meet the standard of care
- 146 of a prudent investor.
- 147 (vi) In determining whether or not the state treasurer has met the standard of care of a
- 148 prudent investor, the judge or finder of fact shall:
- 149 (A) consider the state treasurer's actions in light of the facts and circumstances existing

150 at the time of the investment decision or action, and not by hindsight; and

151 (B) evaluate the state treasurer's investment and management decisions respecting
152 individual assets not in isolation, but in the context of a fund portfolio as a whole as a part of
153 an overall investment strategy that has risk and return objectives reasonably suited to the fund.

154 (b) (i) The fund shall earn interest.

155 (ii) The state treasurer shall deposit the interest or other revenue earned from
156 investment of the fund into the fund.

157 (5) The state auditor shall:

158 (a) conduct an annual audit of the fund's finances, internal controls, and compliance
159 with statutes, rules, and policies in accordance with Title 67, Chapter 3, Auditor; and

160 (b) deliver a copy of the annual audit report to the:

161 (i) board;

162 (ii) trust administrator;

163 (iii) Diné Advisory Committee;

164 (iv) Office of Legislative Research and General Counsel for presentation to the Native
165 American Legislative Liaison Committee, created in Section [36-22-1](#);

166 (v) governor's office;

167 (vi) Division of Indian Affairs;

168 (vii) Navajo Nation;

169 (viii) United States Bureau of Indian Affairs; and

170 (ix) United States Secretary of the Interior.

171 Section 5. Section **51-10-202** is enacted to read:

172 **51-10-202. Board of trustees of the fund -- Trust administrator.**

173 (1) (a) There is created a board of trustees of the fund composed of the following three
174 members:

175 (i) the state treasurer;

176 (ii) the director of the Division of Finance; and

177 (iii) the director of the Governor's Office of Management and Budget or the director's
178 designee.

179 (b) The state treasurer is chair of the board.

180 (c) Three members of the board is a quorum.

181 (d) A member may not receive compensation or benefits for the member's service, but
182 may receive per diem and travel expenses in accordance with:

183 (i) Section 63A-3-106;

184 (ii) Section 63A-3-107; and

185 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
186 63A-3-107.

187 (2) (a) The board shall:

188 (i) contract with a person to act as trust administrator in accordance with Title 63G,
189 Chapter 6a, Utah Procurement Code, and when not provided for by this chapter, define the trust
190 administrator's duties; or

191 (ii) if unable to find a qualified person under Subsection (2)(a)(i) to act as trust
192 administrator for a reasonable cost, hire a qualified person to act as trust administrator and,
193 when not provided for in this chapter, define the trust administrator's duties.

194 (b) If the board hires a trust administrator under Subsection (2)(a)(ii), the board may
195 hire or authorize the trust administrator to hire other persons necessary to assist the trust
196 administrator and the board to perform the duties required by this chapter.

197 (3) The board shall:

198 (a) on behalf of the state, act as trustee of the fund and exercise the state's fiduciary
199 responsibilities;

200 (b) meet at least once every other month;

201 (c) review and approve the policies, projections, rules, criteria, procedures, forms,
202 standards, and performance goals established by the trust administrator;

203 (d) review and approve the fund budget prepared by the trust administrator;

204 (e) review the progress reports from programs financed by the fund;

205 (f) review financial records of the fund, including fund receipts, expenditures, and
206 investments; and

207 (g) do any other thing necessary to perform the state's fiduciary obligations under the
208 fund.

209 (4) The attorney general shall:

210 (a) act as legal counsel and provide legal representation to the board; and

211 (b) attend or direct an attorney from the attorney general's office to attend each meeting

212 of the board.

213 (5) The board may consult with knowledgeable state personnel to advise the board on
214 policy and technical matters.

215 Section 6. Section **51-10-203** is enacted to read:

216 **51-10-203. Office of Trust Administrator.**

217 (1) If the board hires a trust administrator under Subsection 51-10-202(2)(a)(ii), there
218 is created an Office of Trust Administrator.

219 (2) The trust administrator shall administer the office.

220 Section 7. Section **51-10-204** is enacted to read:

221 **51-10-204. Trust administrator duties.**

222 (1) Under the direction of the board, the trust administrator shall:

223 (a) review the documents and decisions highlighting the history of the fund, including:

224 (i) the Nelson report, prepared as part of the Bigman v. Utah Navajo Development
225 Council, Inc. C77-0031;

226 (ii) the November 1991 performance audit of the fund by the legislative auditor
227 general;

228 (iii) Sakezzie v. Utah Indian Affairs Commission, 198 F. Supp. 218 (1961);

229 (iv) Sakezzie v. Utah Indian Affairs Commission, 215 F. Supp. 12 (1963);

230 (v) the September 8, 1977, consent decree, the stipulation dated November 29, 1984,
231 modifying the consent decree, and the court's memorandum opinion dated September 25, 1978,

232 in Bigman v. Utah Navajo Development Council, Inc. C77-0031; and

233 (vi) rulings related to Pelt v. Utah;

234 (b) review all potential sources of fund revenues;

235 (c) prepare annual projections of money that will be available for Navajo programs;

236 (d) identify the property owned by the fund;

237 (e) establish and maintain a record system and retention schedule to retain records

238 relating to the fund's property and operations, including:

239 (i) records related to the ethics and conflict policy developed under Subsection (2)(c);

240 (ii) requests for proposals and proposals received;

241 (iii) contracts awarded;

242 (iv) project progress and completion reports;

- 243 (v) invoices; and
- 244 (vi) purchasing records;
- 245 (f) review the existing and proposed programs financed by the fund;
- 246 (g) evaluate whether the programs described in Subsection (1)(f) are the most practical
247 and cost-efficient means to provide the desired benefit to Navajos;
- 248 (h) consult regularly with the administrators of the programs financed by the fund to
249 obtain progress reports on the programs;
- 250 (i) attend all meetings of:
- 251 (i) the Diné Advisory Committee; and
- 252 (ii) the board;
- 253 (j) certify that the expenditures of the fund:
- 254 (i) comply with the state's fiduciary responsibilities as trustee of the fund; and
- 255 (ii) are consistent with this section;
- 256 (k) make an annual report:
- 257 (i) to the:
- 258 (A) board;
- 259 (B) governor; and
- 260 (C) Native American Legislative Liaison Committee, created in Section [36-22-1](#); and
- 261 (ii) that:
- 262 (A) identifies the source and amount of the revenue received by the fund;
- 263 (B) identifies the recipient, purpose, and amount of the expenditures from the fund;
- 264 (C) identifies specifically each of the fund's investments and the actual return and the
265 rate of return from each investment; and
- 266 (D) recommends any necessary statutory changes to improve administration of the fund
267 or to protect the state from liability as trustee;
- 268 (l) submit a written annual report to the:
- 269 (i) Division of Indian Affairs;
- 270 (ii) Navajo Nation;
- 271 (iii) United States Bureau of Indian Affairs; and
- 272 (iv) United States Secretary of the Interior;
- 273 (m) establish, in conjunction with the state treasurer and the Division of Finance,

274 appropriate accounting practices for the fund receipts, expenditures, and investments according
275 to generally accepted accounting principles;

276 (n) provide summary records of fund receipts, expenditures, and investments to the
277 board and to the Diné Advisory Committee at each of their meetings;

278 (o) pay administrative expenses from the fund;

279 (p) report monthly to the board about:

280 (i) the trust administrator's activities; and

281 (ii) the status of the fund; and

282 (q) call additional meetings of the Diné Advisory Committee when necessary.

283 (2) In conjunction with the Diné Advisory Committee and under the direction of the
284 board, the trust administrator shall:

285 (a) before the beginning of each fiscal year, establish a list of the needs of Navajos for
286 that year to be used for the annual budget;

287 (b) before the beginning of each fiscal year, develop and approve an annual budget for
288 the fund;

289 (c) develop an ethics and conflict of interest policy that emphasizes the need to avoid
290 even the appearance of conflict of interest or impropriety that is to apply to:

291 (i) the trust administrator;

292 (ii) the trust administrator's staff; and

293 (iii) the Diné Advisory Committee;

294 (d) require the trust administrator, each of the trust administrator's staff, and each
295 member of the Diné Advisory Committee to sign and keep on file written documentation that
296 acknowledges:

297 (i) their receipt of the ethics and conflict of interest policy described in Subsection
298 (2)(c); and

299 (ii) their willingness to abide by the ethics and conflict of interest policy described in
300 Subsection (2)(c); and

301 (e) make expenditures from the fund:

302 (i) "for the health, education, and general welfare of the Navajo Indians residing in San
303 Juan County" as required by:

304 (A) Pub. L. No. 72-403, 47 Stat. 1418 (1933);

- 305 (B) Pub. L. No. 90-306, 82 Stat. 121 (1968); and
- 306 (C) this chapter; and
- 307 (ii) including expenditure for roads and utilities.
- 308 (3) The trust administrator, under direction of the board, may:
- 309 (a) contract with public and private entities; and
- 310 (b) unless prohibited by law or this chapter, acquire and hold money and other property
- 311 received in the administration of the fund.

312 Section 8. Section **51-10-205** is enacted to read:

313 **51-10-205. Expenditures from the fund.**

314 (1) (a) Under the direction of the board, the trust administrator may make expenditures

315 from the fund in accordance with Subsection [51-10-204\(2\)\(e\)](#).

316 (b) The board may enter into a cost sharing agreement with one or more governmental

317 entities if the cost sharing agreement is recommended by at least four of the Utah Navajo

318 Chapters.

319 (2) (a) Before making any expenditures from the fund to a service provider, the trust

320 administrator shall:

- 321 (i) comply with Title 63G, Chapter 6a, Utah Procurement Code; and
- 322 (ii) review and approve the service provider's entire budget.

323 (b) The trust administrator may require that a service provider modify its budget or

324 meet other conditions precedent established by the trust administrator before the service

325 provider may receive expenditures from the fund.

326 (3) The trust administrator shall make an expenditure from the fund that is not an

327 administrative expenditure by:

328 (a) preparing a written document that:

- 329 (i) defines specifically how the expenditure from the fund may be used;
- 330 (ii) establishes any conditions precedent to use of the expenditure; and

331 (iii) requires the recipient of fund money to provide the trust administrator with

332 progress reports detailing how the money has been expended; and

333 (b) obtaining the signature of the recipient on that document before releasing any

334 money from the fund.

335 (4) The trust administrator shall:

336 (a) make rules in accordance with Subsection (6) that:
337 (i) establish policies and criteria for expenditure of fund money; and
338 (ii) establish performance evaluation criteria with which to evaluate the success of
339 expenditures from the fund after they are made;
340 (b) develop procedures, forms, and standards for persons seeking distribution of fund
341 money that implement the policies and criteria established by rule;
342 (c) evaluate the requests for expenditures of fund money against:
343 (i) the policies and criteria established by rule; and
344 (ii) the requestor's success in meeting performance evaluation criteria and goals in any
345 prior receipt of fund money;
346 (d) develop performance goals for each fund expenditure that implement the
347 performance evaluation criteria established in rule; and
348 (e) monitor and evaluate each fund expenditure based upon the performance goals and
349 performance evaluation criteria created under this Subsection (4).
350 (5) The trust administrator may expend fund money for per diem and expenses incurred
351 by the Diné Advisory Committee in performance of official duties.
352 (6) The trust administrator shall make a rule described in Subsection (4)(a):
353 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
354 (b) with the input and recommendation of the Diné Advisory Committee; and
355 (c) with the approval of the board.
356 Section 9. Section **51-10-206** is enacted to read:
357 **51-10-206. Diné Advisory Committee.**
358 (1) There is created the Diné Advisory Committee.
359 (2) (a) The governor, with the consent of the Senate, shall appoint nine members to the
360 Diné Advisory Committee.
361 (b) In making an appointment under Subsection (2)(a), the governor shall ensure that
362 the Diné Advisory Committee includes:
363 (i) two registered members of the Aneth Chapter of the Navajo Nation who reside in
364 San Juan County, Utah;
365 (ii) one registered member of the Blue Mountain Diné who resides in San Juan County,
366 Utah;

367 (iii) one registered member of the Mexican Water Chapter of the Navajo Nation who
368 resides in San Juan County, Utah;

369 (iv) one registered member of the Naatsis'áán Chapter of the Navajo Nation who
370 resides in San Juan County, Utah;

371 (v) subject to Subsection (4), two members who reside in San Juan County, Utah, one
372 of whom is a registered member of the Oljato Chapter of the Navajo Nation, and one of whom
373 is a registered member of either the Oljato Chapter or the Dennehotso Chapter of the Navajo
374 Nation;

375 (vi) one registered member of the Red Mesa Chapter of the Navajo Nation who resides
376 in San Juan County, Utah; and

377 (vii) one registered member of the Teec Nos Pos Chapter of the Navajo Nation who
378 resides in San Juan County, Utah.

379 (3) (a) (i) Each chapter of the Utah Navajo Chapter, except the Aneth, Oljato, and
380 Dennehotso chapters, shall submit to the governor the names of three nominees to the Diné
381 Advisory Committee chosen by the chapter.

382 (ii) The governor shall select one of the three persons whose names are submitted
383 under Subsection (3)(a)(i) as that chapter's representative on the Diné Advisory Committee.

384 (b) (i) The Blue Mountain Diné shall submit to the governor the names of three
385 nominees to the Diné Advisory Committee.

386 (ii) The governor shall select one of the three persons whose names are submitted
387 under Subsection (3)(b)(i) as the Blue Mountain Diné representative on the Diné Advisory
388 Committee.

389 (c) (i) The Aneth Chapter shall submit to the governor the names of six nominees to
390 the Diné Advisory Committee chosen by the chapter.

391 (ii) The governor shall select two of the six persons whose names are submitted under
392 Subsection (3)(c)(i) to be the Aneth Chapter's representatives on the Diné Advisory Committee.

393 (d) (i) The Oljato Chapter shall submit to the governor the names of six nominees to
394 the Diné Advisory Committee chosen by the chapter.

395 (ii) One of the six names submitted under Subsection (3)(d)(i) may be a registered
396 member of the Dennehotso Chapter.

397 (iii) The governor shall select two of the six persons whose names are submitted under

398 Subsection (3)(d)(i) to be the representatives on the Diné Advisory Committee of the Oljato
399 and Dennehotso chapters.

400 (e) Before submitting a name to the governor, a Utah Navajo Chapter and the Blue
401 Mountain Diné shall ensure that the individual's whose name is submitted:

402 (i) is an enrolled member of the Navajo Nation;

403 (ii) resides in San Juan County, Utah;

404 (iii) is 21 years of age or older;

405 (iv) is not an officer of the chapter;

406 (v) has not been convicted of a felony; and

407 (vi) is not currently, or within the last 12 months has not been, an officer, director,
408 employee, or contractor of a service provider that solicits, accepts, or receives a benefit from an
409 expenditure of:

410 (A) the Division of Indian Affairs; or

411 (B) the fund.

412 (4) If both members appointed under Subsection (2)(b)(vi) are registered members of
413 the Oljato Chapter, the two members shall attend Dennehotso Chapter meetings as practicable.

414 (5) (a) Except as provided in Subsection (5)(b) and other than the amount authorized
415 by this section for Diné Advisory Committee member expenses, a person appointed to the Diné
416 Advisory Committee may not solicit, accept, or receive any benefit from an expenditure of:

417 (i) the Division of Indian Affairs;

418 (ii) the fund; or

419 (iii) the Division of Indian Affairs or fund as an officer, director, employee, or
420 contractor of a service provider that solicits, accepts, or receives a benefit from the expenditure
421 of:

422 (A) the Division of Indian Affairs; or

423 (B) the fund.

424 (b) A member of the Diné Advisory Committee may receive a benefit from an
425 expenditure of the fund if:

426 (i) when the benefit is discussed by the Diné Advisory Committee:

427 (A) the member discloses that the member may receive the benefit;

428 (B) the member physically leaves the room in which the Diné Advisory Committee is

429 discussing the benefit; and

430 (C) the Diné Advisory Committee approves the member receiving the benefit by a

431 unanimous vote of the members present at the meeting discussing the benefit;

432 (ii) a Utah Navajo Chapter requests that the benefit be received by the member;

433 (iii) the member is in compliance with the ethics and conflict of interest policy required
434 under Subsection 51-10-204(2)(c);

435 (iv) (A) the expenditure from the fund is made in accordance with this chapter; and

436 (B) the benefit is no greater than the benefit available to members of the Navajo Nation
437 residing in San Juan County, Utah; and

438 (v) the member is not receiving the benefit as an officer, director, employee, or
439 contractor of a service provider.

440 (6) (a) (i) Except as required in Subsection (6)(a)(ii), as terms of current committee
441 members expire, the governor shall appoint each new member or reappointed member to a
442 four-year term.

443 (ii) The governor shall, at the time of appointment or reappointment, adjust the length
444 of terms to ensure that the terms of committee members are staggered so that approximately
445 half of the Diné Advisory Committee is appointed every two years.

446 (b) Except as provided in Subsection (6)(c), a committee member shall serve until the
447 committee member's successor is appointed and qualified.

448 (c) If a committee member is absent from three consecutive committee meetings, or if
449 the committee member violates the ethical or conflict of interest policies established by statute
450 or the Diné Advisory Committee:

451 (i) the committee member's appointment is terminated;

452 (ii) the position is vacant; and

453 (iii) the governor shall appoint a replacement.

454 (d) When a vacancy occurs in the membership for any reason, the governor shall
455 appoint a replacement for the unexpired term according to the procedures of this section.

456 (7) (a) The committee members shall select a chair and vice chair from committee
457 membership each two years subsequent to the appointment of new committee members.

458 (b) Five members of the Diné Advisory Committee is a quorum for the transaction of
459 business.

460 (c) The Diné Advisory Committee shall:
461 (i) comply with Title 52, Chapter 4, Open and Public Meetings Act;
462 (ii) ensure that its meetings are held at or near:
463 (A) a chapter house or meeting hall of a Utah Navajo Chapter; or
464 (B) other places in Utah that the Diné Advisory Committee considers practical and
465 appropriate; and
466 (iii) ensure that its meetings are public hearings at which a resident of San Juan
467 County, Utah, may appear and speak.
468 (8) A committee member may not receive compensation or benefits for the committee
469 member's service, but may receive per diem and travel expenses in accordance with:
470 (a) Section [63A-3-106](#);
471 (b) Section [63A-3-107](#); and
472 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
473 [63A-3-107](#).
474 (9) The trust administrator shall staff the Diné Advisory Committee.
475 (10) The Diné Advisory Committee shall advise the trust administrator about the
476 expenditure of fund money.
477 **Section 10. Repealer.**
478 This bill repeals:
479 Section [51-9-501](#), **Title.**
480 Section [51-9-502](#), **Definitions.**
481 Section [51-9-503](#), **Purpose statement.**
482 Section [51-9-504](#), **Utah Navajo royalties and related issues.**
483 **Section 11. Effective date.**
484 This bill takes effect on July 1, 2015.