

# HB0483S05 compared with HB0483S03

~~{Omitted text}~~ shows text that was in HB0483S03 but was omitted in HB0483S05

inserted text shows text that was not in HB0483S03 but was inserted into HB0483S05

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1                   **School and Institutional Trust Lands Administration Modifications**  
  2025 GENERAL SESSION  
  STATE OF UTAH  
  **Chief Sponsor: R. Neil Walter**  
  Senate Sponsor:Derrin R. Owens

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2                   **LONG TITLE**

3                   **General Description:**

4                   This bill addresses provisions related to school and institutional trust lands.

5                   **Highlighted Provisions:**

6                   This bill:

- 7                   ▶ requires the director of the School and Institutional Trust Lands Administration (administration) to complete a valuation of the administration's land portfolio every five years;
- 8                   ▶ requires the director to report annually to the Legislature:
- 9                   • the activities of the administration;
- 10                  • an approximate valuation of the administration's land portfolio;
- 11                  • an audited financial statement of the administration; and
- 12                  • an account of the total amount of funds distributed by the administration;
- 13                  ▶ ~~{provides the circumstances under which the state shall offer for sale trust lands subject to~~
- 14                  a lease;}
- 15                  ▶ modifies the list of activities and penalties for illegal activities on trust lands; {and}
- 16                  ▶
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## HB0483S03 compared with HB0483S05

provides the circumstances under which the state shall offer for sale trust lands subject to a lease or permit; and

19       ▶ makes technical and conforming changes.

### 20 **Money Appropriated in this Bill:**

21       None

### 22 **Other Special Clauses:**

23       This bill provides a special effective date.

### 24 AMENDS:

25       **53C-1-303** , as last amended by Laws of Utah 2012, Chapter 224 , as last amended by Laws of Utah  
26       2012, Chapter 224

27       **53C-2-301** , as last amended by Laws of Utah 2020, Chapter 123 , as last amended by Laws of Utah  
28       2020, Chapter 123

29       **53C-4-102** , as last amended by Laws of Utah 2018, Chapter 13 , as last amended by Laws of Utah  
30       2018, Chapter 13

### 31 ENACTS:

32       **53C-1-307** , Utah Code Annotated 1953 , Utah Code Annotated 1953

### 33 REPEALS:

34       **53D-1-101** , as last amended by Laws of Utah 2018, Chapter 448 , as last amended by Laws of Utah  
35       2018, Chapter 448

36       **53D-2-101** , as enacted by Laws of Utah 2018, Chapter 448 , as enacted by Laws of Utah 2018,  
37       Chapter 448

38

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

40       Section 1. Section **53C-1-303** is amended to read:

41       **53C-1-303. Responsibilities of director -- Budget review -- Legal counsel -- Contract for  
42       services.**

43       (1) In carrying out the policies of the board of trustees and in establishing procedures and rules, the  
44       director shall:

45       (a) take an oath of office before assuming any duties as the director;

46       (b) adopt procedures and rules necessary for the proper administration of matters entrusted to the  
47       director by state law and board policy;

## HB0483S03 compared with HB0483S05

- 44 (c) submit to the board for its review and concurrence on any rules necessary for the proper  
management of matters entrusted to the administration;
- 46 (d) faithfully manage the administration under the policies established by the board;
- 47 (e) submit to the board for public inspection an annual management budget and financial plan for  
operations of the administration and, after approval by the board, submit the budget to the governor;
- 50 (f) direct and control the budget expenditures as finally authorized and appropriated;
- 51 (g) establish job descriptions and employ, within the limitation of the budget, staff necessary to  
accomplish the purposes of the office subject to Section 53C-1-201;
- 53 (h) establish, in accordance with generally accepted principles of fund accounting, a system to identify  
and account for the assets and vested interests of each beneficiary;
- 55 (i) complete an approximate valuation of the administration's entire land portfolio every five years by  
estimating the value of no less than 10% of the administration's land portfolio each year;
- 58 [(+)] (j) notify the primary beneficiary representative's designee regarding the trusts listed in Subsection  
53C-1-103(7) on major items that the director knows may be useful to the primary beneficiary  
representative's designee in protecting beneficiary rights;
- 61 [(+)] (k) permit the primary beneficiary representative's designee regarding a trust listed in Subsection  
53C-1-103(7) reasonable access to inspect records, documents, and other trust property pertaining  
to that trust, provided that the primary beneficiary representative's designee shall maintain  
confidentiality if confidentiality is required of the director;
- 66 [(k)] (l) maintain appropriate records of trust activities to enable auditors appointed by appropriate state  
agencies or the board to conduct periodic audits of trust activities;
- 68 [(+)] (m) provide that all leases, contracts, and agreements be submitted to legal counsel for review of  
compliance with applicable law and fiduciary duties prior to execution and utilize the services of the  
attorney general as provided in Section 53C-1-305;
- 71 [(m)] (n) keep the board, beneficiaries, governor, Legislature, and the public informed about the work  
of the director and administration by:
- 73 (i) submitting an annual report described in Section 53C-1-307; and
- 74 (ii) reporting to the board in a public meeting at least once during each calendar quarter; and
- 76 [(n)] (o) respond in writing within a reasonable time to a request by the board or the primary beneficiary  
representative's designee regarding a trust listed in Subsection 53C-1-103(7) for responses to  
questions on policies and practices affecting the management of the trust.

## HB0483S03 compared with HB0483S05

- 80 (2) The administration shall be the named party in substitution of the Division of State Lands and  
Forestry or its predecessor agencies, with respect to all documents affecting trust lands from the  
effective date of this act.
- 83 (3) The director may:
- 84 (a) with the consent of the state risk manager and the board, manage lands or interests in lands held by  
any other public or private party pursuant to policies established by the board and may make rules to  
implement these board policies;
- 87 (b) sue or be sued as the director of school and institutional trust lands;
- 88 (c) contract with other public agencies for personnel management services;
- 89 (d) contract with any public or private entity to make improvements to or upon trust lands and to carry  
out any of the responsibilities of the office, so long as the contract requires strict adherence to trust  
management principles, applicable law and regulation, and is subject to immediate suspension or  
termination for cause; and
- 93 (e) with the approval of the board enter into joint ventures and other business arrangements consistent  
with the purposes of the trust.
- 95 (4) Any application or bid required for the lease, permitting, or sale of lands in a competitive process or  
any request for review pursuant to Section 53C-1-304 shall be considered filed or made on the date  
received by the appropriate administrative office, whether transmitted by United States mail or in  
any other manner.

99 Section 2. Section 2 is enacted to read:

100 **53C-1-307. Annual report.**

- 101 (1) At the end of each fiscal year, the director shall publish an annual report of the administration's  
activities for the preceding fiscal year.
- 103 (2) The report described in Subsection (1) shall contain:
- 104 (a) an account of the administration's activities for the preceding fiscal year;
- 105 (b) financial statements of the administration that are audited by the state auditor or an independent  
auditor engaged by the state auditor in accordance with Subsection 67-3-1(3);
- 108 (c) by no later than June 30, 2029, and annually thereafter, the most recent approximate valuation of the  
administration's land portfolio as required in Subsection 53C-1-303(1)(i); and
- 111 (d) an account of the total amount of funds distributed by the administration to the School and  
Institutional Trust Fund Office in accordance with Subsection 53C-3-102(1).

## HB0483S03 compared with HB0483S05

114 Section 3. Section **53C-2-301** is amended to read:

115 **53C-2-301. Illegal activities on trust lands -- Penalties.**

116 (1) A person is liable for the civil damages prescribed in Subsection (2) and is guilty of a criminal  
offense specified in Subsection (4) if the person intentionally, knowingly, or recklessly, and without  
written authorization from the director:

119 [~~(a) removes, extracts, uses, consumes, or destroys a mineral resource, gravel, sand, soil, vegetation,  
water resource, or improvement on trust lands;~~]

121 [~~(b) grazes livestock on trust lands;~~]

122 [~~(c) uses, occupies, or constructs improvements or structures on trust lands;~~]

123 [~~(d) uses or occupies trust lands for more than 30 days after the cancellation or expiration of written  
authorization;~~]

125 [~~(e) knowingly and willfully uses trust lands for commercial gain;~~]

126 [~~(f) appropriates, alters, injures, or destroys an improvement or historical, prehistorical, archaeological,  
or paleontological resource on trust lands;~~]

128 [~~(g)~~] (a) [~~trespasses upon,~~] uses, commits waste, dumps refuse on, or occupies trust land;

129 [~~(h)~~] (b) interferes with the activities of an employee or agent of the administration on trust lands; or

131 [~~(i)~~] (c) interferes with activities of a lessee or other person that have been authorized by the  
administration, whether or not the trust land has been withdrawn from occupancy or use pursuant to  
Subsection 53C-2-105(1)(b).

134 (2) A person who commits an act described in Subsection (1) is liable for damages in the amount of  
whichever of the following is greatest:

136 (a) three times the value at the point of sale of the mineral or other resource removed, destroyed, or  
extracted;

138 (b) three times the amount of damage committed;

139 (c) three times the cost to cure the damage;

140 (d) three times the value of any losses suffered as a result of interference with authorized activities; or

142 (e) three times the consideration which would have been charged by the director for use of the land  
during the period of trespass.

144 (3) In addition to the damages described in Subsection (2), a person found guilty of a criminal act under  
Subsection (1) is subject to the penalties provided in Title 76, Chapter 3, Punishments, as specified  
in Subsection (4).

## HB0483S03 compared with HB0483S05

- 147 (4) A violation of this section is a:
- 148 (a) second degree felony if the actor's conduct causes property injury or damage, or pecuniary loss  
equal to or in excess of \$5,000 in value;
- 150 (b) third degree felony if the actor's conduct causes property injury or damage, or pecuniary loss equal  
to or in excess of \$1,500 but is less than \$5,000 in value;
- 152 (c) class A misdemeanor if the actor's conduct causes property injury or damage, or pecuniary loss  
equal to or in excess of \$500 but is less than \$1,500 in value;[-and]
- 154 (d) class B misdemeanor if the actor's conduct causes property injury or damage, or pecuniary loss less  
than \$500 in value[-:] ; and
- 156 (e) an infraction if the actor's conduct causes no property injury, damage, or pecuniary loss.
- 158 (5) The director shall deposit money collected under this section in the fund in which like revenues  
from that land would be deposited.
- 160 (6) The director may award a portion of any of the damages collected under this section in excess of  
actual damages to the general fund of the county in which the trespass occurred as a reward for  
county assistance in the apprehension and prosecution of the trespassing party.
- 164 Section 4. Section **53C-4-102** is amended to read:
- 165 **53C-4-102. Sale of trust lands -- Fair market value -- Determination of sale -- Advertising  
proposed sales -- Sale procedures -- Defaults.**
- 167 (1) Trust lands may not be sold for less than the fair market value.
- 168 (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.
- 170 (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.
- 173 (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.
- 175 (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.
- 178 (b) The director may survey the tract and direct its subdivision.
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## HB0483S03 compared with HB0483S05

- (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.
- 181 (5) Sale conditions, including qualification of prospective purchasers, shall be in accordance with accepted mortgage lending and real estate practices.
- 183 (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.
- 186 (7) Upon payment in full of principal and interest, 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.
- 191 (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.
- 196 (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.
- 198 (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.
- 201 (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.
- 203 (9) The director shall offer for sale any trust lands subject to a valid surface lease agreement or permit to the owner of the lease or permit if:
- 205 (a) the director approves the sale of the trust lands;
- 206 (b) the owner of the lease or permit agrees to pay fair market value, which may not exceed an amount equal to the highest credible offer received for the trust lands;
- 208 (c) the owner of the lease or permit has held the lease or permit for at least 25 consecutive years;
- 210 (d) the trust lands offered for sale are not greater than 640 acres; and
- 211 (e) the trust lands do not have an authorized point of public access at the time of sale.

## HB0483S03 compared with HB0483S05

212 Section 5. **Repealer.**

This Bill Repeals:

213 This bill repeals:

214 Section **53D-1-101, Title.**

215 Section **53D-2-101, Title.**

216 Section 6. **Effective date.**

This bill takes effect on July 1, 2025.

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