

# HB0483S04 compared with HB0483S02

~~{Omitted text}~~ shows text that was in HB0483S02 but was omitted in HB0483S04

inserted text shows text that was not in HB0483S02 but was inserted into HB0483S04

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## School and Institutional Trust Lands Administration Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

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### LONG TITLE

#### General Description:

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

#### Highlighted Provisions:

This bill:

- ~~{ defines and modifies terms; }~~
- ~~{ clarifies a primary beneficiary representative for a trust established in the Utah Enabling Act; }~~
- 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;
- requires the director to report annually to the Legislature:
  - the activities of the administration;
  - an approximate valuation of the administration's land portfolio;
  - an audited financial statement of the administration; and
  - an account of the total amount of funds distributed by the administration;
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HB0483S02

## HB0483S02 compared with HB0483S04

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

▸ provides the circumstances under which the director of the administration shall offer to exchange trust lands subject to a lease or permit;

▸ ~~{repeals}~~ modifies the ~~{Land Trusts Protection}~~ list of activities and ~~{Advocacy Office}~~ penalties for illegal activities on trust lands; and

▸ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

This bill provides a special effective date.

### AMENDS:

~~{53C-1-103, as last amended by Laws of Utah 2018, Chapter 448, as last amended by Laws of Utah 2018, Chapter 448}~~

~~{53C-1-203, as last amended by Laws of Utah 2018, Chapters 415, 448, as last amended by Laws of Utah 2018, Chapters 415, 448}~~

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

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

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

**53C-4-301**, as last amended by Laws of Utah 2011, Chapter 247, as last amended by Laws of Utah 2011, Chapter 247

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~~{53D-1-102, as last amended by Laws of Utah 2019, Chapter 136, as last amended by Laws of Utah 2019, Chapter 136}~~

~~{53D-1-202, as last amended by Laws of Utah 2018, Chapter 448, as last amended by Laws of Utah 2018, Chapter 448}~~

~~{53D-1-304, as last amended by Laws of Utah 2021, Chapter 336, as last amended by Laws of Utah 2021, Chapter 336}~~

## HB0483S02 compared with HB0483S04

~~{53D-1-401 , as last amended by Laws of Utah 2018, Chapter 448 , as last amended by Laws of Utah 2018, Chapter 448}~~

~~{53D-1-402 , as last amended by Laws of Utah 2018, Chapter 448 , as last amended by Laws of Utah 2018, Chapter 448}~~

~~{53D-1-403 , as last amended by Laws of Utah 2018, Chapters 415, 448 , as last amended by Laws of Utah 2018, Chapters 415, 448}~~

~~{53D-1-501 , as last amended by Laws of Utah 2018, Chapter 448 , as last amended by Laws of Utah 2018, Chapter 448}~~

~~{53D-1-502 , as last amended by Laws of Utah 2018, Chapter 448 , as last amended by Laws of Utah 2018, Chapter 448}~~

~~{53G-7-1206 , as last amended by Laws of Utah 2024, Chapter 20 , as last amended by Laws of Utah 2024, Chapter 20}~~

~~{67-4-1 , as last amended by Laws of Utah 2019, Chapter 434 , as last amended by Laws of Utah 2019, Chapter 434}~~

ENACTS:

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

REPEALS:

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

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

~~{53D-2-102 , as enacted by Laws of Utah 2018, Chapter 448 , as enacted by Laws of Utah 2018, Chapter 448}~~

~~{53D-2-201 , as last amended by Laws of Utah 2021, Chapter 336 , as last amended by Laws of Utah 2021, Chapter 336}~~

~~{53D-2-202 , as enacted by Laws of Utah 2018, Chapter 448 , as enacted by Laws of Utah 2018, Chapter 448}~~

~~{53D-2-203 , as last amended by Laws of Utah 2024, Chapters 20, 425 , as last amended by Laws of Utah 2024, Chapters 20, 425}~~

~~{53D-2-204 , as last amended by Laws of Utah 2019, Chapter 191 , as last amended by Laws of Utah 2019, Chapter 191}~~

## HB0483S02 compared with HB0483S04

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

~~{Section 1. Section 53C-1-103 is amended to read: }~~

### **53C-1-103. Definitions.**

As used in this title:

- (1) "Administration" means the School and Institutional Trust Lands Administration.
- (2) "Board" or "board of trustees" means the School and Institutional Trust Lands Board of Trustees.
- (3) "Director" or "director of school and institutional trust lands" means the chief executive officer of the School and Institutional Trust Lands Administration.
- (4) "Mineral" includes oil, gas, and hydrocarbons.
- (5) "Nominating committee" means the committee that nominates candidates for positions and vacancies on the board.
- (6) "Policies" means statements applying to the administration that broadly prescribe a future course of action and guiding principles.
- ~~[(7) "Primary beneficiary representative" means the the Land Trusts Protection and Advocacy Office, created in Section 53D-2-201, acting as representative on behalf of the following trusts:]~~
  - ~~[(a) the trust established for common schools;]~~
  - ~~[(b) the trust established for schools for the blind; and]~~
  - ~~[(c) the trust established for schools for the deaf;]~~
- (7) "Primary beneficiary representative" means an individual who receives and requests information from the administration for a beneficiary of a trust established in Sections 7, 8, and 12 of the Utah Enabling Act as follows:
  - (a) for common schools, the director of the School LAND Trust Program, created in Section 53G-7-1206, or the director's designee;
  - (b) for schools for the blind, the superintendent for the Utah Schools for the Deaf and the Blind, created in Section 53E-8-201, or the superintendent's designee;
  - (c) for schools for the deaf, the superintendent for the Utah Schools for the Deaf and the Blind, created in Section 53E-8-201, or the superintendent's designee;
  - (d) for an agricultural college, the president of Utah State University or the president's designee;
  - (e) for Utah State Hospital, the executive director of the Department of Health and Human Services, created in Section 26B-1-201, or the executive director's designee;

## HB0483S02 compared with HB0483S04

- (f) for Miners' Hospital for Disabled Minors described in Section 53B-17-201, the president of the University of Utah or the president's designee;
- (g) for normal schools described in Section 53C-3-105, the commissioner of the Utah System of Higher Education, appointed under Section 53B-1-408, or the commissioner's designee;
- (h) for reform schools, the director of the Division of Juvenile Justice and Youth Services, created in Section 80-5-103, or the director's designee;
- (i) for reservoirs, the director of the Division of Water Resources, created in Section 73-10-18, or the director's designee;
- (j) for a school of mines, the dean of the College of Mines and Earth Sciences, created in Section 53B-17-401, or the dean's designee;
- (k) for the University of Utah, the president of the University of Utah or the president's designee; and
- (l) for public buildings, a designee of the State Capitol Preservation Board, created in Section 63O-2-201.

(8) "School and institutional trust lands" or "trust lands" means those properties granted by the United States in the Utah Enabling Act to the state in trust, and other lands transferred to the trust, which must be managed for the benefit of:

(a) the state's public education system; or

(b) the institutions of the state which are designated by the Utah Enabling Act as beneficiaries of trust lands.

~~{Section 2. Section 53C-1-203 is amended to read: }~~

### **53C-1-203. Board of trustees nominating committee -- Composition -- Responsibilities -- Per diem and expenses.**

(1) There is established an 11 member board of trustees nominating committee.

(2)

(a)

~~[(i) Through July 30, 2018, the] The State Board of Education shall appoint five members to the nominating committee from different geographical areas of the state.~~

~~[(ii) Beginning on August 1, 2018, the five members of the Land Trusts Protection and Advocacy Committee, created in Section 53D-2-202, shall serve on the nominating committee.]~~

(b) The governor shall appoint five members to the nominating committee on or before the December 1 of the year preceding the vacancy on the nominating committee as follows:

## HB0483S02 compared with HB0483S04

122 [(i)

(A) through July 30, 2018, one individual from a nomination list of at least two names of individuals knowledgeable about institutional trust lands submitted on or before the October 1 of the year preceding the vacancy on the nominating committee by the University of Utah and Utah State University on an alternating basis every four years; and]

127 [(B) beginning on August 1, 2018,]

128 (i) one individual who is knowledgeable about real estate development;

129 (ii) one individual from a nomination list of at least two names submitted by the Utah Farm Bureau in consultation with the Utah [Cattleman's] Cattlemen's Association and the Utah Wool [Growers'] Growers Association on or before the October 1 of the year preceding the vacancy on the nominating committee;

133 (iii) one individual from a nomination list of at least two names submitted by the Utah Petroleum Association on or before the October 1 of the year preceding the vacancy on the nominating committee;

136 (iv) one individual from a nomination list of at least two names submitted by the Utah Mining Association on or before the October 1 of the year preceding the vacancy on the nominating committee; and

139 (v) one individual from a nomination list of at least two names submitted by the executive director of the Department of Natural Resources after consultation with statewide wildlife and conservation organizations on or before the October 1 of the year preceding the vacancy on the nominating committee.

143 (c) The president of the Utah Association of Counties shall designate the chair of [the Public Lands Steering Committee] a steering committee related to public lands, who must be an elected county commissioner or councilor, to serve as the eleventh member of the nominating committee.

147 (3)

(a) Except as required by [Subsections (3)(b) and (d)] Subsection (3)(b), each member shall serve a four-year term.

149 (b) The governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of committee members are staggered so that approximately half of the committee is appointed every two years.

## HB0483S02 compared with HB0483S04

(c) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term.

154 [(d) The term of a member of the nominating committee who is appointed under Subsection (2)(a)(i) or  
(2)(b)(i)(A) shall end on July 30, 2018.]

156 (4) The nominating committee shall select a chair and vice chair from its membership by majority vote.

158 (5)

(a) The nominating committee shall nominate at least two candidates for each position or vacancy which occurs on the board of trustees except for the governor's appointee under Subsection 53C-1-202(5).

161 (b) The nominations shall be by majority vote of the committee.

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

164 (a) Section 63A-3-106;

165 (b) Section 63A-3-107; and

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

168 (7) [~~The Land Trusts Protection and Advocacy Office, created in Section 53D-2-201,]~~ The state treasurer's office shall provide staff support to the nominating committee.

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

40 **53C-1-303. Responsibilities of director -- Budget review -- Legal counsel -- Contract for services.**

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

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

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

178 (c) submit to the board for its review and concurrence on any rules necessary for the proper management of matters entrusted to the administration;

180 (d) faithfully manage the administration under the policies established by the board;

181 (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;

184 (f) direct and control the budget expenditures as finally authorized and appropriated;

## HB0483S02 compared with HB0483S04

- 185 (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;
- 187 (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;
- 189 (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;
- 192 [(i)] (j) notify [{the{}} a] primary beneficiary representative[{f'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{}} representative] in protecting beneficiary rights;
- 196 [(j)] (k) permit [{the{}} a] primary beneficiary [{representative's designee regarding a trust listed in  
Subsection 53C-1-103(7)}] representative reasonable access to inspect records, documents, and  
other trust property pertaining to that trust, provided that the primary beneficiary [{representative's  
designee{}} representative] shall maintain confidentiality if confidentiality is required of the  
director;
- 201 [(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;
- 203 [(l)] (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;
- 206 [(m)] (n) keep the board, beneficiaries, governor, Legislature, and the public informed about the work  
of the director and administration by:
- 208 (i) submitting an annual report described in Section 53C-1-307; and
- 209 (ii) reporting to the board in a public meeting at least once during each calendar quarter; and
- 211 [(n)] (o) respond in writing within a reasonable time to a request by the board or [{the{}} a] primary  
beneficiary [{representative's designee{}} representative] regarding a trust listed in Subsection  
53C-1-103(7) for responses to questions on policies and practices affecting the management of the  
trust.
- 215 (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.
- 218 (3) The director may:



## HB0483S02 compared with HB0483S04

- 219 (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;
- 222 (b) sue or be sued as the director of school and institutional trust lands;
- 223 (c) contract with other public agencies for personnel management services;
- 224 (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
- 228 (e) with the approval of the board enter into joint ventures and other business arrangements consistent  
with the purposes of the trust.
- 230 (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.

102 Section 2. Section 2 is enacted to read:

103 **53C-1-307. Annual report.**

- 236 (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.
- 238 (2) The report described in Subsection (1) shall contain:
- 239 (a) an account of the administration's activities for the preceding fiscal year;
- 240 (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);
- 243 (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
- 246 (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).

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

118 **53C-2-301. Illegal activities on trust lands -- Penalties.**

251

## HB0483S02 compared with HB0483S04

(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:

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

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

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

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

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

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

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

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

266 [(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).

269 (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:

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

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

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

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

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

279 (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).

282 (4) A violation of this section is a:

## HB0483S02 compared with HB0483S04

- (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;
- 285 (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;
- 287 (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]
- 289 (d) class B misdemeanor if the actor's conduct causes property injury or damage, or pecuniary loss less than \$500 in value[-] ; and
- 291 (e) an infraction if the actor's conduct causes no property injury, damage, or pecuniary loss.
- 293 (5) The director shall deposit money collected under this section in the fund in which like revenues from that land would be deposited.
- 295 (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.

167 Section 4. Section **53C-4-102** is amended to read:

168 **53C-4-102. Sale of trust lands -- Fair market value -- Determination of sale -- Advertising proposed sales -- Sale procedures -- Defaults.**

- 302 (1) Trust lands may not be sold for less than the fair market value.
- 303 (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.
- 305 (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.
- 308 (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.
- 310 (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.
- 313 (b) The director may survey the tract and direct its subdivision.
- 314 (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.

## HB0483S02 compared with HB0483S04

- 316 (5) Sale conditions, including qualification of prospective purchasers, shall be in accordance with  
accepted mortgage lending and real estate practices.
- 318 (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.
- 321 (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.
- 326 (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.
- 331 (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.
- 333 (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.
- 336 (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.
- 338 (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:
- 340 (a) the director approves the sale of the trust lands;
- 341 (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;
- 343 (c) the owner of the lease or permit has held the lease or permit for at least 25 consecutive years;
- 345 (d) the trust lands offered for sale are not greater than 640 acres; and
- 346 (e) the trust lands do not have an authorized point of public access at the time of sale.

215 Section 5. Section 53C-4-301 is amended to read:

216 **53C-4-301. Exchange of trust lands -- Based on equal value -- Lands encumbered by a lease.**

## HB0483S02 compared with HB0483S04

- 218 (1)
- (a) In accordance with rules of the director, trust lands or other trust assets may be exchanged for other land or other assets.
- 220 (b) The director shall deliver the necessary patents to other proprietors and receive proper deeds for the lands exchanged.
- 222 (c) The director shall issue, deliver, and accept conveyance documents in land exchanges in accordance with accepted real estate closing practices.
- 224 (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.
- 228 (b) The state shall honor all vested rights upon acceptance of exchanged lands.
- 229 (3)
- (a) The director shall offer to exchange trust lands between two trust beneficiaries if:
- 230 (i) the trust lands are subject to a valid lease agreement or permit existing on or before January 1, 2025;
- 232 (ii) the owner of the lease or permit described in Subsection (3)(a)(i) is a trust beneficiary that is different than the trust beneficiary assigned to the trust lands;
- 234 (iii) the owner of the lease or permit described in Subsection (3)(a)(i) is a state entity;
- 235 (iv) on or before May 7, 2025, the owner of the lease or permit described in Subsection (3)(a)(i) has an agreement with the administration to perform geothermal research on the trust lands; and
- 238 (v) on or before January 1, 2027, the owner of the lease or permit described in Subsection (3)(a)(i) notifies the director of the owner's desire to exchange the trust lands.
- 241 (b) The director shall complete the exchange described in Subsection (3)(a) if the owner of the lease or permit described in Subsection (3)(a)(i) agrees to:
- 243 (i) exchange trust lands of comparable value with the trust beneficiary of the trust lands subject to the lease or permit;
- 245 (ii) offer assets equal to the fair market value to the trust beneficiary of the trust lands subject to the lease or permit; or
- 247 (iii) exchange trust lands of lesser value with the trust beneficiary of the trust lands subject to the lease or permit and provide other assets that together equal the fair market value of the trust lands.

## HB0483S02 compared with HB0483S04

250 (c) Upon a completed exchange under Subsection (3)(b), the trust lands identified in the lease or permit  
described in Subsection (3)(a)(i) are held in trust for the benefit of the beneficiary identified in the  
lease or permit.

253 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the director shall  
make rules for determining the fair market value of trust lands offered for exchange under this  
Subsection (3).

256 Section 6. **Repealer.**

This Bill Repeals:

257 This bill repeals:

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

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

681 Section **53D-2-102, Definitions.**

682 Section **53D-2-201, Land Trusts Protection and Advocacy Office -- State treasurer**  
683 **oversight and rulemaking -- Advocacy office duties -- Applicability of Government Access**  
684 **and Records Management Act.**

685 Section **53D-2-202, Land Trusts Protection and Advocacy Committee -- Duties --**  
686 **Governance.**

687 Section **53D-2-203, Land Trusts Protection and Advocacy Office director --**  
688 **Appointment -- Removal -- Power and duties.**

689 Section **53D-2-204, Land Trusts Protection and Advocacy Account -- Funding of**  
690 **advocacy office operations.**

347 {Section 7. ~~Section 53D-1-102 is amended to read: }~~

348 **53D-1-102. Definitions.**

As used in this chapter:

350 (1) "Account" means the School and Institutional Trust Fund Management Account, created in Section  
53D-1-203.

352 [~~(2) "Advocacy office director" means the director of the Land Trusts Protection and Advocacy Office,~~  
~~appointed under Section 53D-2-203.]~~

354 [~~(3)]~~ (2) "Beneficiaries":

355 (a) means those for whose benefit the trust fund is managed and preserved, consistent with the enabling  
act, the Utah Constitution, and state law; and

## HB0483S02 compared with HB0483S04

(b) does not include other government institutions or agencies, the public at large, or the general welfare of the state.

~~[(4)]~~ (3) "Board" means the board of trustees established in Section 53D-1-301.

~~[(5)]~~ (4) "Director" means the director of the office.

~~[(6)]~~ (5) "Enabling act" means the act of Congress, dated July 16, 1894, enabling the people of Utah to form a constitution and state government and to be admitted into the Union.

~~[(7) "Land Trusts Protection and Advocacy Office" or "advocacy office" means the Land Trusts Protection and Advocacy Office created in Section 53D-2-201.]~~

~~[(8)]~~ (6) "Nominating committee" means the committee established under Section 53D-1-501.

~~[(9)]~~ (7) "Office" means the School and Institutional Trust Fund Office, created in Section 53D-1-201.

~~[(10)]~~ (8) "Trust fund" means money derived from:

(a) the sale or use of land granted to the state under Sections 6, 8, and 12 of the enabling act;

(b) proceeds referred to in Section 9 of the enabling act from the sale of public land; and

(c) revenue and assets referred to in Utah Constitution, Article X, Section 5, Subsections (1)(c), (e), and (f).

~~{Section 8. Section 53D-1-202 is amended to read: }~~

### **53D-1-202. Access to office records and personnel.**

(1) The office shall provide board members ~~[and the advocacy office director]~~ access to all office records and personnel as necessary for board members ~~[and the advocacy office director to fulfill their responsibilities]~~ to ensure that the office is in full compliance with applicable law and policies.

(2) If the director requires, board members ~~[and the advocacy office director]~~ shall maintain confidentiality of information ~~[they]~~ that the board members obtain from office records and personnel.

~~{Section 9. Section 53D-1-304 is amended to read: }~~

### **53D-1-304. Board meetings -- Closed meetings.**

(1) The board shall hold at least four meetings per year to conduct business.

(2) The board chair or two board members:

(a) may call a board meeting; and

(b) if calling a board meeting, shall provide as much advance notice as is reasonable under the circumstances to all board members ~~[, the director, and the advocacy office director.]~~ and the director.

## HB0483S02 compared with HB0483S04

- (3) Any board member may place an item on a board meeting agenda.
- (4) The board shall adopt a set of parliamentary procedures to govern board meetings.
- (5) The board may establish an attendance policy to govern the attendance of board members at board meetings.
- (6)
- (a) Notwithstanding Subsection 52-4-204(2) or 52-4-205(1), and in addition to the reasons to close a meeting described in Section 52-4-205, the board may hold a closed meeting to discuss the sale or purchase of identifiable securities, investment funds, or investment contracts if:
- (i) the board, the director, or the office has entered into a confidentiality agreement related to the identifiable securities, investment funds, or investment contracts; and
- (ii) two-thirds of the members present when a quorum is present vote to close the meeting for the purpose described in this Subsection (6)(a).
- (b) If the board closes a meeting in accordance with Subsection (6)(a), the board shall comply with the requirements for closed meetings described in Title 52, Chapter 4, Open and Public Meetings Act.

~~{Section 10. Section 53D-1-401 is amended to read: }~~

### **53D-1-401. Appointment of director -- Qualifications -- Removal by board.**

- (1) The office shall be managed by a director.
- (2) If there is a vacancy in the director position, the board shall appoint an individual as director.
- (3) The board shall ensure that an individual appointed as director possesses:
- (a) outstanding professional qualifications pertinent to the prudent investment of trust fund money; and
- (b) expertise in institutional investment management.
- (4) The director is an at-will employee who may be removed by the board at any time with or without cause.
- ~~[(5)~~
- ~~(a) The advocacy office director may submit a written petition to the board requesting the board to remove the director for cause, explained in the petition.]~~
- ~~[(b) The board shall hold a hearing on a petition under Subsection (5)(a) within 45 days after receiving the petition.]~~
- ~~[(c) If, after holding a hearing, the board finds by a preponderance of the evidence that there is cause for removing the director, the board shall remove the director.]~~

~~{Section 11. Section 53D-1-402 is amended to read: }~~



## HB0483S02 compared with HB0483S04

### 53D-1-402. Director duties and responsibilities.

- (1) The director has broad authority to manage the office to fulfill its purposes, consistent with the enabling act, the Utah Constitution, state law, and board policies.
- (2) The director shall:
  - (a) before assuming the duties of director, take an oath that includes the following:

"I solemnly swear to carry out my duties as director of the School and Institutional Trust Fund Office with undivided loyalty to the beneficiaries of the trust fund managed by the office, to the best of my abilities and consistent with the law.";
  - (b) carry out the policies of the board;
  - (c) act with undivided loyalty to those entitled to the benefit of income from the trust fund, consistent with the director's fiduciary duties and responsibilities;
  - (d) follow the prudent investor rule, prudently seeking to obtain the optimum return from the investment of trust fund money and assets, balancing short-term and long-term interests under the principle of intergenerational equity;
  - (e) exercise full discretionary authority to manage, maintain, transfer, or sell assets of the trust fund in the manner that the director determines to be most favorable to beneficiaries;
  - (f) maintain the integrity of the trust fund and prevent, through prudent management, the misapplication of trust fund money;
  - (g) adopt rules, as provided in Subsection 53D-1-103(4), that are necessary for the proper exercise of the director's duties under this chapter and policies established by the board;
  - (h) faithfully manage the office under policies established by the board;
  - (i) annually submit to the board:
    - (i) an office budget; and
    - (ii) a financial plan for operations of the office;
  - (j) after board approval of the office budget, submit the budget to the governor and the Legislature;
  - (k) direct and control budget expenditures;
  - (l) establish job descriptions and, within budgetary constraints, employ staff necessary to accomplish the purposes of the office;
  - (m) in accordance with generally accepted principles of fund accounting, establish a system to identify and account for the trust fund assets;

## HB0483S02 compared with HB0483S04

[~~(n)~~ notify the advocacy office director of major items that the director knows may be useful to the advocacy office director in protecting the rights of beneficiaries;]

460 [~~(p)~~] (n) maintain appropriate records of trust fund activities to enable auditors to conduct periodic audits; and

462 [~~(p)~~ respond in writing within a reasonable time to a request by the advocacy office director for information on policies and practices affecting the management of the trust fund; and]

465 [~~(q)~~] (o) respond to a question that the board submits under Subsection 53D-1-303(4)(b) within a reasonable time after receiving the question.

467 (3) The office may:

468 (a) sue or be sued; and

469 (b) contract with other public agencies for personnel management services.

470 {Section 12. Section **53D-1-403** is amended to read: }

### 471 **53D-1-403. Reports.**

472 (1) At least annually, the director shall report in person to the Legislative Management Committee[; the governor, and the advocacy office,] and the governor concerning the office's investments, performance, estimated distributions, and other activities.

475 (2) The director shall report to the board concerning the work of the director and the investment activities and other activities of the office:

477 (a) in a public meeting at least six times per year; and

478 (b) as otherwise requested by the board.

479 (3)

(a) Before November 1 of each year, the director shall:

480 (i) submit a written report to school community councils, created under Section 53G-7-1202, and charter trust land councils, established under Section 53G-7-1205, concerning the office's investments, performance, estimated distributions, and other activities; and

484 (ii) post the written report described in Subsection (3)(a)(i) on the office's website.

485 (b) A report under Subsection (3)(a) shall be prepared in simple language designed to be understood by the general public.

487 (4) The director shall provide to the board:

488 (a) monthly written reports on the activities of the office;

489 (b) quarterly financial reports; and

## HB0483S02 compared with HB0483S04

(c) any other report requested by the board.

~~[(5) The director shall:]~~

~~[(a) invite the advocacy office director to attend any meeting at which the director gives a report under this section; and]~~

~~[(b) provide the advocacy office director:]~~

~~[(i) a copy of any written report prepared under this section; and]~~

~~[(ii) any other report requested by the advocacy office director.]~~

~~{Section 13. Section 53D-1-501 is amended to read: }~~

### **53D-1-501. Nominating committee -- Membership -- Terms -- Vacancies -- Compensation.**

(1) There is established a School and Institutional Trust Fund Nominating Committee.

(2) The nominating committee consists of:

(a) ~~[four]~~ five members, appointed by the state treasurer~~[upon recommendation by the advocacy office director]~~, each of whom is a member of a respected professional investment organization;

(b) the chief investment officer of the University of Utah endowment; and

(c) the chief investment officer of the Utah State University endowment~~;~~ and .

~~[(d) the advocacy office director.]~~

(3) An individual appointed as a member of the nominating committee under Subsection (2)(a) shall be appointed based on the individual's expertise in:

(a) investment finance;

(b) institutional asset management;

(c) trust administration; or

(d) the practice of law in the areas of capital markets, securities law, trusts, foundations, endowments, investment finance, institutional asset management, or trust administration.

(4) The term of a member appointed under Subsection (2)(a) is four years.

(5) A nominating committee member shall serve until a successor is appointed and qualified.

(6)

(a) If a member appointed under Subsection (2)(a) leaves office, the vacancy shall be filled in the same manner as the initial appointment under Subsection (2)(a).

(b) An individual appointed to fill a vacancy under Subsection (6)(a) serves the remainder of the unexpired term.

## HB0483S02 compared with HB0483S04

(7) A member of the nominating committee may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

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

~~{Section 14. Section 53D-1-502 is amended to read: }~~

### **53D-1-502. Chair and vice chair -- Quorum and voting requirements -- Bylaws -- Staff.**

(1) The nominating committee shall select a chair and vice chair from its members.

(2)

(a) Four members of the nominating committee constitute a quorum.

(b) An action of the nominating committee requires the affirmative vote of at least four members.

(3) The nominating committee shall establish bylaws to govern the nominating committee.

(4) The ~~[advocacy office]~~ state treasurer's office shall provide staff support to the nominating committee.

~~{Section 15. Section 53G-7-1206 is amended to read: }~~

### **53G-7-1206. School LAND Trust Program.**

(1) As used in this section:

(a) "Charter trust land council" means a council established by a charter school governing board under Section 53G-7-1205.

(b) "Council" means a school community council or a charter trust land council.

(c) "LAND trust plan" means a school's plan to use School LAND Trust Program money to implement a component of the school's success plan.

(d) "School community council" means a council established at a district school in accordance with Section 53G-7-1202.

(e) "Teacher and student success plan" or "success plan" means the same as that term is defined in Section 53G-7-1301.

(2) This section creates the School LAND (Learning And Nurturing Development) Trust Program under the state board to:

(a) provide financial resources to public schools to enhance or improve student academic achievement and implement a component of a district school or charter school's teacher and student success plan; and

## HB0483S02 compared with HB0483S04

- 556 (b) involve parents of a school's students in decision making regarding the expenditure of School  
LAND Trust Program money allocated to the school.
- 558 (3) To receive an allocation under Section 53F-2-404:
- 559 (a) a district school shall have established a school community council in accordance with Section  
53G-7-1202;
- 561 (b) a charter school shall have established a charter trust land council in accordance with Section  
53G-7-1205; and
- 563 (c) the school's principal shall provide a signed, written assurance that the school is in compliance with  
Subsection (3)(a) or (b).
- 565 (4)
- (a) A council shall create a program to use the school's allocation distributed under Section 53F-2-404  
to implement a component of the school's success plan, including:
- 567 (i) the school's identified most critical academic needs;
- 568 (ii) a recommended course of action to meet the identified academic needs;
- 569 (iii) a specific listing of any programs, practices, materials, or equipment that the school will need  
to implement a component of the school's success plan to have a direct impact on the instruction  
of students and result in measurable increased student performance; and
- 573 (iv) how the school intends to spend the school's allocation of funds under this section to enhance  
or improve academic excellence at the school.
- 575 (b)
- (i) A council shall create and vote to adopt a LAND trust plan in a meeting of the council at which a  
quorum is present.
- 577 (ii) If a majority of the quorum votes to adopt a LAND trust plan, the LAND trust plan is adopted.
- 579 (c) A council shall:
- 580 (i) post a LAND trust plan that is adopted in accordance with Subsection (4)(b) on the School LAND  
Trust Program website; and
- 582 (ii) include with the LAND trust plan a report noting the number of council members who voted for or  
against the approval of the LAND trust plan and the number of council members who were absent  
for the vote.
- 585 (d)
- (i) The local school board of a district school shall approve or disapprove a LAND trust plan.

## HB0483S02 compared with HB0483S04

- 587 (ii) If a local school board disapproves a LAND trust plan:
- 588 (A) the local school board shall provide a written explanation of why the LAND trust plan was  
disapproved and request the school community council who submitted the LAND trust plan to  
revise the LAND trust plan; and
- 591 (B) the school community council shall submit a revised LAND trust plan in response to a local school  
board's request under Subsection (4)(d)(ii)(A).
- 593 (iii) Once a LAND trust plan has been approved by a local school board, a school community council  
may amend the LAND trust plan, subject to a majority vote of the school community council and  
local school board approval.
- 596 (e) A charter trust land council's LAND trust plan is subject to approval by the:
- 597 (i) charter school governing board; and
- 598 (ii) budget officer whom the charter school governing board appoints.
- 599 (5)
- (a) A district school or charter school shall:
- 600 (i) implement the program as approved;
- 601 (ii) provide ongoing support for the council's program; and
- 602 (iii) meet state board reporting requirements regarding financial and performance accountability of  
the program.
- 604 (b)
- (i) A district school or charter school shall prepare and post an annual report of the program on the  
School LAND Trust Program website before the council submits a plan for the following year.
- 607 (ii) The report shall detail the use of program funds received by the school under this section and an  
assessment of the results obtained from the use of the funds.
- 609 (iii) A summary of the report shall be provided to parents of students who attend the school.
- 611 (6) An LEA shall record the LEA's expenditures of School LAND Trust Program funds through a  
financial reporting system that the board identifies to assist schools in developing the annual report  
described in Subsection (5)(b).
- 614 (7) The president or chair of a local school board or charter school governing board shall ensure that  
the members of the local school board or charter school governing board are provided with annual  
training on the requirements of this section.
- 617 (8)

## HB0483S02 compared with HB0483S04

(a) The state board shall provide training to the entities described in Subsection (8)(b) on:

(i) the School LAND Trust Program; and

(ii)

(A) a school community council; or

(B) a charter trust land council.

(b) The state board shall provide the training to:

(i) a local school board or a charter school governing board;

(ii) a school district or a charter school; and

(iii) a school community council.

(9) The state board shall annually review each school's compliance with applicable law, including rules adopted by the state board in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, by:

(a) reading each LAND trust plan submitted; and

(b) reviewing expenditures made from School LAND Trust Program money.

(10) The state board shall designate a staff member who administers the School LAND Trust Program[;]

~~[(a) to serve as a member of the Land Trusts Protection and Advocacy Committee created under Section 53D-2-202; and]~~

~~[(b) who may coordinate with the Land Trusts Protection and Advocacy Office director, appointed under Section 53D-2-203,]~~ to attend meetings or events within the School and Institutional Trust System, as defined in Section 53D-2-102, that relate to the School LAND Trust Program.

~~{Section 16. Section 67-4-1 is amended to read: }~~

### **67-4-1. Duties.**

(1) The state treasurer shall:

(a) receive and maintain custody of all state funds;

(b) unless otherwise provided by law, invest all funds delivered into the state treasurer's custody according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act;

(c) pay warrants drawn by the Division of Finance as they are presented;

(d) return each redeemed warrant to the Division of Finance for purposes of reconciliation, post-audit, and verification;

## HB0483S02 compared with HB0483S04

- (e) ensure that state warrants not presented to the state treasurer for payment within one year from the date of issue, or a shorter period if required by federal regulation or contract, are canceled and credited to the proper fund;
- 652 (f) account for all money received and disbursed;
- 653 (g) keep separate account of the different funds;
- 654 (h) keep safe all bonds, warrants, and securities delivered into his custody;
- 655 (i) at the request of either house of the Legislature, or of any legislative committee, give information in writing as to the condition of the treasury, or upon any subject relating to the duties of his office;
- 658 (j) keep the books open at all times for the inspection by the governor, the state auditor, or any member of the Legislature, or any committee appointed to examine them by either house of the Legislature;
- 661 (k) authenticate and validate documents when necessary;
- 662 (l) adopt a seal and file a description and an impression of it with the Division of Archives; and
- 664 (m) discharge the duties of a member of all official boards of which he is or may be made a member by the Constitution or laws of Utah[; ~~and~~] .
- 666 [~~(n) oversee and support the advocacy of the Land Trusts Protection and Advocacy Office, created in Title 53D, Chapter 2, Land Trusts Protection and Advocacy Office.~~]
- 668 (2) The state treasurer may prescribe the manner and method of receipt, deposit, or custody for any funds to be paid to, remitted to, or deposited with the state treasurer by:
- 670 (a) letter; or
- 671 (b) rule that the office of the state treasurer makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 673 (3) When necessary to perform his duties, the state treasurer may inspect the books, papers, and accounts of any state entity.
- 675 (4) The state treasurer may take temporary custody of public funds if ordered by a court to do so under Subsection 67-3-1(12).

### Section 7. **Effective date.**

This bill takes effect on July 1, 2025.

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