

1 **School and Institutional Trust Lands Administration Modifications**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: R. Neil Walter**

Senate Sponsor:

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3 **LONG TITLE**

4 **General Description:**

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

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines and modifies terms;
- 9 ▶ clarifies a primary beneficiary representative for a trust established in the Utah Enabling

10 Act;

11 ▶ requires the director of the School and Institutional Trust Lands Administration  
12 (administration) to complete a valuation of the administration's land portfolio every five  
13 years;

14 ▶ requires the director to report annually to the Legislature:

- 15 • the activities of the administration;
- 16 • an approximate valuation of the administration's land portfolio;
- 17 • an audited financial statement of the administration; and
- 18 • an account of the total amount of funds distributed by the administration;

19 ▶ provides the circumstances under which the state shall offer for sale trust lands subject to  
20 a lease;

21 ▶ repeals the Land Trusts Protection and Advocacy Office; and

22 ▶ makes technical and conforming changes.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **53C-1-103**, as last amended by Laws of Utah 2018, Chapter 448

30 **53C-1-203**, as last amended by Laws of Utah 2018, Chapters 415, 448

31 **53C-1-303**, as last amended by Laws of Utah 2012, Chapter 224  
 32 **53C-4-102**, as last amended by Laws of Utah 2018, Chapter 13  
 33 **53D-1-102**, as last amended by Laws of Utah 2019, Chapter 136  
 34 **53D-1-202**, as last amended by Laws of Utah 2018, Chapter 448  
 35 **53D-1-304**, as last amended by Laws of Utah 2021, Chapter 336  
 36 **53D-1-401**, as last amended by Laws of Utah 2018, Chapter 448  
 37 **53D-1-402**, as last amended by Laws of Utah 2018, Chapter 448  
 38 **53D-1-403**, as last amended by Laws of Utah 2018, Chapters 415, 448  
 39 **53D-1-501**, as last amended by Laws of Utah 2018, Chapter 448  
 40 **53D-1-502**, as last amended by Laws of Utah 2018, Chapter 448  
 41 **53G-7-1206**, as last amended by Laws of Utah 2024, Chapter 20  
 42 **67-4-1**, as last amended by Laws of Utah 2019, Chapter 434

43 ENACTS:

44 **53C-1-307**, Utah Code Annotated 1953

45 REPEALS:

46 **53D-1-101**, as last amended by Laws of Utah 2018, Chapter 448  
 47 **53D-2-101**, as enacted by Laws of Utah 2018, Chapter 448  
 48 **53D-2-102**, as enacted by Laws of Utah 2018, Chapter 448  
 49 **53D-2-201**, as last amended by Laws of Utah 2021, Chapter 336  
 50 **53D-2-202**, as enacted by Laws of Utah 2018, Chapter 448  
 51 **53D-2-203**, as last amended by Laws of Utah 2024, Chapters 20, 425  
 52 **53D-2-204**, as last amended by Laws of Utah 2019, Chapter 191

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

55 Section 1. Section **53C-1-103** is amended to read:

56 **53C-1-103 . Definitions.**

57 As used in this title:

- 58 (1) "Administration" means the School and Institutional Trust Lands Administration.  
 59 (2) "Board" or "board of trustees" means the School and Institutional Trust Lands Board of  
 60 Trustees.  
 61 (3) "Director" or "director of school and institutional trust lands" means the chief executive  
 62 officer of the School and Institutional Trust Lands Administration.  
 63 (4) "Mineral" includes oil, gas, and hydrocarbons.  
 64 (5) "Nominating committee" means the committee that nominates candidates for positions

65 and vacancies on the board.

66 (6) "Policies" means statements applying to the administration that broadly prescribe a  
67 future course of action and guiding principles.

68 [~~(7) "Primary beneficiary representative" means the the Land Trusts Protection and  
69 Advocacy Office, created in Section 53D-2-201, acting as representative on behalf of the  
70 following trusts:]~~

71 [~~(a) the trust established for common schools;~~

72 [~~(b) the trust established for schools for the blind; and]~~

73 [~~(c) the trust established for schools for the deaf.]~~

74 (7) "Primary beneficiary representative" means an individual who receives and requests  
75 information from the administration for a beneficiary of a trust established in Sections 7,  
76 8, and 12 of the Utah Enabling Act as follows:

77 (a) for common schools, the director of the School LAND Trust Program, created in  
78 Section 53G-7-1206, or the director's designee;

79 (b) for schools for the blind, the superintendent for the Utah Schools for the Deaf and  
80 the Blind, created in Section 53E-8-201, or the superintendent's designee;

81 (c) for schools for the deaf, the superintendent for the Utah Schools for the Deaf and the  
82 Blind, created in Section 53E-8-201, or the superintendent's designee;

83 (d) for an agricultural college, the president of Utah State University or the president's  
84 designee;

85 (e) for Utah State Hospital, the executive director of the Department of Health and  
86 Human Services, created in Section 26B-1-201, or the executive director's designee;

87 (f) for Miners' Hospital for Disabled Minors described in Section 53B-17-201, the  
88 president of the University of Utah or the president's designee;

89 (g) for normal schools described in Section 53C-3-105, the commissioner of the Utah  
90 System of Higher Education, appointed under Section 53B-1-408, or the  
91 commissioner's designee;

92 (h) for reform schools, the director of the Division of Juvenile Justice and Youth  
93 Services, created in Section 80-5-103, or the director's designee;

94 (i) for reservoirs, the director of the Division of Water Resources, created in Section  
95 73-10-18, or the director's designee;

96 (j) for a school of mines, the dean of the College of Mines and Earth Sciences, created in  
97 Section 53B-17-401, or the dean's designee;

98 (k) for the University of Utah, the president of the University of Utah or the president's

99 designee; and

100 (l) for public buildings, a designee of the State Capitol Preservation Board, created in  
 101 Section 63O-2-201.

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

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

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

108 Section 2. Section **53C-1-203** is amended to read:

109 **53C-1-203 . Board of trustees nominating committee -- Composition --**

110 **Responsibilities -- Per diem and expenses.**

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

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

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

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

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

126 [(B) ~~beginning on August 1, 2018,~~]

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

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

132 (iii) one individual from a nomination list of at least two names submitted by the

- 133 Utah Petroleum Association on or before the October 1 of the year preceding the  
134 vacancy on the nominating committee;
- 135 (iv) one individual from a nomination list of at least two names submitted by the  
136 Utah Mining Association on or before the October 1 of the year preceding the  
137 vacancy on the nominating committee; and
- 138 (v) one individual from a nomination list of at least two names submitted by the  
139 executive director of the Department of Natural Resources after consultation with  
140 statewide wildlife and conservation organizations on or before the October 1 of  
141 the year preceding the vacancy on the nominating committee.
- 142 (c) The president of the Utah Association of Counties shall designate the chair of [~~the~~  
143 ~~Public Lands Steering Committee~~] a steering committee related to public lands, who  
144 must be an elected county commissioner or councilor, to serve as the eleventh  
145 member of the nominating committee.
- 146 (3)(a) Except as required by [~~Subsections (3)(b) and (d)~~] Subsection (3)(b), each member  
147 shall serve a four-year term.
- 148 (b) The governor shall, at the time of appointment or reappointment, adjust the length of  
149 terms to ensure that the terms of committee members are staggered so that  
150 approximately half of the committee is appointed every two years.
- 151 (c) When a vacancy occurs in the membership for any reason, the replacement shall be  
152 appointed for the unexpired term.
- 153 [~~(d) The term of a member of the nominating committee who is appointed under~~  
154 ~~Subsection (2)(a)(i) or (2)(b)(i)(A) shall end on July 30, 2018.~~]
- 155 (4) The nominating committee shall select a chair and vice chair from its membership by  
156 majority vote.
- 157 (5)(a) The nominating committee shall nominate at least two candidates for each  
158 position or vacancy which occurs on the board of trustees except for the governor's  
159 appointee under Subsection 53C-1-202(5).
- 160 (b) The nominations shall be by majority vote of the committee.
- 161 (6) A member may not receive compensation or benefits for the member's service, but may  
162 receive per diem and travel expenses in accordance with:
- 163 (a) Section 63A-3-106;
- 164 (b) Section 63A-3-107; and
- 165 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
166 63A-3-107.

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

169 Section 3. Section **53C-1-303** is amended to read:

170 **53C-1-303 . Responsibilities of director -- Budget review -- Legal counsel --**  
 171 **Contract for services.**

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

- 174 (a) take an oath of office before assuming any duties as the director;
- 175 (b) adopt procedures and rules necessary for the proper administration of matters  
 176 entrusted to the director by state law and board policy;
- 177 (c) submit to the board for its review and concurrence on any rules necessary for the  
 178 proper management of matters entrusted to the administration;
- 179 (d) faithfully manage the administration under the policies established by the board;
- 180 (e) submit to the board for public inspection an annual management budget and financial  
 181 plan for operations of the administration and, after approval by the board, submit the  
 182 budget to the governor;
- 183 (f) direct and control the budget expenditures as finally authorized and appropriated;
- 184 (g) establish job descriptions and employ, within the limitation of the budget, staff  
 185 necessary to accomplish the purposes of the office subject to Section 53C-1-201;
- 186 (h) establish, in accordance with generally accepted principles of fund accounting, a  
 187 system to identify and account for the assets and vested interests of each beneficiary;
- 188 (i) complete an approximate valuation of the administration's entire land portfolio every  
 189 five years by estimating the value of no less than 10% of the administration's land  
 190 portfolio each year;
- 191 ~~[(i)]~~ (j) notify ~~[the]~~ a primary beneficiary representative ~~[representative's designee regarding the trusts~~  
 192 ~~listed in Subsection 53C-1-103(7)]~~ on major items that the director knows may be  
 193 useful to the primary beneficiary ~~[representative's designee]~~ representative in  
 194 protecting beneficiary rights;
- 195 ~~[(j)]~~ (k) permit ~~[the]~~ a primary beneficiary ~~[representative's designee regarding a trust~~  
 196 ~~listed in Subsection 53C-1-103(7)]~~ representative reasonable access to inspect  
 197 records, documents, and other trust property pertaining to that trust, provided that the  
 198 primary beneficiary ~~[representative's designee]~~ representative shall maintain  
 199 confidentiality if confidentiality is required of the director;
- 200 ~~[(k)]~~ (l) maintain appropriate records of trust activities to enable auditors appointed by

- 201 appropriate state agencies or the board to conduct periodic audits of trust activities;  
 202 ~~[(t)]~~ (m) provide that all leases, contracts, and agreements be submitted to legal counsel  
 203 for review of compliance with applicable law and fiduciary duties prior to execution  
 204 and utilize the services of the attorney general as provided in Section 53C-1-305;  
 205 ~~[(m)]~~ (n) keep the board, beneficiaries, governor, Legislature, and the public informed  
 206 about the work of the director and administration by:  
 207 (i) submitting an annual report described in Section 53C-1-307; and  
 208 (ii) reporting to the board in a public meeting at least once during each calendar  
 209 quarter; and  
 210 ~~[(n)]~~ (o) respond in writing within a reasonable time to a request by the board or ~~[the]~~ a  
 211 primary beneficiary ~~[representative's designee]~~ representative regarding a trust listed  
 212 in Subsection 53C-1-103(7) for responses to questions on policies and practices  
 213 affecting the management of the trust.
- 214 (2) The administration shall be the named party in substitution of the Division of State  
 215 Lands and Forestry or its predecessor agencies, with respect to all documents affecting  
 216 trust lands from the effective date of this act.
- 217 (3) The director may:
- 218 (a) with the consent of the state risk manager and the board, manage lands or interests in  
 219 lands held by any other public or private party pursuant to policies established by the  
 220 board and may make rules to implement these board policies;
- 221 (b) sue or be sued as the director of school and institutional trust lands;
- 222 (c) contract with other public agencies for personnel management services;
- 223 (d) contract with any public or private entity to make improvements to or upon trust  
 224 lands and to carry out any of the responsibilities of the office, so long as the contract  
 225 requires strict adherence to trust management principles, applicable law and  
 226 regulation, and is subject to immediate suspension or termination for cause; and
- 227 (e) with the approval of the board enter into joint ventures and other business  
 228 arrangements consistent with the purposes of the trust.
- 229 (4) Any application or bid required for the lease, permitting, or sale of lands in a  
 230 competitive process or any request for review pursuant to Section 53C-1-304 shall be  
 231 considered filed or made on the date received by the appropriate administrative office,  
 232 whether transmitted by United States mail or in any other manner.

233 Section 4. Section **53C-1-307** is enacted to read:

234 **53C-1-307 . Annual report.**

- 235 (1) At the end of each fiscal year, the director shall publish an annual report of the  
 236 administration's activities for the preceding fiscal year.
- 237 (2) The report described in Subsection (1) shall contain:
- 238 (a) an account of the administration's activities for the preceding fiscal year;  
 239 (b) financial statements of the administration that are audited by the state auditor or an  
 240 independent auditor engaged by the state auditor in accordance with Subsection  
 241 67-3-1(3);
- 242 (c) by no later than June 30, 2029, and annually thereafter, the most recent approximate  
 243 valuation of the administration's land portfolio as required in Subsection  
 244 53C-1-303(1)(i); and
- 245 (d) an account of the total amount of funds distributed by the administration to the  
 246 School and Institutional Trust Fund Office in accordance with Subsection  
 247 53C-3-102(1).

248 Section 5. Section **53C-4-102** is amended to read:

249 **53C-4-102 . Sale of trust lands -- Fair market value -- Determination of sale --**  
 250 **Advertising proposed sales -- Sale procedures -- Defaults.**

- 251 (1) Trust lands may not be sold for less than the fair market value.
- 252 (2)(a) The director shall determine whether disposal or retention of all or a portion of a  
 253 property interest in trust lands is in the best interest of the trust.
- 254 (b) When it is determined that the disposal of an interest in trust lands is in the best  
 255 interest of the applicable trust, the transaction shall be accomplished in an orderly  
 256 and timely manner.
- 257 (3) The director shall advertise any proposed sale, lease, or exchange of an interest in trust  
 258 lands in a reasonable manner consistent with the director's fiduciary responsibilities.
- 259 (4)(a) Any tract of trust land may be subdivided and sold, leased, or exchanged in  
 260 accordance with a plan, contract, or other action designating the land to be  
 261 subdivided that is approved by the director.
- 262 (b) The director may survey the tract and direct its subdivision.
- 263 (c) A plat of the survey shall be filed with the county recorder of the county in which the  
 264 land is located and with the administration.
- 265 (5) Sale conditions, including qualification of prospective purchasers, shall be in  
 266 accordance with accepted mortgage lending and real estate practices.
- 267 (6) Upon the sale of land, the director shall issue to the purchaser a certificate of sale which  
 268 describes the land purchased and states the amount paid, the amount due, and the time



- 269 when the principal and interest will become due.
- 270 (7) Upon payment in full of principal and interest, payment in full of any amounts required  
 271 to be paid for the partial release of property, or acceptance of appropriate conveyance  
 272 documents in satisfaction of a land exchange, the governor, or the governor's designee,  
 273 shall issue a patent to the purchaser, heir, assignee, successor in interest, or other grantee  
 274 as determined by the director.
- 275 (8)(a) If a purchaser of trust lands defaults in the payment of any installment of principal  
 276 or interest due under the terms of the contract of sale, the director shall notify the  
 277 purchaser that if the default is not corrected within 30 days after issuance of the  
 278 notice the director shall proceed with any remedy which the administration may  
 279 pursue under law or the contract of sale.
- 280 (b) The notice shall be sent by registered or certified mail to the purchaser at the latest  
 281 address as shown by the records of the administration.
- 282 (c) If the default is not corrected by compliance with the requirements of the notice of  
 283 default within the time provided by the notice, the director may pursue any available  
 284 remedy under the contract of sale, including forfeiture.
- 285 (d) If forfeited lands are sold again to the same purchaser, the sale may be made by a  
 286 new and independent contract without regard to the forfeited agreement.
- 287 (9) The director shall offer for sale any trust lands subject to a valid lease agreement or  
 288 permit to the owner of the lease or permit if:
- 289 (a) the director approves the sale of the trust lands;  
 290 (b) the owner of the lease or permit agrees to pay fair market value, which may not  
 291 exceed an amount equal to the highest credible offer received for the trust lands;  
 292 (c) the owner of the lease or permit has held the lease or permit for at least 25  
 293 consecutive years;  
 294 (d) the trust lands are not greater than 640 acres; and  
 295 (e) the trust lands do not have an authorized point of public access.

296 Section 6. Section **53D-1-102** is amended to read:

297 **53D-1-102 . Definitions.**

298 As used in this chapter:

- 299 (1) "Account" means the School and Institutional Trust Fund Management Account, created  
 300 in Section 53D-1-203.
- 301 [~~(2) "Advocacy office director" means the director of the Land Trusts Protection and~~  
 302 ~~Advocacy Office, appointed under Section 53D-2-203.]~~

- 303 [(3)] (2) "Beneficiaries":
- 304 (a) means those for whose benefit the trust fund is managed and preserved, consistent  
305 with the enabling act, the Utah Constitution, and state law; and
- 306 (b) does not include other government institutions or agencies, the public at large, or the  
307 general welfare of the state.
- 308 [(4)] (3) "Board" means the board of trustees established in Section 53D-1-301.
- 309 [(5)] (4) "Director" means the director of the office.
- 310 [(6)] (5) "Enabling act" means the act of Congress, dated July 16, 1894, enabling the people  
311 of Utah to form a constitution and state government and to be admitted into the Union.
- 312 [(7) "~~Land Trusts Protection and Advocacy Office~~" or "~~advocacy office~~" means the ~~Land~~  
313 ~~Trusts Protection and Advocacy Office~~ created in Section 53D-2-201.]
- 314 [(8)] (6) "Nominating committee" means the committee established under Section  
315 53D-1-501.
- 316 [(9)] (7) "Office" means the School and Institutional Trust Fund Office, created in Section  
317 53D-1-201.
- 318 [(10)] (8) "Trust fund" means money derived from:
- 319 (a) the sale or use of land granted to the state under Sections 6, 8, and 12 of the enabling  
320 act;
- 321 (b) proceeds referred to in Section 9 of the enabling act from the sale of public land; and
- 322 (c) revenue and assets referred to in Utah Constitution, Article X, Section 5, Subsections  
323 (1)(c), (e), and (f).
- 324 Section 7. Section **53D-1-202** is amended to read:
- 325 **53D-1-202 . Access to office records and personnel.**
- 326 (1) The office shall provide board members [~~and the advocacy office director~~]access to all  
327 office records and personnel as necessary for board members [~~and the advocacy office~~  
328 ~~director to fulfill their responsibilities~~]to ensure that the office is in full compliance with  
329 applicable law and policies.
- 330 (2) If the director requires, board members [~~and the advocacy office director~~]shall maintain  
331 confidentiality of information [~~they~~] that the board members obtain from office records  
332 and personnel.
- 333 Section 8. Section **53D-1-304** is amended to read:
- 334 **53D-1-304 . Board meetings -- Closed meetings.**
- 335 (1) The board shall hold at least four meetings per year to conduct business.
- 336 (2) The board chair or two board members:

- 337 (a) may call a board meeting; and
- 338 (b) if calling a board meeting, shall provide as much advance notice as is reasonable
- 339 under the circumstances to all board members~~[, the director, and the advocacy office~~
- 340 ~~director.]~~ and the director.
- 341 (3) Any board member may place an item on a board meeting agenda.
- 342 (4) The board shall adopt a set of parliamentary procedures to govern board meetings.
- 343 (5) The board may establish an attendance policy to govern the attendance of board
- 344 members at board meetings.
- 345 (6)(a) Notwithstanding Subsection 52-4-204(2) or 52-4-205(1), and in addition to the
- 346 reasons to close a meeting described in Section 52-4-205, the board may hold a
- 347 closed meeting to discuss the sale or purchase of identifiable securities, investment
- 348 funds, or investment contracts if:
- 349 (i) the board, the director, or the office has entered into a confidentiality agreement
- 350 related to the identifiable securities, investment funds, or investment contracts; and
- 351 (ii) two-thirds of the members present when a quorum is present vote to close the
- 352 meeting for the purpose described in this Subsection (6)(a).
- 353 (b) If the board closes a meeting in accordance with Subsection (6)(a), the board shall
- 354 comply with the requirements for closed meetings described in Title 52, Chapter 4,
- 355 Open and Public Meetings Act.
- 356 Section 9. Section **53D-1-401** is amended to read:
- 357 **53D-1-401 . Appointment of director -- Qualifications -- Removal by board.**
- 358 (1) The office shall be managed by a director.
- 359 (2) If there is a vacancy in the director position, the board shall appoint an individual as
- 360 director.
- 361 (3) The board shall ensure that an individual appointed as director possesses:
- 362 (a) outstanding professional qualifications pertinent to the prudent investment of trust
- 363 fund money; and
- 364 (b) expertise in institutional investment management.
- 365 (4) The director is an at-will employee who may be removed by the board at any time with
- 366 or without cause.
- 367 ~~[(5)(a) The advocacy office director may submit a written petition to the board~~
- 368 ~~requesting the board to remove the director for cause, explained in the petition.]~~
- 369 ~~[(b) The board shall hold a hearing on a petition under Subsection (5)(a) within 45 days~~
- 370 ~~after receiving the petition.]~~

371 [~~(e) If, after holding a hearing, the board finds by a preponderance of the evidence that~~  
372 ~~there is cause for removing the director, the board shall remove the director.~~]

373 Section 10. Section **53D-1-402** is amended to read:

374 **53D-1-402 . Director duties and responsibilities.**

375 (1) The director has broad authority to manage the office to fulfill its purposes, consistent  
376 with the enabling act, the Utah Constitution, state law, and board policies.

377 (2) The director shall:

378 (a) before assuming the duties of director, take an oath that includes the following:

379 "I solemnly swear to carry out my duties as director of the School and Institutional Trust  
380 Fund Office with undivided loyalty to the beneficiaries of the trust fund managed by the office,  
381 to the best of my abilities and consistent with the law.";

382 (b) carry out the policies of the board;

383 (c) act with undivided loyalty to those entitled to the benefit of income from the trust  
384 fund, consistent with the director's fiduciary duties and responsibilities;

385 (d) follow the prudent investor rule, prudently seeking to obtain the optimum return  
386 from the investment of trust fund money and assets, balancing short-term and  
387 long-term interests under the principle of intergenerational equity;

388 (e) exercise full discretionary authority to manage, maintain, transfer, or sell assets of  
389 the trust fund in the manner that the director determines to be most favorable to  
390 beneficiaries;

391 (f) maintain the integrity of the trust fund and prevent, through prudent management, the  
392 misapplication of trust fund money;

393 (g) adopt rules, as provided in Subsection 53D-1-103(4), that are necessary for the  
394 proper exercise of the director's duties under this chapter and policies established by  
395 the board;

396 (h) faithfully manage the office under policies established by the board;

397 (i) annually submit to the board:

398 (i) an office budget; and

399 (ii) a financial plan for operations of the office;

400 (j) after board approval of the office budget, submit the budget to the governor and the  
401 Legislature;

402 (k) direct and control budget expenditures;

403 (l) establish job descriptions and, within budgetary constraints, employ staff necessary to  
404 accomplish the purposes of the office;

- 405 (m) in accordance with generally accepted principles of fund accounting, establish a  
 406 system to identify and account for the trust fund assets;  
 407 ~~[(n) notify the advocacy office director of major items that the director knows may be  
 408 useful to the advocacy office director in protecting the rights of beneficiaries;]~~  
 409 ~~[(o) (n) maintain appropriate records of trust fund activities to enable auditors to conduct  
 410 periodic audits; and]~~  
 411 ~~[(p) respond in writing within a reasonable time to a request by the advocacy office  
 412 director for information on policies and practices affecting the management of the  
 413 trust fund; and]~~  
 414 ~~[(q) (o) respond to a question that the board submits under Subsection 53D-1-303(4)(b)  
 415 within a reasonable time after receiving the question.~~

416 (3) The office may:

- 417 (a) sue or be sued; and  
 418 (b) contract with other public agencies for personnel management services.

419 Section 11. Section **53D-1-403** is amended to read:

420 **53D-1-403 . Reports.**

- 421 (1) At least annually, the director shall report in person to the Legislative Management  
 422 Committee~~[, the governor, and the advocacy office,]~~ and the governor concerning the  
 423 office's investments, performance, estimated distributions, and other activities.  
 424 (2) The director shall report to the board concerning the work of the director and the  
 425 investment activities and other activities of the office:  
 426 (a) in a public meeting at least six times per year; and  
 427 (b) as otherwise requested by the board.  
 428 (3)(a) Before November 1 of each year, the director shall:  
 429 (i) submit a written report to school community councils, created under Section  
 430 53G-7-1202, and charter trust land councils, established under Section 53G-7-1205,  
 431 concerning the office's investments, performance, estimated distributions, and  
 432 other activities; and  
 433 (ii) post the written report described in Subsection (3)(a)(i) on the office's website.  
 434 (b) A report under Subsection (3)(a) shall be prepared in simple language designed to be  
 435 understood by the general public.  
 436 (4) The director shall provide to the board:  
 437 (a) monthly written reports on the activities of the office;  
 438 (b) quarterly financial reports; and

- 439 (c) any other report requested by the board.
- 440 [~~(5) The director shall:~~]
- 441 [~~(a) invite the advocacy office director to attend any meeting at which the director gives~~
- 442 ~~a report under this section; and]~~
- 443 [~~(b) provide the advocacy office director:~~]
- 444 [~~(i) a copy of any written report prepared under this section; and]~~
- 445 [~~(ii) any other report requested by the advocacy office director.]~~]

446 Section 12. Section **53D-1-501** is amended to read:

447 **53D-1-501 . Nominating committee -- Membership -- Terms -- Vacancies --**  
 448 **Compensation.**

- 449 (1) There is established a School and Institutional Trust Fund Nominating Committee.
- 450 (2) The nominating committee consists of:
- 451 (a) [~~four~~] five members, appointed by the state treasurer [~~upon recommendation by the~~
- 452 ~~advocacy office director~~], each of whom is a member of a respected professional
- 453 investment organization;
- 454 (b) the chief investment officer of the University of Utah endowment; and
- 455 (c) the chief investment officer of the Utah State University endowment [~~; and~~] .
- 456 [~~(d) the advocacy office director.]~~
- 457 (3) An individual appointed as a member of the nominating committee under Subsection
- 458 (2)(a) shall be appointed based on the individual's expertise in:
- 459 (a) investment finance;
- 460 (b) institutional asset management;
- 461 (c) trust administration; or
- 462 (d) the practice of law in the areas of capital markets, securities law, trusts, foundations,
- 463 endowments, investment finance, institutional asset management, or trust
- 464 administration.
- 465 (4) The term of a member appointed under Subsection (2)(a) is four years.
- 466 (5) A nominating committee member shall serve until a successor is appointed and
- 467 qualified.
- 468 (6)(a) If a member appointed under Subsection (2)(a) leaves office, the vacancy shall be
- 469 filled in the same manner as the initial appointment under Subsection (2)(a).
- 470 (b) An individual appointed to fill a vacancy under Subsection (6)(a) serves the
- 471 remainder of the unexpired term.
- 472 (7) A member of the nominating committee may not receive compensation or benefits for

473 the member's service, but may receive per diem and travel expenses in accordance with:

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

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

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

477 63A-3-107.

478 Section 13. Section **53D-1-502** is amended to read:

479 **53D-1-502 . Chair and vice chair -- Quorum and voting requirements -- Bylaws --**

480 **Staff.**

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

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

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

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

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

488 Section 14. Section **53G-7-1206** is amended to read:

489 **53G-7-1206 . School LAND Trust Program.**

490 (1) As used in this section:

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

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

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

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

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

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

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

505 (b) involve parents of a school's students in decision making regarding the expenditure  
506 of School LAND Trust Program money allocated to the school.

- 507 (3) To receive an allocation under Section 53F-2-404:
- 508 (a) a district school shall have established a school community council in accordance  
509 with Section 53G-7-1202;
- 510 (b) a charter school shall have established a charter trust land council in accordance with  
511 Section 53G-7-1205; and
- 512 (c) the school's principal shall provide a signed, written assurance that the school is in  
513 compliance with Subsection (3)(a) or (b).
- 514 (4)(a) A council shall create a program to use the school's allocation distributed under  
515 Section 53F-2-404 to implement a component of the school's success plan, including:
- 516 (i) the school's identified most critical academic needs;
- 517 (ii) a recommended course of action to meet the identified academic needs;
- 518 (iii) a specific listing of any programs, practices, materials, or equipment that the  
519 school will need to implement a component of the school's success plan to have a  
520 direct impact on the instruction of students and result in measurable increased  
521 student performance; and
- 522 (iv) how the school intends to spend the school's allocation of funds under this  
523 section to enhance or improve academic excellence at the school.
- 524 (b)(i) A council shall create and vote to adopt a LAND trust plan in a meeting of the  
525 council at which a quorum is present.
- 526 (ii) If a majority of the quorum votes to adopt a LAND trust plan, the LAND trust  
527 plan is adopted.
- 528 (c) A council shall:
- 529 (i) post a LAND trust plan that is adopted in accordance with Subsection (4)(b) on  
530 the School LAND Trust Program website; and
- 531 (ii) include with the LAND trust plan a report noting the number of council members  
532 who voted for or against the approval of the LAND trust plan and the number of  
533 council members who were absent for the vote.
- 534 (d)(i) The local school board of a district school shall approve or disapprove a LAND  
535 trust plan.
- 536 (ii) If a local school board disapproves a LAND trust plan:
- 537 (A) the local school board shall provide a written explanation of why the LAND  
538 trust plan was disapproved and request the school community council who  
539 submitted the LAND trust plan to revise the LAND trust plan; and
- 540 (B) the school community council shall submit a revised LAND trust plan in



- 541 response to a local school board's request under Subsection (4)(d)(ii)(A).
- 542 (iii) Once a LAND trust plan has been approved by a local school board, a school  
543 community council may amend the LAND trust plan, subject to a majority vote of  
544 the school community council and local school board approval.
- 545 (e) A charter trust land council's LAND trust plan is subject to approval by the:
- 546 (i) charter school governing board; and  
547 (ii) budget officer whom the charter school governing board appoints.
- 548 (5)(a) A district school or charter school shall:
- 549 (i) implement the program as approved;  
550 (ii) provide ongoing support for the council's program; and  
551 (iii) meet state board reporting requirements regarding financial and performance  
552 accountability of the program.
- 553 (b)(i) A district school or charter school shall prepare and post an annual report of the  
554 program on the School LAND Trust Program website before the council submits a  
555 plan for the following year.
- 556 (ii) The report shall detail the use of program funds received by the school under this  
557 section and an assessment of the results obtained from the use of the funds.
- 558 (iii) A summary of the report shall be provided to parents of students who attend the  
559 school.
- 560 (6) An LEA shall record the LEA's expenditures of School LAND Trust Program funds  
561 through a financial reporting system that the board identifies to assist schools in  
562 developing the annual report described in Subsection (5)(b).
- 563 (7) The president or chair of a local school board or charter school governing board shall  
564 ensure that the members of the local school board or charter school governing board are  
565 provided with annual training on the requirements of this section.
- 566 (8)(a) The state board shall provide training to the entities described in Subsection (8)(b)  
567 on:
- 568 (i) the School LAND Trust Program; and  
569 (ii)(A) a school community council; or  
570 (B) a charter trust land council.
- 571 (b) The state board shall provide the training to:
- 572 (i) a local school board or a charter school governing board;  
573 (ii) a school district or a charter school; and  
574 (iii) a school community council.

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

578 (a) reading each LAND trust plan submitted; and

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

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

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

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

588 Section 15. Section **67-4-1** is amended to read:

589 **67-4-1 . Duties.**

590 (1) The state treasurer shall:

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

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

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

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

598 (e) ensure that state warrants not presented to the state treasurer for payment within one  
 599 year from the date of issue, or a shorter period if required by federal regulation or  
 600 contract, are canceled and credited to the proper fund;

601 (f) account for all money received and disbursed;

602 (g) keep separate account of the different funds;

603 (h) keep safe all bonds, warrants, and securities delivered into his custody;

604 (i) at the request of either house of the Legislature, or of any legislative committee, give  
 605 information in writing as to the condition of the treasury, or upon any subject relating  
 606 to the duties of his office;

607 (j) keep the books open at all times for the inspection by the governor, the state auditor,  
 608 or any member of the Legislature, or any committee appointed to examine them by

- 609 either house of the Legislature;
- 610 (k) authenticate and validate documents when necessary;
- 611 (l) adopt a seal and file a description and an impression of it with the Division of
- 612 Archives; and
- 613 (m) discharge the duties of a member of all official boards of which he is or may be
- 614 made a member by the Constitution or laws of Utah[~~;~~ and] .
- 615 [~~(n) oversee and support the advocacy of the Land Trusts Protection and Advocacy~~
- 616 ~~Office, created in Title 53D, Chapter 2, Land Trusts Protection and Advocacy Office.]~~
- 617 (2) The state treasurer may prescribe the manner and method of receipt, deposit, or custody
- 618 for any funds to be paid to, remitted to, or deposited with the state treasurer by:
- 619 (a) letter; or
- 620 (b) rule that the office of the state treasurer makes in accordance with Title 63G, Chapter
- 621 3, Utah Administrative Rulemaking Act.
- 622 (3) When necessary to perform his duties, the state treasurer may inspect the books, papers,
- 623 and accounts of any state entity.
- 624 (4) The state treasurer may take temporary custody of public funds if ordered by a court to
- 625 do so under Subsection 67-3-1(12).

626 Section 16. **Repealer.**

627 This bill repeals:

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

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

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

631 Section **53D-2-201, Land Trusts Protection and Advocacy Office -- State treasurer**

632 **oversight and rulemaking -- Advocacy office duties -- Applicability of Government Access**

633 **and Records Management Act.**

634 Section **53D-2-202, Land Trusts Protection and Advocacy Committee -- Duties --**

635 **Governance.**

636 Section **53D-2-203, Land Trusts Protection and Advocacy Office director --**

637 **Appointment -- Removal -- Power and duties.**

638 Section **53D-2-204, Land Trusts Protection and Advocacy Account -- Funding of**

639 **advocacy office operations.**

640 Section 17. **Effective Date.**

641 This bill takes effect on July 1, 2025.