

1 **Land Trusts Protection and Advocacy Office Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor: Jefferson S. Burton

3 **LONG TITLE**

4 **General Description:**

5 This bill clarifies the Land Trusts Protection and Advocacy Office's role and implements
6 distribution accountability requirements for non-public education trust beneficiaries.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ defines terms;
- 10 ▶ clarifies the authority and purpose of the advocacy office as the primary representative of
11 the trust beneficiaries;
- 12 ▶ refines the duties of the advocacy office director;
- 13 ▶ defines accountability requirements for use of trust distributions in response to a
14 legislative audit;
- 15 ▶ updates the composition of the nominating committees for the trustee boards; and
- 16 ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **53C-1-103**, as last amended by Laws of Utah 2018, Chapter 448

24 **53C-1-203**, as last amended by Laws of Utah 2018, Chapters 415, 448

25 **53C-1-301**, as last amended by Laws of Utah 2025, Chapter 302

26 **53C-1-303**, as last amended by Laws of Utah 2025, Chapter 496

27 **53D-1-102**, as last amended by Laws of Utah 2019, Chapter 136

28 **53D-1-303**, as last amended by Laws of Utah 2018, Chapter 200
 29 **53D-1-401**, as last amended by Laws of Utah 2018, Chapter 448
 30 **53D-1-403**, as last amended by Laws of Utah 2018, Chapters 415, 448
 31 **53D-1-501**, as last amended by Laws of Utah 2018, Chapter 448
 32 **53D-2-102**, as enacted by Laws of Utah 2018, Chapter 448
 33 **53F-9-201**, as last amended by Laws of Utah 2024, Chapter 268
 34 **53G-7-1206**, as last amended by Laws of Utah 2025, Chapter 424

ENACTS:

36 **53D-2-301**, Utah Code Annotated 1953
 37 **53D-2-302**, Utah Code Annotated 1953
 38 **53D-2-303**, Utah Code Annotated 1953
 39 **53D-2-304**, Utah Code Annotated 1953
 40 **53D-2-401**, Utah Code Annotated 1953
 41 **53D-2-402**, Utah Code Annotated 1953
 42 **53D-2-501**, Utah Code Annotated 1953

REPEALS AND REENACTS:

44 **53D-2-201**, as last amended by Laws of Utah 2021, Chapter 336
 45 **53D-2-202**, as enacted by Laws of Utah 2018, Chapter 448

RENUMBERS AND AMENDS:

47 **53D-2-601**, (Renumbered from 53D-2-204, as last amended by Laws of Utah 2019,
 48 Chapter 191)

REPEALS:

50 **53D-2-203**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

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

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

54 **53C-1-103 . Definitions.**

55 As used in this title:

- 56 (1) "Administration" means the School and Institutional Trust Lands Administration.
 57 (2) "Advocacy office" means the School and Institutional Trust Beneficiaries' Advocacy
 58 Office, created in Section 53D-2-201.
 59 [(2)] (3) "Board" or "board of trustees" means the School and Institutional Trust Lands
 60 Board of Trustees.
 61 [(3)] (4) "Director" or "director of school and institutional trust lands" means the chief

- 62 executive officer of the School and Institutional Trust Lands Administration.
- 63 [(4)] (5) "Mineral" includes oil, gas, and hydrocarbons.
- 64 [(5)] (6) "Nominating committee" means the committee that nominates candidates for
65 positions and vacancies on the board.
- 66 [(6)] (7) "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 (8) "School and institutional trust lands" or "trust lands" means those properties [~~granted by~~]
75 the United States grants in the Utah Enabling Act to the state and placed in trust under
76 Utah Constitution, Article XX, Section 2, and other lands transferred to the trust, which [
77 must] shall be managed for the [~~benefit of:~~] beneficiaries listed in Subsection
78 53D-2-201(2).
- 79 [(a) the state's public education system; or]
80 [(b) the institutions of the state which are designated by the Utah Enabling Act as
81 beneficiaries of trust lands.]
- 82 Section 2. Section **53C-1-203** is amended to read:
- 83 **53C-1-203 . Board of trustees nominating committee -- Composition --**
84 **Responsibilities -- Per diem and expenses.**
- 85 (1) There is established [~~an 11-~~] a nine-member board of trustees nominating committee.
- 86 [(2)(a)(i) Through July 30, 2018, the State Board of Education shall appoint five
87 members to the nominating committee from different geographical areas of the
88 state.]
- 89 [(ii) Beginning on August 1, 2018, the five members of the Land Trusts Protection
90 and Advocacy Committee, created in Section 53D-2-202, shall serve on the
91 nominating committee.]
- 92 [(b) The governor shall appoint five members to the nominating committee on or before
93 the December 1 of the year preceding the vacancy on the nominating committee as
94 follows:]
- 95 [(i)(A) through July 30, 2018, one individual from a nomination list of at least

- 96 two names of individuals knowledgeable about institutional trust lands
 97 submitted on or before the October 1 of the year preceding the vacancy on the
 98 nominating committee by the University of Utah and Utah State University on
 99 an alternating basis every four years; and]
 100 [(B) beginning on August 1, 2018, one individual who is knowledgeable about
 101 real estate development;]
 102 [(ii) one individual from a nomination list of at least two names submitted by the
 103 Utah Farm Bureau in consultation with the Utah Cattleman's Association and the
 104 Utah Wool Growers' Association on or before the October 1 of the year preceding
 105 the vacancy on the nominating committee;]
 106 [(iii) one individual from a nomination list of at least two names submitted by the
 107 Utah Petroleum Association on or before the October 1 of the year preceding the
 108 vacancy on the nominating committee;]
 109 [(iv) one individual from a nomination list of at least two names submitted by the
 110 Utah Mining Association on or before the October 1 of the year preceding the
 111 vacancy on the nominating committee; and]
 112 [(v) one individual from a nomination list of at least two names submitted by the
 113 executive director of the Department of Natural Resources after consultation with
 114 statewide wildlife and conservation organizations on or before the October 1 of
 115 the year preceding the vacancy on the nominating committee.]
 116 [(e) The president of the Utah Association of Counties shall designate the chair of the
 117 Public Lands Steering Committee, who must be an elected county commissioner or
 118 councilor, to serve as the eleventh member of the nominating committee.]
 119 (2)(a) The council chair of the School and Institutional Trust Beneficiaries' Advocacy
 120 Council, created in Section 53D-2-303, shall appoint three members to serve on the
 121 nominating committee contingent on the member's council membership.
 122 (b) The governor shall appoint five members to the nominating committee on or before
 123 the December 1 of the year preceding the vacancy on the nominating committee as
 124 follows:
 125 (i) one individual who is knowledgeable about real estate development from a
 126 nomination the Governor's Office of Economic Opportunity submits on or before
 127 the October 1 of the year preceding the vacancy on the nominating committee;
 128 (ii) one individual from a nomination the Utah Farm Bureau submits in consultation
 129 with the Utah Cattlemen's Association and the Utah Wool Growers Association on

- 130 or before the October 1 of the year preceding the vacancy on the nominating
131 committee;
- 132 (iii) one individual from a nomination the Utah Petroleum Association submits on or
133 before the October 1 of the year preceding the vacancy on the nominating
134 committee;
- 135 (iv) one individual from a nomination the Utah Mining Association submits on or
136 before the October 1 of the year preceding the vacancy on the nominating
137 committee; and
- 138 (v) one individual from a nomination the executive director of the Department of
139 Natural Resources submits after consultation with statewide wildlife and
140 conservation organizations on or before the October 1 of the year preceding the
141 vacancy on the nominating committee.
- 142 (c) If the governor rejects a nomination under this section, notwithstanding the October
143 1 deadline described in Subsection (2)(b), the affected nominating organization shall
144 make a new submission.
- 145 (d) The president of the Utah Association of Counties shall designate the chair of the
146 Public Lands Steering Committee, who shall be an elected county commissioner or
147 councilor, to serve as the ninth member of the nominating committee.
- 148 (3)(a) Except as required by [~~Subsections~~] Subsection (3)(b)[~~and (d)~~], each member
149 shall serve a four-year term.
- 150 (b) The governor shall, at the time of appointment or reappointment, adjust the length of
151 terms to ensure that the terms of committee members the governor appoints are
152 staggered so that approximately half of the committee is appointed every two years.
- 153 (c) When a vacancy occurs in the membership for any reason, the replacement shall be
154 appointed for the unexpired term.
- 155 [~~(d) The term of a member of the nominating committee who is appointed under~~
156 ~~Subsection (2)(a)(i) or (2)(b)(i)(A) shall end on July 30, 2018.~~]
- 157 (4) The nominating committee shall select a chair and vice chair from [its] the nominating
158 committee's membership by majority vote.
- 159 (5)(a) The nominating committee shall nominate at least two candidates for each
160 position or vacancy which occurs on the board of trustees except for the governor's
161 appointee under Subsection 53C-1-202(5).
- 162 (b) The nominations shall be by majority vote of the committee.
- 163 (6) A member may not receive compensation or benefits for the member's service, but may

- 164 receive per diem and travel expenses in accordance with:
- 165 (a) Section 63A-3-106;
- 166 (b) Section 63A-3-107; and
- 167 (c) rules~~[-made-by-]~~ the Division of Finance ~~[pursuant to]~~ makes in accordance with
- 168 Sections 63A-3-106 and 63A-3-107.
- 169 (7) The ~~[Land Trusts Protection and Advocacy Office]~~ advocacy office, created in Section
- 170 53D-2-201, shall provide staff support to the nominating committee.
- 171 (8) The nominating committee shall, by a majority vote, establish, amend, and publish
- 172 guidelines consistent with this section to govern the nominating process.
- 173 Section 3. Section **53C-1-301** is amended to read:
- 174 **53C-1-301 . Director -- Term -- Compensation -- Removal from office.**
- 175 (1)(a) The board, with the consent of the governor, shall select the director on the basis
- 176 of outstanding professional qualifications pertinent to the purposes and activities of
- 177 the trust.
- 178 (b) If the governor withholds consent from a candidate agreed upon by the board, the
- 179 governor shall give reasons in writing to the board.
- 180 (2) The director shall serve a term of four years, or until a successor is selected and
- 181 qualified.
- 182 (3) When a vacancy occurs in the office of the director, the vacancy shall be filled ~~[pursuant~~
- 183 ~~to]~~ in accordance with Subsection (1) for the remainder of the term.
- 184 (4)(a) The board:
- 185 (i) shall establish the compensation of the director; and
- 186 (ii) annually report the director's compensation to the Legislature.
- 187 (b) The compensation and performance of the director shall be examined each year as
- 188 part of the board's budget review process which may include responses from
- 189 interested parties, the director of the advocacy office, and the director of the School
- 190 and Institutional Trust Fund Office.
- 191 (5)(a) The board may remove the director from office for cause by a majority vote of the
- 192 board.
- 193 (b)(i) The governor may petition the board for removal of the director for cause.
- 194 (ii) The board shall hold a hearing on the governor's petition within 60 days after ~~[its]~~
- 195 the petition's receipt.
- 196 (iii) If after the hearing the board finds by a preponderance of the evidence cause for
- 197 removal, it shall remove the director from office by a majority vote.

198 Section 4. Section **53C-1-303** is amended to read:

199 **53C-1-303 . Responsibilities of director -- Budget review -- Legal counsel --**

200 **Contract for services.**

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

- 203 (a) take an oath of office before assuming any duties as the director;
- 204 (b) adopt procedures and rules necessary for the proper administration of matters
205 entrusted to the director by state law and board policy;
- 206 (c) submit to the board for ~~[its]~~ the board's review and concurrence on any rules
207 necessary for the proper management of matters entrusted to the administration;
- 208 (d) faithfully manage the administration under the policies ~~[established by the board]~~ the
209 board establishes;
- 210 (e) submit to the board for public inspection an annual management budget and financial
211 plan for operations of the administration and, after approval by the board, submit the
212 budget to the governor;
- 213 (f) direct and control the budget expenditures as finally authorized and appropriated;
- 214 (g) establish job descriptions and employ, within the limitation of the budget, staff
215 necessary to accomplish the purposes of the office subject to Section 53C-1-201;
- 216 (h) establish, in accordance with generally accepted principles of fund accounting, a
217 system to identify and account for the assets and vested interests of each beneficiary;
- 218 (i) complete an approximate valuation of the administration's entire land portfolio every
219 five years by estimating the value of no less than 10% of the administration's land
220 portfolio each year;
- 221 (j) notify the ~~[primary beneficiary representative's designee regarding the trusts listed in~~
222 Subsection 53C-1-103(7)] advocacy office on major items that the director knows
223 may be useful to the ~~[primary beneficiary representative's designee]~~ advocacy office
224 in ~~[protecting]~~ representing beneficiary interests and rights;
- 225 (k) permit the ~~[primary beneficiary representative's designee regarding a trust listed in~~
226 Subsection 53C-1-103(7)] advocacy office reasonable access to inspect records,
227 documents, and other trust property pertaining to that trust, provided that the [
228 ~~primary beneficiary representative's designee]~~ advocacy office shall maintain
229 confidentiality if confidentiality is required of the director;
- 230 (l) maintain appropriate records of trust activities to enable auditors appointed by
231 appropriate state agencies or the board to conduct periodic audits of trust activities;

- 232 (m) provide that all leases, contracts, and agreements be submitted to legal counsel for
 233 review of compliance with applicable law and fiduciary duties prior to execution and
 234 utilize the services of the attorney general as provided in Section 53C-1-305;
- 235 (n) keep the board, beneficiaries, governor, Legislature, and the public informed about
 236 the work of the director and administration by:
- 237 (i) submitting an annual report described in Section 53C-1-307; and
 238 (ii) reporting to the board in a public meeting at least once during each calendar
 239 quarter; and
- 240 (o) respond in writing within a reasonable time to a request by the board or the [primary
 241 beneficiary representative's designee regarding a trust listed in Subsection
 242 53C-1-103(7)] advocacy office for responses to questions on policies and practices
 243 affecting the management of the trust.
- 244 (2) The administration shall be the named party in substitution of the Division of [State
 245 ~~Lands and Forestry~~] Forestry, Fire, and State Lands or [its] the Division of Forestry, Fire,
 246 and State Lands predecessor agencies, with respect to all documents affecting trust lands
 247 from the effective date of this act.
- 248 (3) The director may:
- 249 (a) with the consent of the state risk manager and the board, manage lands or interests in
 250 lands held by any other public or private party [~~pursuant to~~] in accordance with
 251 policies [~~established by~~]the board establishes and may make rules to implement
 252 these board policies;
- 253 (b) sue or be sued as the director of school and institutional trust lands;
- 254 (c) contract with other public agencies for personnel management services;
- 255 (d) contract with any public or private entity to make improvements to or upon trust
 256 lands and to carry out any of the responsibilities of the office, so long as the contract
 257 requires strict adherence to trust management principles, applicable law and
 258 regulation, and is subject to immediate suspension or termination for cause; and
- 259 (e) with the approval of the board enter into joint ventures and other business
 260 arrangements consistent with the purposes of the trust.
- 261 (4) Any application or bid required for the lease, permitting, or sale of lands in a
 262 competitive process or any request for review [~~pursuant to~~] in accordance with Section
 263 53C-1-304 shall be considered filed or made on the date received by the appropriate
 264 administrative office, whether transmitted by United States mail or in any other manner.
- 265 Section 5. Section **53D-1-102** is amended to read:

266 **53D-1-102 . Definitions.**

267 As used in this chapter:

268 (1) "Account" means the School and Institutional Trust Fund Management Account, created
269 in Section 53D-1-203.270 (2) "Advocacy office" means the School and Institutional Trust Beneficiaries' Advocacy
271 Office, created in Section 53D-2-201.272 [~~(2)~~] (3) "Advocacy office director" means the director of the [~~Land Trusts Protection and~~]
273 School and Institutional Trust Beneficiaries' Advocacy Office, appointed under [Section
274 53D-2-203] Section 53D-2-401.275 [~~(3)~~] (4) "Beneficiaries":276 (a) means those listed in Subsection 53D-2-201(3) for whose benefit the trust fund is
277 managed and preserved, consistent with the enabling act, the Utah Constitution, and
278 state law; and279 (b) does not include other government institutions or agencies, the public at large, or the
280 general welfare of the state.281 [~~(4)~~] (5) "Board" means the board of trustees established in Section 53D-1-301.282 [~~(5)~~] (6) "Director" means the director of the office.283 [~~(6)~~] (7) "Enabling act" means the act of Congress, dated July 16, 1894, enabling the people
284 of Utah to form a constitution and state government and to be admitted into the Union.285 [~~(7) "Land Trusts Protection and Advocacy Office" or "advocacy office" means the Land~~
286 ~~Trusts Protection and Advocacy Office created in Section 53D-2-201.]~~

287 (8) "Nominating committee" means the committee established under Section 53D-1-501.

288 (9) "Office" means the School and Institutional Trust Fund Office, created in Section
289 53D-1-201.

290 (10) "Trust fund" means money derived from:

291 (a) the sale or use of land granted to the state under Sections 6, 8, and 12 of the [
292 ~~enabling act] Utah Enabling Act;~~

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

294 (c) revenue and assets referred to in Utah Constitution, Article X, Section 5, Subsections
295 (1)(c), (e), and (f).296 Section 6. Section **53D-1-303** is amended to read:297 **53D-1-303 . Board authority and duties.**

298 (1) The board has broad policymaking authority over the office and the trust fund.

299 (2)(a) The board shall establish policies for the management of:

- 300 (i) the office, including:
- 301 (A) an investment management code of conduct and associated compliance policy;
- 302 (B) a policy for the strategic allocation of trust fund assets;
- 303 (C) a soft dollar policy; and
- 304 (D) a policy articulating the board's investment philosophy for trust fund assets;
- 305 and
- 306 (ii) the trust fund.
- 307 (b) Policies that the board adopts shall:
- 308 (i) be consistent with the enabling act, the Utah Constitution, and other applicable
- 309 state law;
- 310 (ii) reflect undivided loyalty to the beneficiaries consistent with fiduciary duties;
- 311 (iii) be designed to prudently optimize trust fund returns and increase the value of the
- 312 trust fund, consistent with the balancing of short-term and long-term interests, so
- 313 that the fiduciary duty of intergenerational equity is met;
- 314 (iv) be designed to maintain the integrity of the trust fund and prevent the
- 315 misapplication of money in the trust fund;
- 316 (v) enable the board to oversee the activities of the office; and
- 317 (vi) otherwise be in accordance with standard trust principles as provided by state law.
- 318 (3) The board shall:
- 319 (a) establish a conflict of interest policy for the office and board members;
- 320 (b) establish policies governing the evaluation, selection, and monitoring of independent
- 321 custodial arrangements;
- 322 (c) ensure that the office is managed according to law;
- 323 (d) establish bylaws to govern the board;
- 324 (e) establish the compensation of the director;
- 325 (f) annually examine the compensation and performance of the director as part of the
- 326 board's budget review process which may include responses from:
- 327 (i) interested parties;
- 328 (ii) the advocacy office director; and
- 329 (iii) the director of the School and Institutional Trust Lands Administration;
- 330 (g) annually report the director's compensation to the Legislature; and
- 331 (h)(i) adopt policies to provide for annual training of board members regarding [~~their~~]
- 332 the board member's duties and responsibilities; and
- 333 (ii) ensure that any training described in Subsection (3)(h)(i) complies with Title

334 63G, Chapter 22, State Training and Certification Requirements.

335 (4) The board may:

336 (a) after conferring with the director:

337 (i) hire one or more consultants to advise the board, director, or office on issues
338 affecting the management of the trust fund; and

339 (ii) pay compensation to any consultant hired under Subsection (4)(a)(i), subject to
340 budgetary constraints; and

341 (b) submit to the director a written question or set of questions concerning policies and
342 practices affecting the management of the trust fund.

343 Section 7. Section **53D-1-401** is amended to read:

344 **53D-1-401 . Appointment of director -- Qualifications -- Nature of employment --**
345 **Removal by petition.**

346 (1) ~~[The office shall be managed by a director]~~ A director shall manage the office.

347 (2) If there is a vacancy in the director position, the board shall appoint an individual as
348 director.

349 (3) The board shall ensure that an individual appointed as director possesses:

350 (a) outstanding professional qualifications pertinent to the prudent investment of trust
351 fund money; and

352 (b) expertise in institutional investment management.

353 (4) The director is an at-will employee who ~~[may be removed by]~~ the board may remove at
354 any time with or without cause.

355 (5) The state treasurer, as board chair, may consult about the appointment of the director
356 with the chair of the School and Institutional Trust Beneficiaries' Advocacy Council,
357 pursuant to Subsection 53D-2-303(4)(b).

358 ~~[(5)(a) The advocacy office director may submit a written petition to the board~~
359 ~~requesting the board to remove the director for cause, explained in the petition.]~~

360 ~~[(b) The board shall hold a hearing on a petition under Subsection (5)(a) within 45 days~~
361 ~~after receiving the petition.]~~

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

364 Section 8. Section **53D-1-403** is amended to read:

365 **53D-1-403 . Reports.**

366 (1) At least annually, the director shall report in person to the Legislative Management

367 Committee, the governor, and the advocacy office, concerning the office's investments,

- 368 performance, estimated distributions, and other activities.
- 369 (2) The director shall report to the board concerning the work of the director and the
 370 investment activities and other activities of the office:
- 371 (a) in a public meeting at least [~~six~~] four times per year; and
- 372 (b) as [~~otherwise requested by~~]the board requests.
- 373 (3)[~~(a) Before November 1 of each year, the~~] The director shall[:] annually post a report
 374 for the general public on the office website concerning the office's investments,
 375 performance, estimated distributions, and other activities.
- 376 [(i) ~~submit a written report to school community councils, created under Section~~
 377 ~~53G-7-1202, and charter trust land councils, established under Section 53G-7-1205,~~
 378 ~~concerning the office's investments, performance, estimated distributions, and~~
 379 ~~other activities; and]~~
- 380 [(ii) ~~post the written report described in Subsection (3)(a)(i) on the office's website.]~~
- 381 [(b) ~~A report under Subsection (3)(a) shall be prepared in simple language designed to~~
 382 ~~be understood by the general public.]~~
- 383 (4) The director shall provide to the board:
- 384 [(a) ~~monthly written reports on the activities of the office;]~~
- 385 [(b)] (a) quarterly financial reports; and
- 386 [(c)] (b) any other report [~~requested by~~]the board requests.
- 387 (5) The director shall:
- 388 (a) invite the advocacy office director to attend any meeting at which the director gives a
 389 report under this section; and
- 390 (b) provide the advocacy office director:
- 391 (i) a copy of any written report prepared under this section; and
- 392 (ii) any other report [~~requested by~~]the advocacy office director requests.
- 393 Section 9. Section **53D-1-501** is amended to read:
- 394 **53D-1-501 . Nominating committee -- Membership -- Terms -- Vacancies --**
 395 **Compensation.**
- 396 (1) There is established a School and Institutional Trust Fund Nominating Committee.
- 397 (2) The seven-member nominating committee consists of:
- 398 (a) [~~four~~] five members[~~, appointed by~~] the state treasurer appoints upon
 399 recommendation by the advocacy office director[~~, each of whom is a member of a~~
 400 ~~respected professional investment organization;]~~ including:
- 401 (i) four individuals with experience in the field of institutional investment or

- 402 endowments, who belong to a respected professional investment organization, or
403 who previously served on the School and Institutional Trust Fund Office's Board
404 of Trustees; and
- 405 (ii) one investment officer who administers a public institutional investment fund or
406 public university endowment in the state; and
- 407 (b) two members of the School and Institutional Trust Beneficiaries' Advocacy Council
408 the advocacy council chair appoints, contingent on the member's council membership.
- 409 [~~(b) the chief investment officer of the University of Utah endowment;~~]
410 [~~(e) the chief investment officer of the Utah State University endowment; and]~~
411 [~~(d) the advocacy office director.~~]
- 412 (3) An individual appointed as a member of the nominating committee under Subsection
413 (2)(a) shall be appointed based on the individual's expertise, contacts, or connections in:
414 (a) investment finance;
415 (b) institutional asset management;
416 (c) trust administration; or
417 (d) the practice of law in the areas of capital markets, securities law, trusts, foundations,
418 endowments, investment finance, institutional asset management, or trust
419 administration.
- 420 (4) The term of a member appointed under Subsection (2)(a) is four years.
- 421 (5) A nominating committee member shall serve until a successor is appointed and
422 qualified.
- 423 (6)(a) If a member appointed under Subsection (2)(a) leaves office, the vacancy shall be
424 filled in the same manner as the initial appointment under Subsection (2)(a).
- 425 (b) An individual appointed to fill a vacancy under Subsection (6)(a) serves the
426 remainder of the unexpired term.
- 427 (7) A member of the nominating committee may not receive compensation or benefits for
428 the member's service, but may receive per diem and travel expenses in accordance with:
429 (a) Section 63A-3-106;
430 (b) Section 63A-3-107; and
431 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
432 63A-3-107.
- 433 (8) The advocacy office shall provide staff support to the nominating committee.
- 434 (9) The nominating committee shall, by a majority vote, establish, amend, and publish
435 guidelines consistent with this section to govern the nominating process.

436 Section 10. Section **53D-2-102** is amended to read:

437 **CHAPTER 2. School and Institutional Trust Beneficiaries' Advocacy Act**

438 **53D-2-102 . Definitions.**

439 As used in this chapter:

- 440 (1) "Advocacy [~~committee~~] council" means the [~~Land Trusts Protection and Advocacy~~
 441 ~~Committee~~] School and Institutional Trust Beneficiaries' Advocacy Council, created in [
 442 ~~Section 53D-2-202~~] Section 53D-2-302.
- 443 (2) "Advocacy director" means the director of the advocacy office, appointed as described
 444 in [~~Section 53D-2-203~~] Section 53D-2-302.
- 445 (3) "Advocacy office" means the [~~Land Trusts Protection and~~] School and Institutional Trust
 446 Beneficiaries' Advocacy Office, created in Section 53D-2-201.
- 447 (4) "Institutional beneficiary" means a trust beneficiary that is not subject to the School
 448 LAND Trust Program.
- 449 (5) "Interests" means the trust beneficiaries' interests listed in Subsection 53D-2-201(5).
- 450 (6) "Rights" means the trust beneficiaries' rights listed in Subsection 53D-2-201(4).
- 451 [(4) "~~School and institutional trust~~" or "~~trust~~" includes:]
- 452 [(a) ~~school and institutional trust lands, as defined in Section 53C-1-103, and related~~
 453 ~~assets; and~~]
- 454 [(b) ~~funds and investments of school and institutional trust land revenue, as described in~~
 455 ~~Title 53D, Chapter 1, School and Institutional Trust Fund Management Act.~~]
- 456 (7) "School and institutional trust" or "trust" means the respective trusts declared in the
 457 Utah Constitution, Article XX, Section 2, under which the state is to hold, as school and
 458 institutional trust lands, the lands granted under Sections 6, 8, and 12 of the Utah
 459 Enabling Act for the respective beneficiaries and purposes stated in the Utah Enabling
 460 Act, other lands that may be added to those trusts, and pursuant to which the state holds
 461 in trusts the funds and investments described in Title 53D, Chapter 1, School and
 462 Institutional Trust Fund Management Act.
- 463 [(5) "~~School and Institutional Trust System~~" means:]
- 464 [(a) ~~the School and Institutional Trust Lands Administration, described in Title 53C,~~
 465 ~~School and Institutional Trust Lands Management Act;~~]
- 466 [(b) ~~the School and Institutional Trust Fund Office, described in Title 53D, Chapter 1,~~
 467 ~~School and Institutional Trust Fund Management Act;~~]
- 468 [(c) ~~the Land Trusts Protection and Advocacy Office, described in this chapter; and~~]
- 469 [(d) ~~the School LAND Trust Program, described in Sections 53F-2-404 and 53G-7-1206.~~]

470 (8) "School LAND Trust Program" means the program at the State Board of Education
 471 which administers trust distributions to public schools, described in Sections 53F-2-404
 472 and 53G-7-1206.

473 [~~(6)~~] (9)(a) "Trust beneficiaries" means [those for whose benefit the school and
 474 institutional trust is managed and preserved, as required by:]

475 [(a) the Utah Enabling Act;]

476 [(b) the Utah Constitution; and]

477 [(c) state law.] the schools and institutions listed in Subsection 53D-2-201(3).

478 (b) "Trust beneficiaries" does not include:

479 (i) other institutions or agencies;

480 (ii) the public at large; or

481 (iii) the general welfare of the state.

482 (10) "Trustee agencies" means:

483 (a) the School and Institutional Trust Lands Administration, described in Title 53C,

484 School and Institutional Trust Lands Management Act; and

485 (b) the School and Institutional Trust Fund Office, described in Title 53D, Chapter 1,

486 School and Institutional Trust Fund Management Act.

487 (11) "Trustee boards" means:

488 (a) the School and Institutional Trust Lands Administration Board of Trustees; and

489 (b) the School and Institutional Trust Fund Office Board of Trustees.

490 Section 11. Section **53D-2-201** is repealed and reenacted to read:

491 **Part 2. School and Institutional Trust Beneficiaries' Advocacy Office**

492 **53D-2-201 . Advocacy office -- Office creation -- Trust beneficiaries and liaisons**

493 **-- Beneficiary interests and rights.**

494 (1) There is created the School and Institutional Trust Beneficiaries' Advocacy Office with
 495 delegated agent authority to:

496 (a) represent the trust beneficiaries by performing the duties set forth in this chapter; and

497 (b) advocate for, monitor, and preserve the trust beneficiaries' rights and interests.

498 (2) Notwithstanding Subsection (1), a trust beneficiary may choose to represent the trust
 499 beneficiary in any specific issue or matter as described in this chapter.

500 (3) Trust beneficiaries and the trust beneficiaries' principal liaisons are:

501 (a) public schools, represented by the staff member who administers the School LAND
 502 Trust Program, created in Section 53G-7-1206;

503 (b) Schools for the Deaf, described in Subsection 53E-8-201(1)(a), represented by the

- 504 superintendent for the State Board of Education, or the superintendent's designee;
- 505 (c) Schools for the Blind, described in Subsection 53E-8-201(1)(b), represented by the
- 506 superintendent for the State Board of Education, or the superintendent's designee;
- 507 (d) University of Utah, represented by the president of the University of Utah or the
- 508 president's designee;
- 509 (e) College of Mines and Earth Sciences, described in Section 53H-4-208, represented
- 510 by the Dean of the College of Science at the University of Utah, or the dean's
- 511 designee;
- 512 (f) Colleges of Education, described in Section 53C-3-105, represented by the chair of
- 513 the Utah Council of Education Deans, or the chair's designee;
- 514 (g) Utah State University, represented by the president of Utah State University or the
- 515 president's designee;
- 516 (h) Miners Hospital, described in Section 53H-4-207, represented by the director of the
- 517 Craig H. Neilsen Rehabilitation Hospital, or the director's designee;
- 518 (i) Utah State Hospital, represented by the superintendent of the Utah State Hospital,
- 519 created in Section 26B-1-201, or the superintendent's designee;
- 520 (j) Juvenile Justice and Youth Services, represented by the director of the Division of
- 521 Juvenile Justice and Youth Services, created in Section 80-5-103, or the director's
- 522 designee;
- 523 (k) Reservoirs, represented by the director of the Division of Water Resources, created
- 524 in Section 73-10-18, or the director's designee; and
- 525 (l) Public Buildings, represented by the executive director of the Capitol Preservation
- 526 Board, created in Section 63O-2-201.
- 527 (4) Trust beneficiary rights include:
- 528 (a) the rights recognized in Section 53C-1-102; and
- 529 (b) applicable rights of a trust beneficiary under Utah trust law, including the right to:
- 530 (i) information related to the trust beneficiary's respective trust;
- 531 (ii) timely notice of significant trust activities;
- 532 (iii) distribution of funds as established in law;
- 533 (iv) receive regular accountings;
- 534 (v) impartial treatment; and
- 535 (vi) challenge actions or decisions deemed unlawful or not in the trust beneficiary's
- 536 best interests.
- 537 (5) Trust beneficiary interests include:

- 538 (a) those recognized in Section 53C-1-102;
539 (b) the proper and lawful management of trust lands, trust funds, and trust distributions;
540 (c) the preservation of trust beneficiary rights; and
541 (d) access to information regarding measurable performance by trustee agencies and the
542 advocacy office.

543 Section 12. Section **53D-2-202** is repealed and reenacted to read:

544 **53D-2-202 . Advocacy office -- Authority and responsibilities.**

- 545 (1) The advocacy office, acting with undivided loyalty to the trust beneficiaries, shall:
- 546 (a) represent the trust beneficiaries by:
- 547 (i) staying informed on the administration of the trust assets, budgets, policies, and
548 rules, including:
- 549 (A) significant School and Institutional Trust Lands Administration transactions;
550 and
- 551 (B) the School and Institutional Trust Fund Office investments and investment
552 policies;
- 553 (ii) communicating on the trust beneficiaries' behalf when appropriate and lawful,
554 unless a trust beneficiary notifies the advocacy office in writing that the
555 beneficiary will communicate on the beneficiary's own behalf involving a specific
556 issue or matter; and
- 557 (iii) reporting to trust beneficiaries and the Legislature, as described in Subsection
558 53D-2-402(2)(m);
- 559 (b) advocate on behalf of trust beneficiaries for:
- 560 (i) effective governance of the trusts;
561 (ii) proper management and optimal performance of trust assets;
562 (iii) efficient and lawful distribution of funds;
563 (iv) the trust beneficiaries' current and future best interests; and
564 (v) the safeguarding of the trust assets from the pursuit of another state purpose
565 which is inconsistent with the beneficiaries' rights and interests; and
- 566 (c) advise the trust beneficiaries by:
- 567 (i) assisting the trust beneficiaries' understanding of collective and respective
568 interests and rights;
- 569 (ii) monitoring compliant use of trust distributions by beneficiaries as described in
570 Section 53D-2-501;
- 571 (iii) informing the trust beneficiaries of trust activities, proposals, and decisions; and

572 (iv) facilitating resolutions of trust beneficiary disputes, as described in Subsection
 573 53D-2-402(3)(b).

574 (2) The advocacy office, whether acting through the advocacy director or the advocacy
 575 council, or otherwise, does not have authority to nullify trustee agency actions, including
 576 trustee board actions.

577 Section 13. Section **53D-2-301** is enacted to read:

578 **Part 3. School and Institutional Beneficiaries' Advocacy Office Governance**

579 **53D-2-301 . Advocacy office governance -- State treasurer role and duties.**

580 (1) The advocacy council, established in Section 53D-2-302, and the state treasurer govern
 581 the advocacy office with separate and distinct responsibilities enumerated in this chapter.

582 (2) The state treasurer, acting in a fiduciary capacity to the trust beneficiaries, shall:

583 (a) appoint an advocacy director, as provided in Section 53D-2-401;

584 (b) oversee and provide administrative support to the advocacy office;

585 (c) verify compliance with reporting requirements for the advocacy director;

586 (d) submit an advocacy office budget to the Legislature; and

587 (e) have authority to approve a requested reduction in the annual distribution for an
 588 institutional beneficiary under the conditions described in Subsection 53D-2-501(4)(f),
 589 after consultation with the trust beneficiary and the advocacy director.

590 (3) A cause of action may not be maintained against the state treasurer for an act or
 591 omission made in the course of exercising a duty under this chapter if:

592 (a) the act or omission is taken in good faith; and

593 (b) the act or omission is taken in a manner the treasurer reasonably believes to be in the
 594 best interests of the trust beneficiaries.

595 Section 14. Section **53D-2-302** is enacted to read:

596 **53D-2-302 . Advocacy office governance -- Advocacy council creation, role, and**
 597 **duties.**

598 (1) There is created the School and Institutional Trust Beneficiaries' Advocacy Council.

599 (2) The advocacy council shall:

600 (a) oversee the activities of the advocacy office and advise the advocacy director;

601 (b) establish, update, and monitor the implementation of comprehensive strategic
 602 planning for the advocacy office;

603 (c) submit advocacy director candidate names to the state treasurer subject to Subsection
 604 53D-2-401(1)(a);

605 (d) determine the advocacy director's compensation and annually review the

- 606 compensation and performance of the advocacy director as part of the council's
607 budget review process;
- 608 (e) make rules for the advocacy office in accordance with Title 63G, Chapter 3, Utah
609 Administrative Rulemaking Act;
- 610 (f) receive reports, including the annual report described in Subsection 53D-2-402(2)(m),
611 from the advocacy director;
- 612 (g) participate on the nominating committees of the trustee agencies as described in
613 Subsections 53C-1-203(2)(a) and 53D-1-501(2)(b); and
- 614 (h) develop policies and directives for the management of the advocacy office.

615 Section 15. Section **53D-2-303** is enacted to read:

616 **53D-2-303 . Advocacy council -- Membership -- Meetings.**

- 617 (1) The advocacy council shall consist of the following seven members:
- 618 (a) two individuals the School and Institutional Trust Lands Board of Trustees appoints;
619 (b) one individual the School and Institutional Trust Fund Board of Trustees appoints;
620 (c) one individual the state treasurer appoints;
621 (d) one State Board of Education staff member who administers the School LAND Trust
622 Program, designated as described in Section 53G-7-1206; and
623 (e) two individuals the advocacy council appoints with consent of the state treasurer,
624 including:
- 625 (i) one individual with experience relevant to trust beneficiary issues the advocacy
626 council chair nominates in consultation with the chairs of the trustee boards; and
627 (ii) one individual representing the institutional beneficiaries the advocacy council
628 chair nominates in consultation with the institutional beneficiaries.
- 629 (2) A member of the advocacy council:
- 630 (a) may not be:
- 631 (i) the state treasurer or a current employee of the state treasurer;
632 (ii) a member of the trustee boards;
633 (iii) an employee of the trustee agencies; or
634 (iv) an individual currently serving in a publicly elected office;
- 635 (b) shall have significant qualifications related to the purposes and activities of the
636 trusts, such as:
- 637 (i) expertise related to the duties and obligations of the member's respective
638 appointing entities; and
639 (ii) familiarity with lawmaking and legislative procedures; and

640 (c) shall demonstrate a willingness to commit time and loyalty to the purposes of the
641 trust.

642 (3)(a) Except as provided in Subsections (3)(b) and (c), a member of the advocacy
643 council shall:

644 (i) serve a four-year term;

645 (ii) begin service July 1 with staggered terms to ensure that approximately half of the
646 advocacy council is appointed every two years; and

647 (iii) take an oath of office the state treasurer administers that states:

648 "I solemnly swear to carry out my duties as a member of the School and
649 Institutional Trust Beneficiaries' Advocacy Council with undivided loyalty to the
650 trust beneficiaries, to the best of my abilities and consistent with the law."

651 (b) If a vacancy occurs during the course of an appointed member's term, the appointing
652 entity shall immediately appoint a replacement for the unexpired term.

653 (c) Upon the expiration of a member's term, the individual is eligible for one consecutive
654 reappointment by the respective appointing agency, except for the appointment
655 described in Subsection (1)(d) which is held by virtue of the position.

656 (4)(a) Annually, the advocacy council shall elect:

657 (i) a chair; and

658 (ii) a vice-chair who shall perform the duties of the chair in the absence of the chair.

659 (b) The chair shall faithfully represent the will of the council to the extent the council's
660 will is consistent with state law.

661 (c) The advocacy council chair may directly contact, or be directly contacted by, the
662 chairs of the trustee boards on trust matters.

663 (5) By a majority vote, the advocacy council shall adopt and amend guidelines consistent
664 with this section regarding council business and actions.

665 (6)(a) The advocacy council shall meet at least quarterly, at a time set by the chair.

666 (b) The chair or any two members of the advocacy council may call an additional
667 meeting.

668 (7)(a) A quorum for the transaction of business is five members of the advocacy council.

669 (b) Action by a majority of the quorum present constitutes an action of the advocacy
670 council, except for the following actions which require a majority vote of the council
671 as a whole:

672 (i) adopting resolutions;

673 (ii) approving administrative rules;

- 674 (iii) taking action on the request of a trustee agency; or
675 (iv) terminating the advocacy director as provided in Subsection 53D-2-401(5)(b).
- 676 (8) An advocacy council member may not receive compensation or benefits for the
677 member's service, but may receive per diem and travel expenses in accordance with:
678 (a) Section 63A-3-106;
679 (b) Section 63A-3-107; and
680 (c) rules the Division of Finance makes pursuant to Sections 63A-3-106 and 63A-3-107.
- 681 (9) The advocacy office shall provide staff support to the advocacy council.
- 682 (10) Advocacy council members shall annually complete a conflict-of-interest disclosure
683 statement, in accordance with the requirements of Title 67, Chapter 16, Utah Public
684 Officers' and Employees' Ethics Act.
- 685 Section 16. Section **53D-2-304** is enacted to read:
686 **53D-2-304 . Advocacy office -- Application of other law.**
- 687 (1) The advocacy office, council, and director shall comply with all applicable law for
688 government records according to Title 63G, Chapter 2, Government Records Access and
689 Management Act.
- 690 (2) The advocacy director:
691 (a) may attend committee meetings and closed sessions of trustee boards relating to
692 activities, policies, or transactions impacting trust beneficiaries unless attendance is
693 refused pursuant to:
694 (i) lawful privilege;
695 (ii) other law;
696 (iii) where the information is made strictly confidential under binding contract; or
697 (iv) discussions regarding personnel, character, or competence of an individual; and
698 (b) shall maintain the confidentiality of any information shared pursuant to Subsection
699 53C-1-303(1)(j) and Section 53D-1-202.
- 700 (3) Notwithstanding Section 52-4-204, and in addition to the reasons to close a meeting
701 under Section 52-4-205:
702 (a) the advocacy council may hold a closed meeting to discuss matters addressed in a
703 closed session of the trustee boards; and
704 (b) any information the advocacy director shares in the closed meeting from a closed
705 session of the trustee boards, is strictly limited to information that the advocacy
706 director can lawfully share with the advocacy council and may not include any
707 non-public information subject to a confidentiality agreement, or any information

708 shared in a closed session in accordance with Subsection 52-4-205(1)(a).

709 (4) The applicable statutes and the policies of the trustee boards govern trust beneficiaries'
 710 direct access to meetings and records of the trustee agencies.

711 Section 17. Section **53D-2-401** is enacted to read:

712 **Part 4. School and Institutional Trust Beneficiaries' Advocacy Office Director**

713 **53D-2-401 . School and Institutional Trust Beneficiaries' Advocacy Office**

714 **director -- Appointment -- Removal.**

715 (1)(a) A director shall manage the advocacy office.

716 (b) If there is a vacancy in the advocacy director position, the advocacy council may
 717 appoint an interim director and shall:

718 (i) consider and interview candidates who may qualify for appointment as the
 719 advocacy director, as described in Subsection (1)(c);

720 (ii) determine the two most qualified candidates; and

721 (iii) submit the names of the two candidates described in Subsection (1)(b)(ii) to the
 722 state treasurer as nominees for the advocacy director.

723 (c) A nominee for advocacy director shall have significant expertise and qualifications
 724 relating to trust management and the duties of the advocacy office and the advocacy
 725 director, which may include expertise in:

726 (i) business and finance;

727 (ii) lawmaking and legislative procedures;

728 (iii) economics;

729 (iv) natural resources;

730 (v) land development; or

731 (vi) communication and advocacy.

732 (d) The advocacy council chair may consult about the nominees for advocacy director
 733 with the chairs of the trustee boards, as described in Subsection 53D-2-303(4)(b).

734 (2)(a) The state treasurer shall appoint one of the individuals described in Subsection
 735 (1)(b)(iii) as the advocacy director.

736 (b) The state treasurer may return a submission of nominees to the advocacy council if:

737 (i) the treasurer determines that the submission is incomplete;

738 (ii) the submission contains unqualified candidates; or

739 (iii) the submission otherwise fails to comply with the requirements of this section.

740 (c) If the state treasurer declares that the state treasurer will not appoint either of the
 741 nominees, the state treasurer and the advocacy council shall repeat the procedure for

- 742 nomination and appointment of an advocacy director until appointing a new
743 advocacy director, as provided in this section.
- 744 (3) Upon the appointment of an advocacy director, the state treasurer shall administer an
745 oath of office which states:
746 "I solemnly swear to carry out my duties as the Director of the School and
747 Institutional Trust Beneficiaries' Advocacy Office with undivided loyalty to the trust
748 beneficiaries, to the best of my abilities and consistent with the law."
- 749 (4) The advocacy director shall undergo an annual comprehensive performance review the
750 advocacy council conducts, which includes responses from interested parties and trustee
751 agency directors.
- 752 (5) The director is an at-will employee whom the advocacy council may remove at any time
753 with or without cause.
- 754 (6) The advocacy council may remove the advocacy director during a meeting that is not
755 closed, as described in Section 52-4-204, if:
756 (a) the advocacy council schedules the removal of the advocacy director on the agenda;
757 and
758 (b) a majority of the council votes to remove the advocacy director.
- 759 Section 18. Section **53D-2-402** is enacted to read:
760 **53D-2-402 . Advocacy director -- Powers and duties.**
- 761 (1) The advocacy director has broad authority to manage the responsibilities and duties of
762 the advocacy office in a prudent and professional manner, subject to advocacy council
763 oversight.
- 764 (2) To fulfill the responsibilities and duties of the advocacy office described in Section
765 53D-2-201, the advocacy director shall:
766 (a) maintain direct relationships and open communication with individuals who are key
767 to fulfilling the state's trustee obligations and duties related to the trusts;
768 (b) facilitate the cooperative formulation of protocols for interactions between the
769 advocacy office and trustee agencies, and the advocacy office and beneficiaries;
770 (c) identify and maintain a list of principal liaisons for each trust beneficiary to facilitate
771 orderly communication, representation, advocacy, and reporting;
772 (d) serve as an official intermediary through which information can be provided to or
773 received from trust beneficiaries and to which the trustee agencies can give notice to
774 a beneficiary;
775 (e) seek necessary and accurate information regarding management of trust assets;

- 776 (f) be permitted to attend any relevant trust presentation, discussion, meeting, or other
777 gathering relating to activity, policy, or transactions impacting trust beneficiaries
778 subject to the limitations of Subsection 53D-2-304(2);
- 779 (g) monitor and, if necessary, recommend that the state auditor review activities
780 involving trust assets or distributions;
- 781 (h) promote accurate record keeping of all records relevant to each respective trust and
782 distributions to trust beneficiaries;
- 783 (i) report at least quarterly, or as requested, to the advocacy council and the state
784 treasurer on the current activities of the advocacy office;
- 785 (j) annually submit a proposed advocacy office budget to the state treasurer after
786 consultation with the advocacy council;
- 787 (k) develop training about trust principles in consultation with the trustee agencies to:
788 (i) annually conduct and document completion of the training for the advocacy
789 council and advocacy office staff; and
790 (ii) make the training available for voluntary use by trustee agencies and elected
791 officials;
- 792 (l) report annually on advocacy office activity, a summary of each trust beneficiary's
793 trust assets and use of distributions, and an overview of the respective responsibilities
794 of trustee agencies to:
795 (i) the advocacy council;
796 (ii) the state treasurer;
797 (iii) all trust beneficiaries;
798 (iv) the trustee agencies;
799 (v) the State Board of Education;
800 (vi) the relevant appropriations subcommittee;
801 (vii) the governor's office; and
802 (viii) the general public by posting on the advocacy office website;
- 803 (m) upon request, report in person to a trust beneficiary or the Legislature;
- 804 (n) draft and submit proposed rules to the advocacy council for review and adoption;
- 805 (o) respond to external and media requests for information related to trust beneficiaries'
806 interests and rights;
- 807 (p) speak on behalf of trust beneficiaries about activities related to the beneficiaries'
808 trusts, unless a trust beneficiary notifies the advocacy office in writing that the trust
809 beneficiary will speak on the trust beneficiary's own behalf involving a specific issue

- 810 or matter;
- 811 (q) review proposed legislation that affects trust beneficiaries and advocate for
- 812 legislative changes that serve the best interests and rights of the trust beneficiaries;
- 813 (r) promote awareness of the trusts and trust principles described in Subsection
- 814 53C-1-102(2) to beneficiaries, stakeholders, elected officials, and the public; and
- 815 (s) facilitate an objective nomination process for trustee board positions pursuant to
- 816 Sections 53C-1-203 and 53D-1-501.
- 817 (3) The advocacy director may:
- 818 (a) advocate for or against ballot propositions which impact trust beneficiaries with an
- 819 exemption from Section 20A-11-1203 in such instances; and
- 820 (b) provide an impartial forum and facilitate informal resolution of a conflict or dispute
- 821 among affected trust beneficiaries upon the trust beneficiaries' consent, or upon
- 822 agreement among affected trust beneficiaries and trustee agencies.
- 823 (4) With regard to reviewing the activities described in Subsection (2)(g), the advocacy
- 824 director may have access to the financial reports and other data, subject to the limitations
- 825 of Subsection 53D-2-304(2).

826 Section 19. Section **53D-2-501** is enacted to read:

827 **Part 5. School and Institutional Trust Distribution Accountability**

828 **53D-2-501 . Trust distributions -- Disposition -- Trust beneficiary requirements**

829 **-- Advocacy office role.**

- 830 (1) The School and Institutional Trust Fund Office shall initiate trust distributions in the
- 831 state finance system and coordinate distribution announcements to trust beneficiaries
- 832 and the public.
- 833 (2) To preserve the confidence in and impact of each beneficiary's permanent fund, trust
- 834 beneficiaries are subject to uniform accountability measures for the use and reporting of
- 835 trust fund distributions.
- 836 (3) Trust distributions to public schools through the School LAND Trust Program are:
- 837 (a) subject to Sections 53F-2-404 and 53G-7-1206; and
- 838 (b) exempt from the accountability requirements described in Subsection (4).
- 839 (4) Each institutional beneficiary shall comply with accountability requirements for trust
- 840 distributions which include:
- 841 (a) maintaining clear records of distributions and expenditures within the institutional
- 842 beneficiary's institutional accounting and budgeting processes;
- 843 (b) annually convening an advisory group composed of stakeholders, including the

- 844 impacted end users to:
- 845 (i) adopt and review internal guidance for acceptable expenditures of trust
- 846 distributions; and
- 847 (ii) develop an annual spending plan for the estimated distributions;
- 848 (c) obtaining approval of the annual spending plan from the institution's governing body,
- 849 chief financial officer, or designee;
- 850 (d) contributing information and documentation for an annual report of trust beneficiary
- 851 distributions and uses the advocacy office publishes;
- 852 (e) investing any retained distributions, up to an amount equal to two prior years'
- 853 distributions, in a state approved fund;
- 854 (f) managing retained distributions which exceed the allowable amount in Subsection
- 855 (4)(e) by returning any excess to the respective permanent fund or seeking a
- 856 reduction in distribution per Subsection 53D-2-301(2)(e); and
- 857 (g) participating in periodic compliance reviews by the advocacy office.
- 858 (5) The advocacy council shall make rules to monitor, review, and advise the institutional
- 859 beneficiaries on the obligations described in Subsection (4).
- 860 (6) The advocacy council, advocacy director, and advocacy office do not have authority to
- 861 nullify decisions or actions of the School LAND Trust Program or an institutional
- 862 beneficiary.
- 863 (7) The advocacy office may not:
- 864 (a) perform formal audits; or
- 865 (b) modify distributions to trust beneficiaries.
- 866 (8) The advocacy office shall refer reports of fraud, waste, and abuse, or recurring
- 867 noncompliance on the reporting of or the allowable use of distributions by trust
- 868 beneficiaries to the state auditor for further action.

869 Section 20. Section **53D-2-601**, which is renumbered from Section 53D-2-204 is renumbered
870 and amended to read:

871 **Part 6. School and Institutional Trust Beneficiaries' Advocacy Account**

872 **[53D-2-204] 53D-2-601 . School and Institutional Trust Beneficiaries' Advocacy**
873 **Account -- Funding of advocacy office operations.**

874 (1) As used in this section:

- 875 (a) "Account" means the [~~Land Trusts Protection and~~] School and Institutional Trust
876 Beneficiaries' Advocacy Account created in this section.
- 877 (b) "School and Institutional Trust Fund Office director" or "SITFO director" means the

878 director of the School and Institutional Trust Fund Office, appointed under Section
879 53D-1-401.

880 (c) "Trust fund" means the same as that term is defined in Section 53D-1-102.

881 (d) "Trust fund earnings" means the same as that term is defined in Section 53D-1-203.

882 (2) There is created an enterprise fund known as the [~~Land Trusts Protection and~~] School
883 and Institutional Trust Beneficiaries' Advocacy Account.

884 (3) The account is funded by money deposited into the account as provided in Subsection
885 (4).

886 (4)(a) Except as provided in Subsection (4)(c), the [~~SITFO director~~] School and
887 Institutional Trust Fund Office shall deposit into the account a total amount of
888 money, taken proportionately from trust fund earnings according to the value of the
889 various funds established for the trust beneficiaries, that is equal to the annual
890 appropriation that the Legislature makes to the advocacy office.

891 (b) The advocacy office may use money in the account to pay for the advocacy office's
892 operating costs consistent with a budget submitted and approved pursuant to
893 Subsection 53D-2-301(2)(e).

894 (c) If the amount of money deposited into the account under Subsection (4)(a) in any
895 fiscal year exceeds the amount required by the advocacy office during that fiscal year
896 to fund advocacy office operations, the [~~SITFO director~~] School and Institutional
897 Trust Fund Office shall, in the following fiscal year, reduce the amount deposited
898 into the account under Subsection (4)(a) by the amount of the unspent appropriation.

899 Section 21. Section **53F-9-201** is amended to read:

900 **53F-9-201 . Uniform School Fund -- Contents -- Trust Distribution Account.**

901 (1) As used in this section:

902 (a) "Annual distribution calculation" means, for a given fiscal year, the average of:

903 (i) 5% of the average market value of the State School Fund for that fiscal year; and

904 (ii) the distribution amount for the prior fiscal year, multiplied by the sum of:

905 (A) one;

906 (B) the percent change in student enrollment from the school year two years prior
907 to the prior school year; and

908 (C) the actual total percent change of the consumer price index during the last 12
909 months as measured in June of the prior fiscal year.

910 (b) "Average market value of the State School Fund" means the results of a calculation
911 completed by the SITFO director each fiscal year that averages the value of the State

- 912 School Fund for the past 20 consecutive quarters ending in the prior fiscal year.
- 913 (c) "Consumer [~~price index~~] Price Index" means the Consumer Price Index for All
 914 Urban Consumers: All Items Less Food & Energy, as published by the Bureau of
 915 Labor Statistics of the United States Department of Labor.
- 916 (d) "SITFO director" means the director of the School and Institutional Trust Fund
 917 Office appointed under Section 53D-1-401.
- 918 (e) "State School Fund investment earnings distribution amount" or "distribution
 919 amount" means, for a fiscal year, the lesser of:
- 920 (i) the annual distribution calculation; or
- 921 (ii) 5% of the average market value of the State School Fund.
- 922 (2) The Uniform School Fund, a special revenue fund, established by Utah Constitution,
 923 Article X, Section 5, consists of:
- 924 (a) distributions derived from the investment of money in the permanent State School
 925 Fund established by Utah Constitution, Article X, Section 5;
- 926 (b) money transferred to the fund under Title 67, Chapter 4a, Revised Uniform
 927 Unclaimed Property Act;
- 928 (c) money transferred to the fund under Section 63J-1-207; and
- 929 (d) all other constitutional or legislative allocations to the fund, including:
- 930 (i) appropriations for the Minimum School Program, enrollment growth, and inflation
 931 under Section 53F-9-201.1; and
- 932 (ii) revenues received by donation.
- 933 (3)(a) There is created within the Uniform School Fund a restricted account known as
 934 the Trust Distribution Account.
- 935 (b) The Trust Distribution Account consists of:
- 936 (i) in accordance with Subsection (4), quarterly deposits of the State School Fund
 937 investment earnings distribution amount from the prior fiscal year;
- 938 (ii) all interest earned on the Trust Distribution Account in the prior fiscal year; and
- 939 (iii) any unused appropriation for the administration of the School LAND Trust
 940 Program, as described in Subsection 53F-2-404(1)(c).
- 941 (4) If, at the end of a fiscal year, the Trust Distribution Account has a balance remaining
 942 after subtracting the appropriation amount described in Subsection 53F-2-404(1)(a) for
 943 the next fiscal year, the SITFO director shall, during the next fiscal year, apply the
 944 amount of the remaining balance from the prior fiscal year toward the current fiscal
 945 year's distribution amount by reducing a quarterly deposit to the Trust Distribution

- 946 Account by the amount of the remaining balance from the prior fiscal year.
- 947 (5) On or before October 1 of each year, the SITFO director shall:
- 948 (a) in accordance with this section, determine the distribution amount for the following
- 949 fiscal year; and
- 950 (b) report the amount described in Subsection (5)(a) as the funding amount, described in
- 951 Subsection 53F-2-404(1)(c), for the School LAND Trust Program, to:
- 952 (i) the State Treasurer;
- 953 (ii) the Legislative Fiscal Analyst;
- 954 (iii) the Division of Finance;
- 955 (iv) the director of the [~~Land Trusts Protection and Advocacy Office~~] School and
- 956 Institutional Trust Beneficiaries' Advocacy Office, appointed under [~~Section~~
- 957 ~~53D-2-203~~] Section 53D-2-401;
- 958 (v) the School and Institutional Trust Lands Administration created in Section
- 959 53C-1-201;
- 960 (vi) the state board; and
- 961 (vii) the Governor's Office of Planning and Budget.
- 962 (6) The School and Institutional Trust Fund Board of Trustees created in Section 53D-1-301
- 963 shall:
- 964 (a) annually review the distribution amount; and
- 965 (b) make recommendations, if necessary, to the Legislature for changes to the formula
- 966 for calculating the distribution amount.
- 967 (7) Upon appropriation by the Legislature, the SITFO director shall place in the Trust
- 968 Distribution Account funds for the School LAND Trust Program as described in
- 969 Subsections 53F-2-404(1)(a) and (c).
- 970 Section 22. Section **53G-7-1206** is amended to read:
- 971 **53G-7-1206 . School LAND Trust Program.**
- 972 (1) As used in this section:
- 973 (a) "Charter trust land council" means a council established by a charter school
- 974 governing board under Section 53G-7-1205.
- 975 (b) "Council" means a school community council or a charter trust land council.
- 976 (c) "LAND trust plan" means a school's plan to use School LAND Trust Program money
- 977 to implement a component of the school's success plan.
- 978 (d) "School community council" means a council established at a district school in
- 979 accordance with Section 53G-7-1202.

- 980 (e) "Teacher and student success plan" or "success plan" means the same as that term is
981 defined in Section 53G-7-1301.
- 982 (2) This section creates the School LAND (Learning And Nurturing Development) Trust
983 Program under the state board to:
- 984 (a) provide financial resources to public schools to enhance or improve student academic
985 achievement and implement a component of a district school or charter school's
986 teacher and student success plan; and
- 987 (b) involve parents of a school's students in decision making regarding the expenditure
988 of School LAND Trust Program money allocated to the school.
- 989 (3) To receive an allocation under Section 53F-2-404:
- 990 (a) a district school shall have established a school community council in accordance
991 with Section 53G-7-1202;
- 992 (b) a charter school shall have established a charter trust land council in accordance with
993 Section 53G-7-1205; and
- 994 (c) the school's principal shall provide a signed, written assurance that the school is in
995 compliance with Subsection (3)(a) or (b).
- 996 (4)(a) A council shall create a program to use the school's allocation distributed under
997 Section 53F-2-404 to implement a component of the school's success plan, including:
- 998 (i) the school's identified most critical academic needs;
- 999 (ii) a recommended action plan to meet the identified academic needs;
- 1000 (iii) a specific listing of any programs, practices, materials, or equipment that the
1001 school will need to implement the action plan to have a direct impact on the
1002 instruction of students and result in measurable increased student performance; and
- 1003 (iv) how each proposed expenditure in the action plan will be used to implement a
1004 component of the action plan to enhance or improve academic excellence at the
1005 school.
- 1006 (b)(i) A council shall create and vote to adopt a LAND trust plan in a meeting of the
1007 council at which a quorum is present.
- 1008 (ii) If a majority of the quorum votes to adopt a LAND trust plan, the LAND trust
1009 plan is adopted.
- 1010 (c) A council shall:
- 1011 (i) post a LAND trust plan that is adopted in accordance with Subsection (4)(b) on
1012 the School LAND Trust Program reporting website; and
- 1013 (ii) include with the LAND trust plan a report noting the number of council members

- 1014 who voted for or against the approval of the LAND trust plan and the number of
1015 council members who were absent for the vote.
- 1016 (d)(i) The local school board of a district school shall approve or disapprove a LAND
1017 trust plan.
- 1018 (ii) If a local school board disapproves a LAND trust plan:
- 1019 (A) the local school board shall provide a written explanation of why the LAND
1020 trust plan was disapproved and request the school community council who
1021 submitted the LAND trust plan to revise the LAND trust plan; and
- 1022 (B) the school community council shall submit a revised LAND trust plan in
1023 response to a local school board's request under Subsection (4)(d)(ii)(A).
- 1024 (iii) Once a LAND trust plan has been approved by a local school board, a school
1025 community council may amend the LAND trust plan, subject to a majority vote of
1026 the school community council and local school board approval.
- 1027 (e) A charter trust land council's LAND trust plan is subject to approval by the:
- 1028 (i) charter school governing board; and
- 1029 (ii) budget officer whom the charter school governing board appoints.
- 1030 (5)(a) A district school or charter school shall:
- 1031 (i) implement the program as approved;
- 1032 (ii) provide ongoing support for the council's plan and responsibilities; and
- 1033 (iii) meet state board reporting requirements regarding financial and performance
1034 accountability of the program.
- 1035 (b)(i) A district school or charter school shall prepare and post an annual report of the
1036 program on the School LAND Trust Program reporting website before the council
1037 submits a plan for the following year.
- 1038 (ii) The report shall detail the use of program funds received by the school under this
1039 section and an assessment of the results obtained from the use of the funds.
- 1040 (iii) A summary of the report shall be provided to parents of students who attend the
1041 school.
- 1042 (6) An LEA shall record the LEA's expenditures of School LAND Trust Program funds
1043 through a financial reporting system that the board identifies to assist schools in
1044 developing the annual report described in Subsection (5)(b).
- 1045 (7) The president or chair of a local school board or charter school governing board shall
1046 ensure that the members of the local school board or charter school governing board are
1047 provided with annual training on the requirements of this section.

- 1048 (8)(a) The state board shall provide annual training opportunities to the entities
1049 described in Subsection (8)(b) on:
- 1050 (i) the School LAND Trust Program;
 - 1051 (ii) the responsibilities and formation of:
 - 1052 (A) a school community council consistent with Section 53G-7-1202; or
 - 1053 (B) a charter trust land council consistent with Section 53G-7-1205; and
 - 1054 (iii) as applicable, council responsibilities as described in Section 53G-7-1203.
- 1055 (b) The state board shall provide the training to:
- 1056 (i) a local school board or a charter school governing board;
 - 1057 (ii) a district business administrator or a charter business official;
 - 1058 (iii) a school district or a charter school; and
 - 1059 (iv) a school community council.
- 1060 (9) The state board shall annually review a school's compliance with applicable law,
1061 including rules adopted by the state board in accordance with Title 63G, Chapter 3, Utah
1062 Administrative Rulemaking Act, by:
- 1063 (a) reading each School LAND Trust Program plan submitted;
 - 1064 (b) reviewing proposed expenditures to be made from School LAND Trust Program
1065 money; and
 - 1066 (c) conducting an annual compliance review of an LEA using a sample of schools.
- 1067 (10) The superintendent shall calculate and initiate the annual School LAND Trust
1068 distribution to schools through the state board's finance system to each LEA as outlined
1069 in Section 53F-2-404.
- 1070 (11) The superintendent shall administer the School LAND Trust website to provide
1071 transparency and accountability to school communities and the public of School LAND
1072 Trust plans, reports, and expenditures of trust distributions.
- 1073 (12) The state board shall designate a staff member who administers the School LAND
1074 Trust Program to serve as a member of the [~~Land Trusts Protection and Advocacy~~
1075 ~~Committee~~] School and Institutional Trust Beneficiaries' Advocacy Council created
1076 under [~~Section 53D-2-202~~] Section 53D-2-302.
- 1077 Section 23. **Repealer.**
1078 This bill repeals:
1079 Section **53D-2-203, Land Trusts Protection and Advocacy Office director --**
1080 **Appointment -- Removal -- Power and duties.**
1081 Section 24. **Effective Date.**

1082 This bill takes effect on July 1, 2026.