

February 19, 2024

The Honorable Curtis S. Bramble
Utah Senate
Senate Business and Labor Committee, Chair
350 North State Street, Suite 350
Salt Lake City, Utah 84114

Dear Chair Bramble:

We are writing to you collectively to **voice support for 1st Substitute HB 262 - School and Institutional Trust Lands Administration (TLA) Amendments**. Our support is contingent upon no changes being made that would compromise the current makeup and appointment process of TLA's board of trustees.

We support 1st Substitute HB 262 which allows the TLA to sell specific large land blocks with significant recreational and other public values to the Department of Natural Resources (DNR) in order to enhance funding for trust beneficiaries and preserve conservation values and public access.

Why 1st Sub. HB 262 is needed: TLA manages several large land blocks featuring exceptional wildlife habitat, hunting opportunities, forest resources, recreational values, and other characteristics that benefit the public. The TLA manages all trust lands to raise money for public schools and other institutions, but many of these blocks have little revenue-generating potential, leaving the beneficiaries at a disadvantage. The public's interest in preserving these conservation and recreational benefits can be met by allowing the DNR and its divisions to purchase these lands through a process of direct negotiated sales and improved preparation time for the DNR to assemble funds to facilitate purchases.

What 1st Sub. HB 262 does: 1st Sub. HB 262 will open up a new opportunity to support trust beneficiaries by converting low revenue-generating land assets into cash, which can grow more aggressively in the Trust's investment portfolio. The bill provides these sales would apply only to qualifying large land blocks over 5,000 acres and be subject to TLA's review and approval by its board of trustees. The trust beneficiaries will also have the opportunity to provide input on all sales. The fair market value of any sale will be verified by independent third-party appraisals and processes established by TLA's administrative rules.

Why our support is contingent upon no changes to the makeup and appointment process of TLA's board of trustees: TLA's success since its inception is largely attributed to the current structural design and appointment process of its board of trustees. We understand that potential changes may be introduced that engage the legislature's selection of certain TLA board members. Blending the makeup of the board with political influence from the legislature will substantially dilute the independence of the Trust's governance and transactions executed under its watch.

We believe 1st sub. HB 262 creates a win-win outcome for both the trust beneficiaries and the general public. We therefore respectfully urge your favorable support of its passage, subject to the conditions explained above.

Sincerely,



Richard Ellis, Chair
Utah Land Trusts Protection and Advocacy
Committee



The Honorable Marlo M. Oaks State
Treasurer and
School and Institutional Trust Funds Board,
Chair



Kim S. Christy, Director
Land Trusts Protection & Advocacy Office



Cade Douglas, President
Utah School Superintendent Association

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David T. Cowley, Vice President for
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Teri Rhodes, President
Utah School Boards Association



Candice Hasenyager, Director
Utah Department of Water Natural Resources



Dale Lamborn, President
Utah Rural Schools Association

cc:

Senator Nate Blouin
Senator Kirk A. Cullimore
Senator Don L. Ipson
Senator Karen Kwan
Senator Daniel McCay
Senator Scott D. Sandall
Senator Todd D. Weiler