

**Effective 7/1/2015**

**51-10-201 Fund created.**

- (1) There is created a private-purpose trust fund entitled the "Navajo Trust Fund."
- (2) The fund consists of:
  - (a) revenue received by the state that represents the 37-1/2% of the net oil royalties from the Aneth Extension of the Navajo Indian Reservation required by Pub. L. No. 72-403, 47 Stat. 141, to be paid to the state;
  - (b) money received by the trust administrator from a contract executed by:
    - (i) the trust administrator; or
    - (ii) the board;
  - (c) appropriations made to the fund by the Legislature, if any;
  - (d) income;
  - (e) money related to litigation, including settlement of litigation, related to the royalties described in Subsection (2)(a);
  - (f) the balance of the Utah Navajo Royalties Holding Fund as of July 1, 2015, which shall be transferred to the fund; and
  - (g) other revenue received from other sources.
- (3) The trust administrator shall account for the receipt and expenditures of fund money in accordance with Subsection 51-10-204(1)(m) and the policies and guidance of the Division of Finance.
- (4)
  - (a)
    - (i) The state treasurer shall invest the fund money with the primary goal of providing for the stability, income, and growth of the principal.
    - (ii) Nothing in this section requires a specific outcome in investing.
    - (iii) The state treasurer may deduct any administrative costs incurred in managing fund assets from earnings before distributing them.
  - (iv)
    - (A) The state treasurer may employ professional asset managers to assist in the investment of assets of the fund.
    - (B) The state treasurer may only provide compensation to asset managers from earnings generated by the fund's investments.
  - (v) The state treasurer shall invest and manage the fund assets as a prudent investor would, by:
    - (A) considering the purposes, terms, distribution requirements, and other circumstances of the fund; and
    - (B) exercising reasonable care, skill, and caution in order to meet the standard of care of a prudent investor.
  - (vi) In determining whether or not the state treasurer has met the standard of care of a prudent investor, the judge or finder of fact shall:
    - (A) consider the state treasurer's actions in light of the facts and circumstances existing at the time of the investment decision or action, and not by hindsight; and
    - (B) evaluate the state treasurer's investment and management decisions respecting individual assets not in isolation, but in the context of a fund portfolio as a whole as a part of an overall investment strategy that has risk and return objectives reasonably suited to the fund.
- (b)
  - (i) The fund shall earn interest.

- (ii) The state treasurer shall deposit the interest or other revenue earned from investment of the fund into the fund.
- (5) The state auditor shall:
  - (a) conduct an annual audit of the fund's finances, internal controls, and compliance with statutes, rules, and policies in accordance with Title 67, Chapter 3, Auditor; and
  - (b) deliver a copy of the annual audit report to the:
    - (i) board;
    - (ii) trust administrator;
    - (iii) Diné Advisory Committee;
    - (iv) Office of Legislative Research and General Counsel for presentation to the Native American Legislative Liaison Committee, created in Section 36-22-1;
    - (v) governor's office;
    - (vi) Division of Indian Affairs;
    - (vii) Navajo Nation;
    - (viii) United States Bureau of Indian Affairs; and
    - (ix) United States Secretary of the Interior.

Enacted by Chapter 319, 2015 General Session