



# House of Representatives *State of Utah*

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P.O. BOX 145030 • SALT LAKE CITY, UTAH 84114-5030 • (801) 538-1029

March 5, 2013

Madam Speaker:

The Natural Resources, Agriculture, and Environment Committee reports a favorable recommendation on **H.C.R. 11**, CONCURRENT RESOLUTION SUPPORTING THE TRANSFER OF ADMINISTRATION OF THE UTAH NAVAJO TRUST FUND TO THE DINÉH COMMITTEE, by Representative M. Noel, with the following amendments:

1. *Page 1, Lines 11 through 14:*

11 This concurrent resolution of the Legislature and the Governor expresses the  
12 Legislature's and the Governor's {~~intent to~~} support for the transfer  
of all {~~Utah Navajo Trust Fund~~} oil and gas royalties  
13 administrative and fiduciary obligations to the Utah Dinéh Corporation under specified  
14 conditions.

2. *Page 1, Lines 17 through 19:*

17 ▶ expresses the Legislature's and the Governor's {~~intent to transfer all Utah~~  
~~Navajo~~  
18 ~~Trust Fund~~} support for the transfer of all oil and gas royalties administrative  
and fiduciary obligations to the Utah Dinéh Corporation  
19 subject to federal action;

3. *Page 2, Lines 51 through 52:*

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51 WHEREAS, pursuant to the Federal Acts, Utah ~~{-must-}~~ is directed to  
52 administer the ~~{-UNTF-}~~ oil and gas royalties for the  
health, education, and general welfare of the Navajo Indians residing in San Juan County;

4. *Page 3, Lines 67 through 69:*

67 WHEREAS, H.B. 352 resulted in the establishment of what became known as the  
68 Navajo Royalty Holding Fund (NRHF) no later than July 1, 2008, into which all  
~~{-UNTF-}~~ oil and gas royalties  
69 monetary assets and future royalty payments would be placed;

5. *Page 3, Lines 77 through 79:*

77 WHEREAS, litigation is now pending in United States District Court seeking to force  
78 the state of Utah to resume active administration of the ~~{-UNTF-}~~ oil and gas  
royalties for the health, education, and  
79 general welfare of the beneficiaries;

6. *Page 3, Lines 80 through 86:*

80 WHEREAS, the health, education, and general welfare of the beneficiaries would be  
81 improved by continuing projects previously funded, wholly or partially, with  
~~{-UNTF-}~~ oil and gas funds,  
82 including housing, water development, range improvement, delivery of education,  
healthcare,  
83 and other social services;  
84 ~~{-WHEREAS, although funded in part with NRHF expenditures, the~~  
subsequent cutoff of  
85 funding has left nonmonetary assets, including partially built houses, exposed to the  
extreme  
86 elements of southeastern Utah;-}

7. *Page 4, Lines 90 through 93:*

90 governmental and private financial institutions, the beneficiaries would benefit from the

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91 expenditure of ~~{UNTF}~~ oil and gas royalty money for economic development  
in San Juan County;

92 WHEREAS, the ~~{UNTF}~~ oil and gas royalties should be actively  
administered in these areas of need for the

93 health, education, and general welfare of the beneficiaries;

8. *Page 4, Lines 94 through 95:*

94 WHEREAS, the Federal Acts provide no mechanism for the state of Utah to resign as

95 ~~{UNTF}~~ trustee of the oil and gas royalties ;

9. *Page 4, Lines 110 through 113:*

110 WHEREAS, the UDC's proposed amended bylaws position the Utah Dinéh to play  
111 important roles in ~~{UNTF}~~ oil and gas royalties administration and oversight,  
require that the overall value of the

112 ~~{UNTF}~~ oil and gas royalties' assets , currently estimated at approximately  
\$55,000,000, be maintained and, if consistent with

113 applicable law and ~~{UNTF}~~ oil and gas royalties purposes, grown;

10. *Page 4, Line 114:*

114 WHEREAS, the UDC's proposed amended bylaws require that any

~~{UNTF}~~ oil and gas assets made

11. *Page 5, Lines 125 through 126:*

125 WHEREAS, the members of each Utah chapter of the Navajo Nation have previously

126 resolved to support the UDC's effort to become the ~~{UNTF}~~ trustee of the oil and  
gas royalties ;

12. *Page 5, Lines 127 through 130:*

127 WHEREAS, this support will again be ensured by means deemed reasonable and

128 reliable prior to any transfer of ~~{UNTF}~~ oil and gas royalties administration to



the UDC;

129 WHEREAS, the San Juan County Board of Commissioners unanimously supports  
130 transfer of administrative and fiduciary obligations for the ~~{-UNTF}~~ oil and gas  
royalties to the UDC;

13. Page 5, Lines 134 through 139:

134 WHEREAS, the UDC intends to administer the ~~{-UNTF}~~ oil and gas  
royalties pursuant to all applicable laws  
135 and regulations, including the common law of Indian trusts that imposes strict and  
exacting  
136 fiduciary obligations upon any trustee administering the property of Native Americans;  
and

137 WHEREAS, any transfer of ~~{-UNTF}~~ oil and gas royalties administrative  
and fiduciary obligations to the UDC  
138 must ensure that the state of Utah is indemnified and held harmless for any liability,  
damages,  
139 or litigation costs resulting from ~~{-UNTF}~~ oil and gas royalties administration:

14. Page 5, Lines 140 through 143:

140 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah,  
the  
141 Governor concurring therein, expresses its ~~{-intent to}~~ support for the transfer  
all ~~{-Utah Navajo Trust Fund}~~ oil and gas royalties  
142 administrative and fiduciary obligations to the Utah Diné Corporation conditioned on  
removal  
143 of the state as trustee, by an act of Congress or a federal court order that can then be  
used to encourage congressional action and that indemnifies and holds harmless the  
state of Utah from any and all legal and equitable claims .

15. Page 5, Lines 144 through 148:

144 BE IT FURTHER RESOLVED that the Legislature and the Governor declare that any  
145 transfer of ~~{-Utah Navajo Trust Fund}~~ oil and gas royalties administrative and

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fiduciary obligations to the Utah Dinéh  
146 Corporation by Congressional act or federal court order must also indemnify and  
hold harmless the state of Utah  
147 from any and all legal and equitable claims arising from future {~~Utah Navajo Trust~~  
~~Fund~~} oil and gas royalties  
148 administration by the Utah Dinéh Corporation and for litigation costs related to any claims.

16. Page 5, Line 149 through Page 6, Line 153:

149 BE IT FURTHER RESOLVED that the Legislature and the Governor declare that any  
150 transfer of Utah Navajo Trust Fund administrative and fiduciary obligations to the Utah  
Dinéh  
151 Corporation should require that the value of fixed and monetary Utah Navajo Trust Fund  
assets  
152 remain at least at current levels so that funds will be available to promote future  
generations of  
153 Utah Navajo Trust Fund beneficiaries' health, education, and general welfare and that  
the Utah Dinéh Corporation should operate under bylaws that have the protections  
described in this resolution .

17. Page 6, Lines 154 through 157:

154 BE IT FURTHER RESOLVED that the Legislature and the Governor declare that, if  
155 the foregoing objectives are ensured, the Legislature and the Governor support action by  
156 Congress or a federal court order to transfer the {~~Utah Navajo Trust~~  
~~Fund's~~} oil and gas royalties administrative and fiduciary obligations to  
157 the Utah Dinéh Corporation.

Respectfully,

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Michael E. Noel  
Committee Chair

Voting: 15-0-1

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