

26 ▶ provides for the management of a fund consisting of money from the sale or use of
27 land granted to the state under the Utah Enabling Act and other proceeds, revenue,
28 and assets;

29 ▶ provides for a nominating committee for members of the School and Institutional
30 Trust Fund Board of Trustees; ~~H→~~ [and]

30a ▶ provides for funding office operations; and ←~~H~~

31 ▶ repeals Investment of Land Grant Trust Fund Money provisions.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 This bill takes effect on July 1, 2014.

36 **Utah Code Sections Affected:**

37 **AMENDS:**

38 **53A-16-101.6**, as enacted by Laws of Utah 2012, Chapter 224

39 **53C-1-201**, as last amended by Laws of Utah 2013, Chapters 220 and 412

40 **53C-1-203**, as last amended by Laws of Utah 2012, Chapter 224

41 **53C-3-102**, as enacted by Laws of Utah 1994, Chapter 294

42 **63E-1-102**, as last amended by Laws of Utah 2013, Chapter 220

43 **ENACTS:**

44 **53D-1-101**, Utah Code Annotated 1953

45 **53D-1-102**, Utah Code Annotated 1953

46 **53D-1-103**, Utah Code Annotated 1953

47 **53D-1-104**, Utah Code Annotated 1953

48 **53D-1-105**, Utah Code Annotated 1953

49 **53D-1-201**, Utah Code Annotated 1953

50 **53D-1-202**, Utah Code Annotated 1953

51 **53D-1-203**, Utah Code Annotated 1953

52 **53D-1-301**, Utah Code Annotated 1953

53 **53D-1-302**, Utah Code Annotated 1953

54 **53D-1-303**, Utah Code Annotated 1953

55 **53D-1-304**, Utah Code Annotated 1953

56 **53D-1-401**, Utah Code Annotated 1953

429 Section 10. Section **53D-1-201** is enacted to read:

430 **Part 2. School and Institutional Trust Fund Office**

431 **53D-1-201. School and Institutional Trust Fund Office -- Status -- Duties.**

432 (1) There is created within state government the School and Institutional Trust Fund
433 Office.

434 (2) The office is an independent state agency within the executive branch and is not a
435 division of any other executive branch department.

436 (3) The office shall manage the trust fund.

437 (4) No later than September 1 of each year, the office shall provide to the Division of
438 Finance financial information for the prior fiscal year that the Division of Finance requests for
439 financial reporting purposes.

440 Section 11. Section **53D-1-202** is enacted to read:

441 **53D-1-202. Access to office records and personnel.**

442 (1) The office shall provide board members and the director of the school children's
443 trust section access to all office records and personnel as necessary for board members and the
444 director of the school children's trust section to fulfill their responsibilities to ensure that the
445 office is in full compliance with applicable law and policies.

446 (2) If the director requires, board members and the director of the school children's
447 trust section shall maintain confidentiality of information they obtain from office records and
448 personnel.

449 Section 12. Section **53D-1-203** is enacted to read:

450 **53D-1-203. Funding of office operations.**

451 (1) There is created an enterprise fund known as the School and Institutional Trust
452 Fund Management Account.

453 (2) The account is funded by money deposited into the account as provided in
454 Subsection (3).

455 ~~Ĥ→ (3) The director of school and institutional trust lands, appointed under Section~~
456 ~~53C-1-301, shall annually deposit an amount of money into the account equal to the annual~~
457 ~~appropriation made to the office by the Legislature.]~~

457a (3) The director shall deposit into the account an amount of money from the trust fund
457b investment revenues equal to the annual appropriation that the Legislature makes to the office.
457c The office may deduct from income all costs related to risk management, consulting,
457d equipment, and legal expenses, custodial costs, management fees, and other costs of operating
457e the office. ←Ĥ

458 (4) If the amount of money deposited into the account under Subsection (3) in any year
459 exceeds the amount required by the office during that year to fund its operations, the office

460 shall distribute that excess money proportionately to the various funds established for the
 461 beneficiaries of land grants under the enabling act, based on the balances of those funds as of
 462 June 30.

463 ~~Ĥ→ [(5) Before distributing earnings from trust fund assets, the office may deduct any audit,~~
 464 ~~risk management, consulting, equipment, legal, and custodial costs and management fees~~
 465 ~~incurred in managing the trust fund assets.] ←Ĥ~~

466 Section 13. Section **53D-1-301** is enacted to read:

467 **Part 3. School and Institutional Trust Fund Board of Trustees**

468 **53D-1-301. Board of trustees -- Creation -- Membership.**

469 (1) There is created a School and Institutional Trust Fund Board of Trustees.

470 (2) The board consists of:

471 (a) the state treasurer; and

472 (b) four additional members who are appointed by the state treasurer on a nonpartisan
 473 basis from a list of at least two qualified candidates per position, nominated by the nominating
 474 committee, as provided in Section 53D-1-503.

475 (3) The state treasurer shall appoint members under Subsection (2)(b) who possess:

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

478 (b) expertise in institutional investment management.

479 (4) (a) The term of a board member under Subsection (2)(b) is six years.

480 (b) Notwithstanding Subsection (4)(a), the nominating committee shall stagger terms
 481 of initial board members so that the term of not more than one member expires in any year.

482 (c) A board member may not serve consecutive terms, except that:

483 (i) a board member whose term is less than six years because of the staggering of terms
 484 under Subsection (4)(b) may serve a full consecutive term after the completion of the initial
 485 term; and

486 (ii) a member appointed to fill a vacancy may serve a full consecutive term after filling
 487 a previous unexpired term.

488 (d) A board member shall serve until a successor is appointed, confirmed, and
 489 qualified.

490 (5) Before assuming duties as a board member, a member shall take an oath of office