

**RESIDENCY-RELATED MEMBERSHIP REQUIREMENTS FOR  
CERTAIN LOCAL BOARDS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeffrey D. Stenquist**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to membership on specified local boards.

**Highlighted Provisions:**

This bill:

- provides that residing within a specified distance of authority jurisdictional land overcomes other limitations on an individual serving as a member of the Utah Inland Port Authority board; and

- provides that residing within a specified distance of point of the mountain state land overcomes other limitations on an individual serving as a member of the Point of the Mountain State Land Authority board.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**11-58-304**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

**11-59-306**, as enacted by Laws of Utah 2018, Chapter 388

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

Section 1. Section **11-58-304** is amended to read:

**11-58-304. Limitations on board members and executive director.**

(1) As used in this section:

(a) "Direct financial benefit":

(i) means any form of financial benefit that accrues to an individual directly, including:

(A) compensation, commission, or any other form of a payment or increase of money;

and

(B) an increase in the value of a business or property; and

(ii) does not include a financial benefit that accrues to the public generally.

(b) "Family member" means a parent, spouse, sibling, child, or grandchild.

(2) An individual may not serve as a voting member of the board or as executive director if:

(a) the individual owns real property, other than a personal residence in which the individual resides, on or within five miles of the authority jurisdictional land, whether or not the ownership interest is a recorded interest;

(b) a family member of the individual owns an interest in real property, other than a personal residence in which the family member resides, located on or within one-half mile of the authority jurisdictional land; or

(c) the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, private company, or other private entity that the individual reasonably believes is likely to:

(i) participate in or receive a direct financial benefit from the development of the authority jurisdictional land; or

(ii) acquire an interest in or locate a facility on the authority jurisdictional land.

(3) Before taking office as a voting member of the board or accepting employment as executive director, an individual shall submit to the authority:

(a) a statement verifying that the individual's service as a board member or employment as executive director does not violate Subsection (2); or

(b) for an individual to whom Subsection **11-58-302(8)** applies, the disclosure required under that subsection.

(4) (a) An individual may not, at any time during the individual's service as a voting member or employment with the authority, acquire, or take any action to initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property located on or within five miles of the authority jurisdictional land, if:

(i) the acquisition is in the individual's personal capacity or in the individual's capacity as an employee or officer of a private firm, private company, or other private entity; and

(ii) the acquisition will enable the individual to receive a direct financial benefit as a result of the development of the authority jurisdictional land.

(b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is a personal residence in which the individual will reside upon acquisition of the real property.

(5) (a) A voting member or nonvoting member of the board or an employee of the authority may not receive a direct financial benefit from the development of authority jurisdictional land.

(b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

(i) expense reimbursements;

(ii) per diem pay for board member service, if applicable; or

(iii) an employee's compensation or benefits from employment with the authority.

(6) Nothing in this section may be construed to affect the application or effect of any other code provision applicable to a board member or employee relating to ethics or conflicts of interest.

(7) Notwithstanding any other provision of this section, an individual who resides within five miles of the authority jurisdictional land is not disqualified from serving as a voting member of the board.

Section 2. Section **11-59-306** is amended to read:

**11-59-306. Limitations on board members.**

(1) As used in this section:

(a) "Direct financial benefit":

(i) means any form of financial benefit that accrues to an individual directly as a result of the development of the point of the mountain state land, including:

(A) compensation, commission, or any other form of a payment or increase of money;

90 and

91 (B) an increase in the value of a business or property; and

92 (ii) does not include a financial benefit that accrues to the public generally as a result of  
93 the development of the point of the mountain state land.

94 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

95 (c) "Interest in real property" means every type of real property interest, whether  
96 recorded or unrecorded, including:

97 (i) a legal or equitable interest;

98 (ii) an option on real property;

99 (iii) an interest under a contract;

100 (iv) fee simple ownership;

101 (v) ownership as a tenant in common or in joint tenancy or another joint ownership  
102 arrangement;

103 (vi) ownership through a partnership, limited liability company, or corporation that  
104 holds title to a real property interest in the name of the partnership, limited liability company,  
105 or corporation;

106 (vii) leasehold interest; and

107 (viii) any other real property interest that is capable of being owned.

108 (2) An individual may not serve as a member of the board if:

109 (a) the individual owns an interest in real property, other than a personal residence in  
110 which the individual resides, within five miles of the point of the mountain state land;

111 (b) a family member of the individual owns an interest in real property, other than a  
112 personal residence in which the family member resides, located within one-half mile of the  
113 point of the mountain state land; or

114 (c) the individual or a family member of the individual owns an interest in, is directly  
115 affiliated with, or is an employee or officer of a firm, company, or other entity that the  
116 individual reasonably believes is likely to participate in or receive compensation or other direct  
117 financial benefit from the development of the point of the mountain state land.

118 (3) Before taking office as a board member, an individual shall submit to the authority  
119 a statement verifying that the individual's service as a board member does not violate  
120 Subsection (2).

121 (4) A board member may not, at any time during the board member's service on the  
122 board, take any action to initiate, negotiate, or otherwise arrange for the acquisition of an  
123 interest in real property located within five miles of the point of the mountain state land.

124 (5) (a) The board may not allow a firm, company, or other entity to participate in  
125 planning, managing, or implementing the development of the point of the mountain state land  
126 if a board member or a family member of a board member owns an interest in, is directly  
127 affiliated with, or is an employee or officer of the firm, company, or other entity.

128 (b) Before allowing a firm, company, or other entity to participate in planning,  
129 managing, or implementing the development of the point of the mountain state land, the board  
130 may require the firm, company, or other entity to certify that no board member or family  
131 member of a board member owns an interest in, is directly affiliated with, or is an employee or  
132 officer of the firm, company, or other entity.

133 (6) Notwithstanding any other provision of this section, an individual who resides  
134 within five miles of the point of the mountain state land is not disqualified from serving as a  
135 member of the board.