

TRUST LAND DISPOSAL REQUIREMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: _____

LONG TITLE

General Description:

This bill imposes conditions on the sale of school and institutional trust lands.

Highlighted Provisions:

This bill:

▶ requires the director of the School and Institutional Trust Lands Administration to invite input from local legislators before advertising a proposed sale of trust lands;

▶ adds specific requirements regarding the timing of a proposed sale of more than 5,000 contiguous acres of trust lands; and

▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53C-4-102, as last amended by Laws of Utah 2018, Chapter 13

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

Section 1. Section **53C-4-102** is amended to read:

53C-4-102. Sale of trust lands -- Fair market value -- Determination of sale --



28 **Advertising proposed sales -- Sale procedures -- Defaults.**

29 (1) Trust lands may not be sold for less than the fair market value.

30 (2) (a) The director shall determine whether disposal or retention of all or a portion of a
31 property interest in trust lands is in the best interest of the trust.32 (b) When it is determined that the disposal of an interest in trust lands is in the best
33 interest of the applicable trust, the transaction shall be accomplished in an orderly and timely
34 manner.35 (3) (a) At least 15 days before advertising a proposed sale of trust lands, the director
36 shall:37 (i) give notice of the proposed sale to the legislators of the legislative districts in which
38 the trust lands are located; and39 (ii) invite the notified legislators to provide comments on the proposed sale.40 (b) Comments submitted to the director by a legislator are not binding on the director's
41 determination regarding whether a proposed sale of trust lands is in the best interest of the
42 trust.43 ~~[(3)]~~ (4) The director shall advertise any proposed sale, lease, or exchange of an
44 interest in trust lands in a reasonable manner consistent with the director's fiduciary
45 responsibilities.

46 (5) For a proposed sale of more than 5,000 contiguous acres of trust lands:

47 (a) the director shall advertise the proposed sale at least 15 days before the first day of:48 (i) the annual general session of the Legislature;49 (ii) a legislative session convened by joint proclamation of the president of the Senate
50 and speaker of the House of Representatives under Utah Constitution, Article VI, Section 2,
51 where consideration of the proposed sale is included in the proclamation as a purpose for
52 which the Legislature is to be convened; or53 (iii) a legislative session convened by the governor under Utah Constitution, Article
54 VII, Section 2, where consideration of the proposed sale is included in the governor's
55 proclamation as a purpose for which the Legislature is to be convened; and56 (b) (i) if the sale will be conducted by public auction, the director may not conduct the
57 auction until after the end of the first legislative session described in Subsection (5)(a) that
58 begins at least 15 days after the director first advertises the proposed sale; or

59 (ii) if the sale will be conducted by negotiated sale, the director may not close the
60 period of accepting and evaluating competitive offers before the end of the first legislative
61 session described in Subsection (5)(a) that begins at least 15 days after the director first
62 advertises the proposed sale.

63 [~~(4)~~] (6) (a) Any tract of trust land may be subdivided and sold, leased, or exchanged in
64 accordance with a plan, contract, or other action designating the land to be subdivided that is
65 approved by the director.

66 (b) The director may survey the tract and direct its subdivision.

67 (c) A plat of the survey shall be filed with the county recorder of the county in which
68 the land is located and with the administration.

69 [~~(5)~~] (7) Sale conditions, including qualification of prospective purchasers, shall be in
70 accordance with accepted mortgage lending and real estate practices.

71 [~~(6)~~] (8) Upon the sale of land, the director shall issue to the purchaser a certificate of
72 sale which describes the land purchased and states the amount paid, the amount due, and the
73 time when the principal and interest will become due.

74 [~~(7)~~] (9) Upon payment in full of principal and interest, payment in full of any amounts
75 required to be paid for the partial release of property, or acceptance of appropriate conveyance
76 documents in satisfaction of a land exchange, the governor, or the governor's designee, shall
77 issue a patent to the purchaser, heir, assignee, successor in interest, or other grantee as
78 determined by the director.

79 [~~(8)~~] (10) (a) If a purchaser of trust lands defaults in the payment of any installment of
80 principal or interest due under the terms of the contract of sale, the director shall notify the
81 purchaser that if the default is not corrected within 30 days after issuance of the notice the
82 director shall proceed with any remedy which the administration may pursue under law or the
83 contract of sale.

84 (b) The notice shall be sent by registered or certified mail to the purchaser at the latest
85 address as shown by the records of the administration.

86 (c) If the default is not corrected by compliance with the requirements of the notice of
87 default within the time provided by the notice, the director may pursue any available remedy
88 under the contract of sale, including forfeiture.

89 (d) If forfeited lands are sold again to the same purchaser, the sale may be made by a

90 new and independent contract without regard to the forfeited agreement.