

1 **SCHOOL AND INSTITUTIONAL TRUST LANDS AMENDMENTS**
2 2024 GENERAL SESSION
3 STATE OF UTAH
4 **Chief Sponsor: Casey Snider**
5 Senate Sponsor: Kirk A. Cullimore

6
7 **LONG TITLE**

8 **General Description:**

9 This bill makes changes relating to the School and Institutional Trust Lands Management
10 Act.

11 **Highlighted Provisions:**

- 12 This bill:
- 13 ▶ exempts the sale or lease of certain large aggregations of trust lands from advertising
14 requirements;
 - 15 ▶ excludes certain lands from sale or lease under the large aggregation exemption;
 - 16 ▶ requires rulemaking for determining the fair market value of trust lands; and
 - 17 ▶ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **53C-1-102**, as repealed and reenacted by Laws of Utah 1994, Chapter 294

25 ENACTS:

26 **53C-4-104**, Utah Code Annotated 1953

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

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

53C-1-102 . Purpose.

(1) (a) The purpose of this title is to establish an administration and board to manage

- 28 lands that Congress granted to the state for the support of common schools and other
 29 beneficiary institutions, under the Utah Enabling Act.
- 30 (b) This grant was expressly accepted in the Utah Constitution, thereby creating a
 31 compact between the federal and state governments which imposes upon the state a
 32 perpetual trust obligation to which standard trust principles are applied.
- 33 (c) Title to these trust lands is vested in the state as trustee to be administered for the
 34 financial support of the trust beneficiaries.
- 35 (2) (a) The trust principles referred to in Subsection (1) impose fiduciary duties upon the
 36 state, including a duty of undivided loyalty to, and a strict requirement to administer
 37 the trust corpus for the exclusive benefit of, the trust beneficiaries.
- 38 (b) As trustee, the state [~~must~~] shall manage the lands and revenues generated from the
 39 lands in the most prudent and profitable manner possible, and not for any purpose
 40 inconsistent with the best interests of the trust beneficiaries.
- 41 (c) The trustee [~~must~~] shall be concerned with both income for the current beneficiaries
 42 and the preservation of trust assets for future beneficiaries, which requires a
 43 balancing of short and long-term interests so that long-term benefits are not lost in an
 44 effort to maximize short-term gains.
- 45 (d) The beneficiaries do not include other governmental institutions or agencies, the
 46 public at large, or the general welfare of this state.
- 47 (3) This title shall be liberally construed to enable the board of trustees, the director, and the
 48 administration to faithfully fulfill the state's obligations to the trust beneficiaries.

49 Section 2. Section **53C-4-104** is enacted to read:

50 **53C-4-104 . Sale or lease of trust lands to state entities -- Requirements --**

51 **Excluded lands -- Fair market value.**

- 52 (1) (a) The director may sell or lease to the Utah Department of Natural Resources an
 53 aggregation of more than 5,000 acres of trust lands, if the Utah Department of
 54 Natural Resources pays at least fair market value for the sale or lease.
- 55 (b) The director may make an aggregation of more than 5,000 acres of trust lands
 56 described in this section by selecting a single, contiguous parcel or combining
 57 multiple parcels, with individual parcels no farther apart than two miles.
- 58 (c) The director may complete a sale or lease described in this section without
 59 complying with the advertising requirements described in Subsection 53C-4-102(3),
 60 if the director and the board of trustees:
- 61 (i) provide written notice of a proposed sale or lease under this section to an affected

- 62 beneficiary; and
- 63 (ii) present at an open meeting of the board of trustees and take public comment on:
- 64 (A) the terms of a proposed sale or lease; and
- 65 (B) the director's findings that waiving the advertising provision is in the best
- 66 interest of the beneficiaries.
- 67 (2) The director may not include the following lands in a sale or lease described in this
- 68 section:
- 69 (a) Township 1 South, Range 8 West, USM;
- 70 (b) Township 1 South, Range 9 West, USM; or
- 71 (c) Township 1 South, Range 10 West, USM.
- 72 (3) (a) The director shall make rules, in accordance with Title 63G, Chapter 3, Utah
- 73 Administrative Rulemaking Act, for determining the fair market value of trust lands
- 74 for a sale or lease described in this section.
- 75 (b) The rules adopted by the director:
- 76 (i) shall establish the procedure for determining the fair market value of the trust
- 77 lands;
- 78 (ii) may provide that an appraisal, as that term is defined in Section 61-2g-102,
- 79 demonstrates the fair market value of the trust lands;
- 80 (iii) shall require the director to obtain at least one third-party appraisal in the
- 81 procedure established in this Subsection (3); and
- 82 (iv) may require that additional appraisals be completed by a state-certified general
- 83 appraiser, as that term is defined in Section 61-2g-102.

84 Section 3. **Effective date.**
85 This bill takes effect on May 1, 2024.