

Representative Casey Snider proposes the following substitute bill:

SCHOOL AND INSTITUTIONAL TRUST LANDS

AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ exempts the sale or lease of certain large aggregations of trust lands from advertising requirements;
- ▶ excludes certain lands from sale or lease under the large aggregation exemption;
- ▶ requires rulemaking for determining the fair market value 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53C-1-102, as repealed and reenacted by Laws of Utah 1994, Chapter 294



26 ENACTS:

27 **53C-4-104**, Utah Code Annotated 1953



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

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

31 **53C-1-102. Purpose.**

32 (1) (a) The purpose of this title is to establish an administration and board to manage
33 lands that Congress granted to the state for the support of common schools and other
34 beneficiary institutions, under the Utah Enabling Act.

35 (b) This grant was expressly accepted in the Utah Constitution, thereby creating a
36 compact between the federal and state governments which imposes upon the state a perpetual
37 trust obligation to which standard trust principles are applied.

38 (c) Title to these trust lands is vested in the state as trustee to be administered for the
39 financial support of the trust beneficiaries.

40 (2) (a) The trust principles referred to in Subsection (1) impose fiduciary duties upon
41 the state, including a duty of undivided loyalty to, and a strict requirement to administer the
42 trust corpus for the exclusive benefit of, the trust beneficiaries.

43 (b) As trustee, the state [~~must~~] shall manage the lands and revenues generated from the
44 lands in the most prudent and profitable manner possible, and not for any purpose inconsistent
45 with the best interests of the trust beneficiaries.

46 (c) The trustee [~~must~~] shall be concerned with both income for the current beneficiaries
47 and the preservation of trust assets for future beneficiaries, which requires a balancing of short
48 and long-term interests so that long-term benefits are not lost in an effort to maximize
49 short-term gains.

50 (d) The beneficiaries do not include other governmental institutions or agencies, the
51 public at large, or the general welfare of this state.

52 (3) This title shall be liberally construed to enable the board of trustees, the director,
53 and the administration to faithfully fulfill the state's obligations to the trust beneficiaries.

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

55 **53C-4-104. Sale or lease of trust lands to state entities -- Requirements --**

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

57 (1) (a) The director may sell or lease to the Utah Department of Natural Resources an
58 aggregation of more than 5,000 acres of trust lands, if the Utah Department of Natural
59 Resources pays at least fair market value for the sale or lease.

60 (b) The director may make an aggregation of more than 5,000 acres of trust lands
61 described in this section by selecting a single, contiguous parcel or combining multiple parcels,
62 with individual parcels no farther apart than two miles.

63 (c) The director may complete a sale or lease described in this section without
64 complying with the advertising requirements described in Subsection [53C-4-102](#)(3), if the
65 director and the board of trustees:

66 (i) provide written notice of a proposed sale or lease under this section to an affected
67 beneficiary; and

68 (ii) present at an open meeting of the board of trustees and take public comment on:

69 (A) the terms of a proposed sale or lease; and

70 (B) the director's findings that waiving the advertising provision is in the best interest
71 of the beneficiaries.

72 (2) The director may not include the following lands in a sale or lease described in this
73 section:

74 (a) Township 1 South, Range 8 West, USM;

75 (b) Township 1 South, Range 9 West, USM; or

76 (c) Township 1 South, Range 10 West, USM.

77 (3) (a) The director shall make rules, in accordance with Title 63G, Chapter 3, Utah
78 Administrative Rulemaking Act, for determining the fair market value of trust lands for a sale
79 or lease described in this section.

80 (b) The rules adopted by the director:

81 (i) shall establish the procedure for determining the fair market value of the trust lands;

82 (ii) may provide that an appraisal, as that term is defined in Section [61-2g-102](#),
83 demonstrates the fair market value of the trust lands;

84 (iii) shall require the director to obtain at least one third-party appraisal in the
85 procedure established in this Subsection (3); and

86 (iv) may require that additional appraisals be completed by a state-certified general
87 appraiser, as that term is defined in Section [61-2g-102](#).

88 Section 3. **Effective date.**

89 This bill takes effect on May 1, 2024.