

HB0262S01 compared with HB0262

~~text~~ shows text that was in HB0262 but was deleted in HB0262S01.

text shows text that was not in HB0262 but was inserted into HB0262S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

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: {} _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ~~clarifies that the state may sell or lease land to state entities for fair market value;~~
- ▶ exempts the sale or lease of certain large aggregations of trust lands from advertising requirements ~~and mineral rights restrictions~~;
- ▶ excludes certain lands from sale or lease ~~and~~ under the large aggregation exemption;

HB0262S01 compared with HB0262

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53C-1-102, as repealed and reenacted by Laws of Utah 1994, Chapter 294

ENACTS:

53C-4-104, Utah Code Annotated 1953

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 lands that Congress granted to the state for the support of common schools and other beneficiary institutions, under the Utah Enabling Act.

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

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

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

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

(c) The trustee ~~[must]~~ shall be concerned with both income for the current beneficiaries and the preservation of trust assets for future beneficiaries, which requires a balancing of short

HB0262S01 compared with HB0262

and long-term interests so that long-term benefits are not lost in an effort to maximize short-term gains.

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

~~{ (3) The leasing or selling of trust lands to other state governmental institutions or agencies is consistent with the fiduciary duties of the state, if the state obtains at least fair market value for the lease or sale of the trust lands.~~

~~{ (3) (4) }~~ This title shall be liberally construed to enable the board of trustees, the director, and the administration to faithfully fulfill the state's obligations to the trust beneficiaries.

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

53C-4-104. Sale or lease of trust lands to state entities -- ~~{Disposition of mineral estate}~~ Requirements -- Excluded lands -- Fair market value.

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

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

(c) The director may complete a sale or lease described in this section without complying with the ~~{following provisions, if the director and the board of trustees determine that waiving the provisions is in the best interest of the beneficiaries:~~

~~— (i) the }advertising requirements described in Subsection 53C-4-102(3){; or~~
~~— (ii) the restrictions on the sale of mineral rights described in Section 53C-2-401}, if the director and the board of trustees:~~

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

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

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

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

HB0262S01 compared with HB0262

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

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

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

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

(3) (a) The director shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for determining the fair market value of trust lands~~;~~ [including mineral interests,](#)~~;~~ for a sale or lease described in this section.

(b) The rules adopted by the director:

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

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

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

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

Section 3. **Effective date.**

This bill takes effect on May 1, 2024.