

**SCHOOL AND INSTITUTIONAL TRUST LANDS  
ADMINISTRATION AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Phil Lyman**

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

---

---

**LONG TITLE**

**General Description:**

This bill modifies provisions related to the School and Institutional Trust Lands Administration.

**Highlighted Provisions:**

- This bill:
- ▶ defines terms;
  - ▶ repeals rulemaking authority;
  - ▶ prohibits state employees or contractors from receiving a financial bonus for overseeing the sale of trust lands;
  - ▶ creates requirements for the sale, exchange, lease or other disposition or conveyance of trust lands;
  - ▶ requires a governmental entity to notify legislators of proposed land exchanges less than 500 acres that impact public lands or trust lands within the legislator's district;
  - and
  - ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **53C-4-101**, as last amended by Laws of Utah 2011, Chapter 24731 **53C-4-102**, as last amended by Laws of Utah 2018, Chapter 1332 **63L-2-201**, as last amended by Laws of Utah 2019, Chapter 457

33

34 *Be it enacted by the Legislature of the state of Utah:*35 Section 1. Section **53C-4-101** is amended to read:36 **53C-4-101. Criteria for sale, lease, exchange, or other disposition of trust lands.**37 (1) ~~[(a) The]~~ Before executing a sale, exchange, lease, or other disposition or  
38 conveyance of trust lands, the director shall [establish criteria by rule for the sale, exchange,  
39 lease, or other disposition or conveyance of trust lands, including procedures for determining  
40 fair market value of those lands.]:41 (a) determine the fair market value of the land by:42 (i) an appraisal;43 (ii) a market analysis, including evaluation of real estate trends, market demand,  
44 opportunity costs of the sale, and the management costs of retention; and45 (iii) other relevant information; and46 (b) submit a report to the Natural Resources, Agriculture, and Environmental Quality  
47 Appropriations Subcommittee stating how the proposed transfer:48 (i) reflects the value intrinsic to the dispersed pattern of school and institutional trust  
49 lands that are surrounded by federal lands;50 (ii) reflects the Legislature's prioritization of energy and natural resource development;  
51 and52 (iii) conforms, to the maximum extent possible, with an affected county's resource  
53 management plan.54 ~~[(b)] (2) [(i) Nothing in this title or in the administration's rules and procedures shall be~~  
55 ~~considered to require the director or the administration to execute]~~56 (a) The director may not recommend any transaction for the disposition of trust lands  
57 on terms that the director determines by a written finding to be unfavorable to the beneficiaries.58 (b) The director shall send a copy of the written finding described in Subsection (2)(a)

59 to each board member for review and comment.

60 [~~(ii)~~] ~~The director shall send a copy of the written finding to each board member for~~  
61 ~~review and comment.]~~

62 [~~(2)~~] (3) The governor, with the consent of the board, may participate in efforts and  
63 initiatives related to school and institutional trust lands inholdings.

64 Section 2. Section **53C-4-102** is amended to read:

65 **53C-4-102. Sale of trust lands -- Fair market value -- Incentives for sale --**  
66 **Determination of sale -- Advertising proposed sales -- Sale procedures -- Defaults.**

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

68 (2) (a) The director shall determine whether disposal or retention of all or a portion of a  
69 property interest in trust lands is in the best interest of the trust.

70 (b) When it is determined that the disposal of an interest in trust lands is in the best  
71 interest of the applicable trust, the transaction shall be accomplished in an orderly and timely  
72 manner.

73 (3) The director may not provide a financial incentive in addition to regular salary to  
74 trust employees or contractors for services related to the sale or transfer of trust lands.

75 [~~(3)~~] (4) The director shall advertise any proposed sale, lease, or exchange of an  
76 interest in trust lands in a reasonable manner consistent with the director's fiduciary  
77 responsibilities.

78 [~~(4)~~] (5) (a) Any tract of trust land may be subdivided and sold, leased, or exchanged in  
79 accordance with a plan, contract, or other action designating the land to be subdivided that is  
80 approved by the director.

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

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

84 [~~(5)~~] (6) Sale conditions, including qualification of prospective purchasers, shall be in  
85 accordance with accepted mortgage lending and real estate practices.

86 [~~(6)~~] (7) Upon the sale of land, the director shall issue to the purchaser a certificate of  
87 sale which describes the land purchased and states the amount paid, the amount due, and the  
88 time when the principal and interest will become due.

89 [~~(7)~~] (8) Upon payment in full of principal and interest, payment in full of any amounts

90 required to be paid for the partial release of property, or acceptance of appropriate conveyance  
91 documents in satisfaction of a land exchange, the governor, or the governor's designee, shall  
92 issue a patent to the purchaser, heir, assignee, successor in interest, or other grantee as  
93 determined by the director.

94 ~~[(8)]~~ (9) (a) If a purchaser of trust lands defaults in the payment of any installment of  
95 principal or interest due under the terms of the contract of sale, the director shall notify the  
96 purchaser that if the default is not corrected within 30 days after issuance of the notice the  
97 director shall proceed with any remedy which the administration may pursue under law or the  
98 contract of sale.

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

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

104 (d) If forfeited lands are sold again to the same purchaser, the sale may be made by a  
105 new and independent contract without regard to the forfeited agreement.

106 Section 3. Section **63L-2-201** is amended to read:

107 **63L-2-201. Federal government acquisition of real property in the state.**

108 (1) As used in this section:

109 (a) "Federal land" means:

110 (i) land owned by the federal government; or

111 (ii) mineral rights, water rights, or similar rights owned by the federal government.

112 ~~[(a)]~~ (b) "Governmental entity" means:

113 (i) an agency, as that term is defined in Subsection [63G-10-102\(2\)](#);

114 (ii) the School and Institutional Trust Lands Administration created in Section  
115 [53C-1-201](#);

116 (iii) the School and Institutional Trust Lands Board of Trustees created in Section  
117 [53C-1-202](#); or

118 (iv) a county.

119 ~~[(b)]~~ (c) "Governmentally controlled land" means land owned or managed by a  
120 governmental entity.

121 (d) "Public lands county" means a county that has less private land ownership than the  
 122 state average, by percentage of land area, as determined by the Utah Geospatial Resource  
 123 Center.

124 (2) ~~[(a)]~~ Before legally binding the state by executing an agreement to sell or transfer to  
 125 the ~~[United States]~~ federal government 500 or more acres of governmentally controlled land or  
 126 school and institutional trust lands, a governmental entity shall submit the ~~[agreement or]~~  
 127 proposal:

128 ~~[(i)]~~ (a) to the Legislature for ~~[its]~~ approval or rejection; or

129 ~~[(ii)]~~ (b) in the interim, to the Legislative Management Committee ~~[for review of the~~  
 130 ~~agreement or proposal.], which may:~~

131 (i) review the proposal described in this Subsection (2) for constitutional authority to  
 132 execute the sale or transfer of land to the federal government;

133 (ii) recommend that the governmental entity reject the proposal; or

134 (iii) recommend to the governor that the governor call a special session of the  
 135 Legislature to review and approve or reject the proposal.

136 ~~[(b) The Legislative Management Committee may:]~~

137 ~~[(i) recommend that the governmental entity execute the agreement or proposal;]~~

138 ~~[(ii) recommend that the governmental entity reject the agreement or proposal; or]~~

139 ~~[(iii) recommend to the governor that the governor call a special session of the~~  
 140 ~~Legislature to review and approve or reject the agreement or proposal.]~~

141 (3) Before legally binding the state by executing an agreement to sell or transfer to the  
 142 ~~[United States]~~ federal government less than 500 acres of any governmentally controlled land  
 143 or school and institutional trust lands, a governmental entity shall notify:

144 (a) each legislator whose legislative district is located partially or wholly within the  
 145 geographic borders of the proposed land exchanged; and

146 (b) the Natural Resources, Agriculture, and Environment Interim Committee.

147 ~~[(4) Notwithstanding Subsections (2) and (3), the Legislature approves all conveyances~~  
 148 ~~of school trust lands to the United States government made for the purpose of completing the~~  
 149 ~~Red Cliffs National Conservation Area in Washington County.]~~

150 ~~[(5)]~~ (4) A governmental entity may, in the governmental entity's discretion, give  
 151 written notice to the Legislative Management Committee of formal negotiations the

152 governmental entity enters into with a federal agent or entity intended or likely to result in:

153 (a) the sale, exchange, or transfer of specific governmentally controlled land or school  
154 and institutional trust lands to the federal government; or

155 (b) designation of specific governmentally controlled land or school and institutional  
156 trust lands as a federal park, monument, or wilderness area.

157 (5) The School and Institutional Trust Lands Administration may not execute an  
158 agreement to sell or transfer school and institutional trust lands in a public lands county to the  
159 federal government unless the result of the negotiated transaction is a net decrease in the  
160 percentage of federally owned land in the county.

161 Section 4. **Effective date.**

162 This bill takes effect on May 1, 2024.