HB0483S03 compared with HB0483S01

~~{Omitted text}~~ shows text that was in HB0483S01 but was omitted in HB0483S03
inserted text shows text that was not in HB0483S01 but was inserted into HB0483S03

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.

School and Institutional Trust Lands Administration Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

LONG TITLE

General Description:

This bill addresses provisions related to school and institutional trust lands.

Highlighted Provisions:

This bill:

- requires the director of the School and Institutional Trust Lands Administration (administration) to complete a valuation of the administration's land portfolio every five years;
- requires the director {~~of the administration~~ } to report annually to the Legislature:
  - the activities of the administration;
  - an approximate valuation of the administration's land portfolio;
  - an audited financial statement of the administration; and
  - an account of the total amount of funds distributed by the administration;
- provides the circumstances under which the state shall offer for sale trust lands subject to a lease; {~~and~~}
- **modifies the list of activities and penalties for illegal activities on trust lands; and**
- makes technical and conforming changes.

HB0483S01

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

AMENDS:

53C-1-303 , as last amended by Laws of Utah 2012, Chapter 224 , as last amended by Laws of Utah 2012, Chapter 224

53C-2-301 , as last amended by Laws of Utah 2020, Chapter 123 , as last amended by Laws of Utah 2020, Chapter 123

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

ENACTS:

53C-1-307 , Utah Code Annotated 1953 , Utah Code Annotated 1953

REPEALS:

53D-1-101 , as last amended by Laws of Utah 2018, Chapter 448 , as last amended by Laws of Utah 2018, Chapter 448

53D-2-101 , as enacted by Laws of Utah 2018, Chapter 448 , as enacted by Laws of Utah 2018, Chapter 448

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

Section 1. Section **53C-1-303** is amended to read:

53C-1-303. Responsibilities of director -- Budget review -- Legal counsel -- Contract for services.

(1) In carrying out the policies of the board of trustees and in establishing procedures and rules, the director shall:

(a) take an oath of office before assuming any duties as the director;

(b) adopt procedures and rules necessary for the proper administration of matters entrusted to the director by state law and board policy;

(c) submit to the board for its review and concurrence on any rules necessary for the proper management of matters entrusted to the administration;

(d) faithfully manage the administration under the policies established by the board;

(e) submit to the board for public inspection an annual management budget and financial plan for operations of the administration and, after approval by the board, submit the budget to the governor;

(f) direct and control the budget expenditures as finally authorized and appropriated;

(g) establish job descriptions and employ, within the limitation of the budget, staff necessary to accomplish the purposes of the office subject to Section 53C-1-201;

(h) establish, in accordance with generally accepted principles of fund accounting, a system to identify and account for the assets and vested interests of each beneficiary;

(i) complete an approximate valuation of the administration's entire land portfolio every five years by estimating the value of no less than 10% of the administration's land portfolio each year;

[~~(i)~~] (j) notify the primary beneficiary representative's designee regarding the trusts listed in Subsection 53C-1-103(7) on major items that the director knows may be useful to the primary beneficiary representative's designee in protecting beneficiary rights;

[~~(j)~~] (k) permit the primary beneficiary representative's designee regarding a trust listed in Subsection 53C-1-103(7) reasonable access to inspect records, documents, and other trust property pertaining to that trust, provided that the primary beneficiary representative's designee shall maintain confidentiality if confidentiality is required of the director;

[~~(k)~~] (l) maintain appropriate records of trust activities to enable auditors appointed by appropriate state agencies or the board to conduct periodic audits of trust activities;

[~~(l)~~] (m) provide that all leases, contracts, and agreements be submitted to legal counsel for review of compliance with applicable law and fiduciary duties prior to execution and utilize the services of the attorney general as provided in Section 53C-1-305;

[~~(m)~~] (n) keep the board, beneficiaries, governor, Legislature, and the public informed about the work of the director and administration by:

(i) submitting an annual report described in Section 53C-1-307; and

(ii) reporting to the board in a public meeting at least once during each calendar quarter; and

[~~(n)~~] (o) respond in writing within a reasonable time to a request by the board or the primary beneficiary representative's designee regarding a trust listed in Subsection 53C-1-103(7) for responses to questions on policies and practices affecting the management of the trust.

(2) The administration shall be the named party in substitution of the Division of State Lands and Forestry or its predecessor agencies, with respect to all documents affecting trust lands from the effective date of this act.

(3) The director may:

(a) with the consent of the state risk manager and the board, manage lands or interests in lands held by any other public or private party pursuant to policies established by the board and may make rules to implement these board policies;

(b) sue or be sued as the director of school and institutional trust lands;

(c) contract with other public agencies for personnel management services;

(d) contract with any public or private entity to make improvements to or upon trust lands and to carry out any of the responsibilities of the office, so long as the contract requires strict adherence to trust management principles, applicable law and regulation, and is subject to immediate suspension or termination for cause; and

(e) with the approval of the board enter into joint ventures and other business arrangements consistent with the purposes of the trust.

(4) Any application or bid required for the lease, permitting, or sale of lands in a competitive process or any request for review pursuant to Section 53C-1-304 shall be considered filed or made on the date received by the appropriate administrative office, whether transmitted by United States mail or in any other manner.

Section 2. Section **2** is enacted to read:

53C-1-307. Annual report.

(1) At the end of each fiscal year, the director shall publish an annual report of the administration's activities for the preceding fiscal year.

(2) The report described in Subsection (1) shall contain:

(a) an account of the administration's activities for the preceding fiscal year;

(b) financial statements of the administration that are audited by the state auditor or an independent auditor engaged by the state auditor in accordance with Subsection 67-3-1(3);

(c) by no later than June 30, 2029, and annually thereafter, the most recent approximate valuation of the administration's land portfolio as required in Subsection 53C-1-303(1)(i); and

(d) an account of the total amount of funds distributed by the administration to the School and Institutional Trust Fund Office in accordance with Subsection 53C-3-102(1).

Section 3. Section **53C-2-301** is amended to read:

53C-2-301. Illegal activities on trust lands -- Penalties.

(1) A person is liable for the civil damages prescribed in Subsection (2) and is guilty of a criminal offense specified in Subsection (4) if the person intentionally, knowingly, or recklessly, and without written authorization from the director:

[~~(a) removes, extracts, uses, consumes, or destroys a mineral resource, gravel, sand, soil, vegetation, water resource, or improvement on trust lands;~~]

[~~(b) grazes livestock on trust lands;~~]

[~~(c) uses, occupies, or constructs improvements or structures on trust lands;~~]

[~~(d) uses or occupies trust lands for more than 30 days after the cancellation or expiration of written authorization;~~]

[~~(e) knowingly and willfully uses trust lands for commercial gain;~~]

[~~(f) appropriates, alters, injures, or destroys an improvement or historical, prehistorical, archaeological, or paleontological resource on trust lands;~~]

[~~(g)~~] (a) [~~trespasses upon,~~]uses, commits waste, dumps refuse on, or occupies trust land;

[~~(h)~~] (b) interferes with the activities of an employee or agent of the administration on trust lands; or

[~~(i)~~] (c) interferes with activities of a lessee or other person that have been authorized by the administration, whether or not the trust land has been withdrawn from occupancy or use pursuant to Subsection 53C-2-105(1)(b).

(2) A person who commits an act described in Subsection (1) is liable for damages in the amount of whichever of the following is greatest:

(a) three times the value at the point of sale of the mineral or other resource removed, destroyed, or extracted;

(b) three times the amount of damage committed;

(c) three times the cost to cure the damage;

(d) three times the value of any losses suffered as a result of interference with authorized activities; or

(e) three times the consideration which would have been charged by the director for use of the land during the period of trespass.

(3) In addition to the damages described in Subsection (2), a person found guilty of a criminal act under Subsection (1) is subject to the penalties provided in Title 76, Chapter 3, Punishments, as specified in Subsection (4).

(4) A violation of this section is a:

(a) second degree felony if the actor's conduct causes property injury or damage, or pecuniary loss equal to or in excess of $5,000 in value;

(b) third degree felony if the actor's conduct causes property injury or damage, or pecuniary loss equal to or in excess of $1,500 but is less than $5,000 in value;

(c) class A misdemeanor if the actor's conduct causes property injury or damage, or pecuniary loss equal to or in excess of $500 but is less than $1,500 in value;[~~ and~~]

(d) class B misdemeanor if the actor's conduct causes property injury or damage, or pecuniary loss less than $500 in value[~~.~~] ; and

(e) an infraction if the actor's conduct causes no property injury, damage, or pecuniary loss.

(5) The director shall deposit money collected under this section in the fund in which like revenues from that land would be deposited.

(6) The director may award a portion of any of the damages collected under this section in excess of actual damages to the general fund of the county in which the trespass occurred as a reward for county assistance in the apprehension and prosecution of the trespassing party.

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

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

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

(2)

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

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

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

(4)

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

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

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

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

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

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

(8)

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

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

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

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

(9) The director shall offer for sale any trust lands subject to a valid surface lease agreement or permit to the owner of the lease or permit if:

(a) the director approves the sale of the trust lands;

(b) the owner of the lease or permit agrees to pay fair market value, which may not exceed an amount equal to the highest credible offer received for the trust lands;

(c) the owner of the lease or permit has held the lease or permit for at least 25 consecutive years;

(d) the trust lands offered for sale are not greater than 640 acres; and

(e) the trust lands do not have an authorized point of public accessat the time of sale.

Section 5. **Repealer.**

This Bill Repeals:

This bill repeals:

Section **53D-1-101, Title.**

Section **53D-2-101, Title.**

Section 6. **Effective date.**

This bill takes effect on July 1, 2025.

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