

**RESIDENCY-RELATED MEMBERSHIP REQUIREMENTS FOR
CERTAIN LOCAL BOARDS**

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeffrey D. Stenquist

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to membership on specified local boards.

Highlighted Provisions:

This bill:

► provides that residing within a specified distance of authority jurisdictional land overcomes other limitations on an individual serving as a member of the Utah Inland Port Authority board; and

► provides that residing within a specified distance of point of the mountain state land overcomes other limitations on an individual serving as a member of the Point of the Mountain State Land Authority board.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

11-58-304, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

11-59-306, as enacted by Laws of Utah 2018, Chapter 388



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

29 Section 1. Section **11-58-304** is amended to read:

30 **11-58-304. Limitations on board members and executive director.**

31 (1) As used in this section:

32 (a) "Direct financial benefit":

33 (i) means any form of financial benefit that accrues to an individual directly, including:

34 (A) compensation, commission, or any other form of a payment or increase of money;

35 and

36 (B) an increase in the value of a business or property; and

37 (ii) does not include a financial benefit that accrues to the public generally.

38 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

39 (2) An individual may not serve as a voting member of the board or as executive

40 director if:

41 (a) the individual owns real property, other than a personal residence in which the
42 individual resides, on or within five miles of the authority jurisdictional land, whether or not
43 the ownership interest is a recorded interest;

44 (b) a family member of the individual owns an interest in real property, other than a
45 personal residence in which the family member resides, located on or within one-half mile of
46 the authority jurisdictional land; or

47 (c) the individual or a family member of the individual owns an interest in, is directly
48 affiliated with, or is an employee or officer of a private firm, private company, or other private
49 entity that the individual reasonably believes is likely to:

50 (i) participate in or receive a direct financial benefit from the development of the
51 authority jurisdictional land; or

52 (ii) acquire an interest in or locate a facility on the authority jurisdictional land.

53 (3) Before taking office as a voting member of the board or accepting employment as
54 executive director, an individual shall submit to the authority:

55 (a) a statement verifying that the individual's service as a board member or
56 employment as executive director does not violate Subsection (2); or

57 (b) for an individual to whom Subsection **11-58-302(8)** applies, the disclosure required
58 under that subsection.

59 (4) (a) An individual may not, at any time during the individual's service as a voting
60 member or employment with the authority, acquire, or take any action to initiate, negotiate, or
61 otherwise arrange for the acquisition of, an interest in real property located on or within five
62 miles of the authority jurisdictional land, if:

63 (i) the acquisition is in the individual's personal capacity or in the individual's capacity
64 as an employee or officer of a private firm, private company, or other private entity; and

65 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
66 result of the development of the authority jurisdictional land.

67 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to
68 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is
69 a personal residence in which the individual will reside upon acquisition of the real property.

70 (5) (a) A voting member or nonvoting member of the board or an employee of the
71 authority may not receive a direct financial benefit from the development of authority
72 jurisdictional land.

73 (b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

74 (i) expense reimbursements;

75 (ii) per diem pay for board member service, if applicable; or

76 (iii) an employee's compensation or benefits from employment with the authority.

77 (6) Nothing in this section may be construed to affect the application or effect of any
78 other code provision applicable to a board member or employee relating to ethics or conflicts
79 of interest.

80 (7) Notwithstanding any other provision of this section, an individual who resides
81 within five miles of the authority jurisdictional land is not disqualified from serving as a voting
82 member of the board.

83 Section 2. Section **11-59-306** is amended to read:

84 **11-59-306. Limitations on board members.**

85 (1) As used in this section:

86 (a) "Direct financial benefit":

87 (i) means any form of financial benefit that accrues to an individual directly as a result
88 of the development of the point of the mountain state land, including:

89 (A) compensation, commission, or any other form of a payment or increase of money;

90 and

91 (B) an increase in the value of a business or property; and

92 (ii) does not include a financial benefit that accrues to the public generally as a result of
93 the development of the point of the mountain state land.

94 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

95 (c) "Interest in real property" means every type of real property interest, whether
96 recorded or unrecorded, including:

97 (i) a legal or equitable interest;

98 (ii) an option on real property;

99 (iii) an interest under a contract;

100 (iv) fee simple ownership;

101 (v) ownership as a tenant in common or in joint tenancy or another joint ownership
102 arrangement;

103 (vi) ownership through a partnership, limited liability company, or corporation that
104 holds title to a real property interest in the name of the partnership, limited liability company,
105 or corporation;

106 (vii) leasehold interest; and

107 (viii) any other real property interest that is capable of being owned.

108 (2) An individual may not serve as a member of the board if:

109 (a) the individual owns an interest in real property, other than a personal residence in
110 which the individual resides, within five miles of the point of the mountain state land;

111 (b) a family member of the individual owns an interest in real property, other than a
112 personal residence in which the family member resides, located within one-half mile of the
113 point of the mountain state land; or

114 (c) the individual or a family member of the individual owns an interest in, is directly
115 affiliated with, or is an employee or officer of a firm, company, or other entity that the
116 individual reasonably believes is likely to participate in or receive compensation or other direct
117 financial benefit from the development of the point of the mountain state land.

118 (3) Before taking office as a board member, an individual shall submit to the authority
119 a statement verifying that the individual's service as a board member does not violate
120 Subsection (2).

121 (4) A board member may not, at any time during the board member's service on the
122 board, take any action to initiate, negotiate, or otherwise arrange for the acquisition of an
123 interest in real property located within five miles of the point of the mountain state land.

124 (5) (a) The board may not allow a firm, company, or other entity to participate in
125 planning, managing, or implementing the development of the point of the mountain state land
126 if a board member or a family member of a board member owns an interest in, is directly
127 affiliated with, or is an employee or officer of the firm, company, or other entity.

128 (b) Before allowing a firm, company, or other entity to participate in planning,
129 managing, or implementing the development of the point of the mountain state land, the board
130 may require the firm, company, or other entity to certify that no board member or family
131 member of a board member owns an interest in, is directly affiliated with, or is an employee or
132 officer of the firm, company, or other entity.

133 (6) Notwithstanding any other provision of this section, an individual who resides
134 within five miles of the point of the mountain state land is not disqualified from serving as a
135 member of the board.