

**Representative Kenneth W. Sumsion** proposes the following substitute bill:

**SCHOOL AND INSTITUTIONAL TRUST**

**LANDS AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kenneth W. Sumsion**

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

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**LONG TITLE**

**General Description:**

This bill appropriates money from the Land Grant Management Fund to the Office of the Attorney General for certain purposes.

**Highlighted Provisions:**

This bill:

- ▶ creates a separate line item in the attorney general's budget for certain legal purposes;
- ▶ appropriates money from the Land Grant Management Fund to fund the legal challenge of certain actions;
- ▶ requires the attorney general to:
  - consult with the School and Institutional Trust Lands Board before expending the money; and
  - report to the Legislature;
- ▶ provides a repeal date for certain provisions; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

This bill appropriates:



26 ▶ as an ongoing appropriation subject to future budget constraints, \$1,000,000 from  
27 the Land Grant Management Fund for the fiscal year 2010-11 to the Office of the  
28 Attorney General.

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **53C-3-101**, as last amended by Laws of Utah 2004, Chapter 349

34 **63I-2-253**, as last amended by Laws of Utah 2008, Second Special Session, Chapter 6

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

37 Section 1. Section **53C-3-101** is amended to read:

38 **53C-3-101. Land Grant Management Fund -- Contents -- Use of monies.**

39 (1) (a) There is created an enterprise fund known as the Land Grant Management Fund.

40 (b) This fund shall consist of:

41 (i) all revenues derived from trust lands except revenues from the sale of those lands;

42 (ii) all interest earned by the fund;

43 (iii) all revenues deposited in the fund in accordance with Subsection 41-22-19(3); and

44 (iv) all revenues obtained from other activities of the director or administration.

45 (2) The director may expend monies:

46 (a) from the Land Grant Management Fund in accordance with the approved budget for  
47 the support of director and administration activities; and

48 (b) deposited in the fund in accordance with Subsection 41-22-19(3) as necessary to  
49 fulfill the purposes of Subsection 41-22-19(3)(b).

50 (3) Except for revenues deposited under Subsection (1)(b)(iii), any amount in excess of  
51 that required to fund the budget and for the purposes designated in Subsection (7) shall be  
52 distributed to the various trust beneficiaries as of June 30 of each calendar year, and at other  
53 times determined by the director, in shares equal to the portion of total Land Grant  
54 Management Fund revenues obtained from each beneficiary's land during the accounting  
55 period.

56 (4) Money from the lease or rental of school trust lands or from the use, sale, or lease

57 of resources on school trust lands, all sums paid for fees, including grazing fees, and all  
58 forfeitures or penalties received in connection with those transactions shall be deposited in the  
59 Permanent State School Fund established by Utah Constitution, Article X, Section 5.

60 (5) Money from the lease or rental of lands acquired by the state for the benefit of an  
61 institution named in Sections 7, 8, and 12 of the Utah Enabling Act, or from the use, sale, or  
62 lease of renewable or nonrenewable resources on those lands, and all forfeitures or penalties  
63 received in connection with those transactions, shall be distributed to the institution.

64 (6) Except for revenues deposited under Subsection (1)(b)(iii), any remaining monies,  
65 including interest earned on the account, shall be distributed in pro rata shares to the various  
66 beneficiaries.

67 (7) (a) There is created a separate line item in the Office of the Attorney General  
68 budget:

69 (i) funded from the Land Grant Management Fund; and

70 (ii) to be used to represent the state on legal actions authorized by statute to facilitate  
71 the state's ability to manage the School and Institutional Trust Lands consistent with the state's  
72 fiduciary responsibilities towards the beneficiaries of the trust lands.

73 (b) The attorney general shall consult with the board of trustees before expending the  
74 money appropriated in the line item described in Subsection (7)(a).

75 (8) Each year, the attorney general shall report to the Natural Resources Appropriations  
76 Subcommittee by December 31, and the Education Interim Committee by the November  
77 Interim meeting on the budget line item created in Subsection (7)(a), including:

78 (a) expenditures from the line item and the remaining balance; and

79 (b) the status of any actions that could potentially warrant use of available funds.

80 Section 2. Section **63I-2-253** is amended to read:

81 **63I-2-253. Repeal dates -- Titles 53, 53A, 53B, and 53C.**

82 (1) Section 53A-1-403.5 is repealed July 1, 2012.

83 (2) Subsection 53A-1-603(5) is repealed July 1, 2010.

84 (3) Title 53A, Chapter 1a, Part 10, UPSTART, is repealed July 1, 2014.

85 (4) Section 53A-3-702 is repealed July 1, 2008.

86 (5) Section 53A-6-112 is repealed July 1, 2009.

87 (6) Subsection 53A-13-110(3) is repealed July 1, 2013.

88 (7) Section 53A-17a-152 is repealed July 1, 2010.

89 (8) Section 53A-17a-162 is repealed July 1, 2012.

90 (9) Subsections 53C-3-101(7) and (8) are repealed July 1, 2013.

91 Section 3. **Appropriation.**

92 As an ongoing appropriation subject to future budget constraints, there is appropriated  
93 from the Land Grant Management Fund for fiscal year 2010-11, \$1,000,000 to the Office of the  
94 Attorney General to fund School and Institutional Trust Lands related legal actions as required  
95 by statute.

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**H.B. 323 1st Sub. (Buff) - School and Institutional Trust Lands Amendments**

**Fiscal Note**

2010 General Session  
State of Utah

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**State Impact**

This bill appropriates \$1 million from the Land Grant Management Fund to the Attorney General's Office. Enactment of this bill will reduce the revenues going into the Permanent School Fund by \$1 million and the potential interest and dividends earned by \$18,400 per year.

	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2011</u> <u>Approp.</u>	<u>FY 2012</u> <u>Approp.</u>	<u>FY 2010</u> <u>Revenue</u>	<u>FY 2011</u> <u>Revenue</u>	<u>FY 2012</u> <u>Revenue</u>
Restricted Funds	\$0	\$1,000,000	\$1,000,000	\$0	(\$1,018,400)	(\$1,018,400)
<b>Total</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>(\$1,018,400)</b>	<b>(\$1,018,400)</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.