**OPPOSE HB 262**

*A Sweetheart deal at the expense of School Children*

**HB 262** allows parcels over 5,000 acres of school trust land to be leased or sold to the state:[[1]](#footnote-1)

* with no competition;
* with no advertising;
* with appraisals that will not reflect the real market value, as few if any parcels of that size have changed hands in Utah in recent years; and
* with non-contiguous parcels as far apart as two miles, while the surrounding community is unaware due to no advertising.

**School Trust Lands**

* **State as Trustee**: When Utah joined the union, the Utah enabling act passed by Congress and the Utah state constitution voted on by the people formed a “solemn agreement,”[[2]](#footnote-2) an “irrevocable compact.” [[3]](#footnote-3) Utah accepted the responsibility to act as trustee with undivided loyalty to schools on school trust lands.
* **History**: For the first 100 years, school lands were sold to counties, cities, state parks, Wildlife Resources, coal companies, and developers with inside connections for peanuts compared to their real market value. After 100 years the fund was less than $40 million and half the land had been sold. By 1994, management of the lands and funds were reformed.
* **Why it Matters to All Schools**: Today 3.3 million acres in Utah are held in trust for the sole benefit of schools. All net revenue is placed in the permanent State School Fund. The fund is now over $3.3 BILLION. This fund will send $112 million out to all schools next year for academic programs their local School Community Council develops.
* **Not Legally Enforceable**: “…the Legislature may not enact provisions relative to trust lands which have the effect of diminishing the income potential or value of those lands to the beneficiary. Any attempt to do so is not legally enforceable.”[[4]](#footnote-4) HB 262 puts the lands at economic disadvantage, violating the constitutional duty and is not enforceable.
* **Trustee Self-Dealing**: State Supreme Courts in Utah, Washington, Montana, Alaska, Arizona, and Nebraska have held that states may not self-deal to benefit the state over the school beneficiary.[[5]](#footnote-5) The conclusion is inescapable that the primary purpose of this legislation is to benefit the Department of Natural Resources to the detriment of the beneficiary schools.

1. Allows sales to the Department of Natural Resources: Wildlife Resources; Water Resources; Water Rights; State Parks; Oil, Gas, & Mining; Geological Survey; Forestry, Fire, & State Lands if the director of SITLA and the Board of Trustees determine it is in the best interest of the beneficiaries. [↑](#footnote-ref-1)
2. Andrus v. Utah [↑](#footnote-ref-2)
3. Oklahoma Education Association v. Nigh [↑](#footnote-ref-3)
4. Utah Attorney General Opinion 89-01. [↑](#footnote-ref-4)
5. OEA v. Nigh, Skamania v. Washington, Jerke v. State Dept. of Lands, Plateau Mining v. Utah Division of State Lands, Deer Valley Unified School District v. Superior Court, Dept. of State Lands v. Pettibone. [↑](#footnote-ref-5)