

SENATE BILL NO. 245

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND
AUDIT COMMITTEEIntroduced: 1/14/94
Referred: STA, L&C, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to investments of the permanent fund involving equity interests
2 in and debt obligations secured by mortgages on real estate; and providing for
3 an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 37.13.120(g)(16) is amended to read:

6 (16) equity interests in, and debt obligations secured by mortgages
7 granting a first lien on, real estate improved by completed and substantially rented
8 buildings and located in the United States [, IF THESE INVESTMENTS ARE MADE

9 (A) IN A CORPORATION, PARTNERSHIP, TRUST, OR
10 OTHER ENTITY IN WHICH, AT THE CONCLUSION OF EACH
11 INVESTMENT TRANSACTION, AT LEAST 60 PERCENT OF THE
12 BENEFICIAL OWNERSHIP INTERESTS ARE HELD BY OTHER
13 INSTITUTIONAL INVESTORS, AND WHICH IS ORGANIZED AND
14 OPERATED FOR THE PURPOSE OF MAKING REAL ESTATE

1 INVESTMENTS BY A BANK, INSURANCE COMPANY, OR OTHER
2 MANAGER OF INSTITUTIONAL FUNDS THAT HAS HAD AT LEAST
3 FIVE YEARS OF EXPERIENCE IN THE MANAGEMENT OF REAL
4 ESTATE INVESTMENTS OF INSTITUTIONAL INVESTORS; OR
5 (B) WITH CORPORATIONS, PARTNERSHIPS, TRUSTS, OR
6 ENTITIES IN WHICH, AT THE CONCLUSION OF EACH INVESTMENT
7 TRANSACTION, AT LEAST 60 PERCENT OF THE BENEFICIAL
8 OWNERSHIP INTERESTS IN THE CO-INVESTING ENTITY OR ENTITIES
9 AS A WHOLE ARE HELD BY INSTITUTIONAL INVESTORS, AND IF
10 (i) AT THE TIME OF INVESTMENT THE FUND
11 HAS NO MORE THAN A 40 PERCENT BENEFICIAL OWNERSHIP
12 INTEREST IN THE REAL ESTATE INVESTED IN AS A WHOLE;
13 (ii) THE RIGHTS AND OBLIGATIONS OF THE
14 FUND ARE SUBSTANTIALLY SIMILAR TO THOSE OF THE
15 OTHER INSTITUTIONAL INVESTORS, EXCEPT FOR THE
16 PERCENTAGE INTEREST IN THE PROPERTY; AND
17 (iii) THE PROPERTY IS MANAGED AND
18 OPERATED BY AN ENTITY THAT HAS HAD AT LEAST FIVE
19 YEARS OF EXPERIENCE IN THE MANAGEMENT OF REAL
20 ESTATE INVESTMENTS OF INSTITUTIONAL INVESTORS];

21 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).