

## CS FOR SENATE BILL NO. 245(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 2/4/94  
Referred: L&C, JUD, FIN

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND  
AUDIT COMMITTEE

## 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 the total value held by the fund in  
9 each investment does not exceed \$50,000,000, and, if the total value held by the  
10 fund in each investment exceeds \$50,000,000, these investments are made

11 (A) in a corporation, partnership, trust, or other entity in which,  
12 at the conclusion of each investment transaction, at least 33 [60] percent of the  
13 beneficial ownership interests are held by other institutional investors, and  
14 which is organized and operated for the purpose of making real estate

1 investments by a bank, insurance company, or other manager of institutional  
2 funds that has had at least five years of experience in the management of real  
3 estate investments of institutional investors; or

4 (B) with corporations, partnerships, trusts, or entities in which,  
5 at the conclusion of each investment transaction, at least 33 [60] percent of the  
6 beneficial ownership interests in the co-investing entity or entities as a whole  
7 are held by institutional investors, and if

8 (i) at the time of investment the fund has no more than  
9 a 67 [40] percent beneficial ownership interest in the real estate  
10 invested in as a whole;

11 (ii) the rights and obligations of the fund are  
12 substantially similar to those of the other institutional investors, except  
13 for the percentage interest in the property; and

14 (iii) the property is managed and operated by an entity  
15 that has had at least five years of experience in the management of real  
16 estate investments of institutional investors;

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