

CS FOR SENATE BILL NO. 245(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/16/94
Referred: 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 the board of trustees of the Alaska Permanent Fund
2 Corporation, investments of the permanent fund involving equity interests in, and
3 debt obligations secured by, mortgages on real estate; and providing for an
4 effective date."

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

6 * Section 1. AS 37.13.040 is amended to read:

7 Sec. 37.13.040. ALASKA PERMANENT FUND CORPORATION. There is
8 established the Alaska Permanent Fund Corporation. The corporation is a public
9 corporation and government instrumentality in the Department of Revenue managed
10 by the board of trustees, who have fiduciary responsibility to the people of the state.
11 The purpose of the corporation is to manage and invest the assets of the permanent
12 fund and other funds designated by law in accordance with this chapter.

13 * Sec. 2. AS 37.13.120(g)(16) is amended to read:

14 (16) equity interests in, and debt obligations secured by mortgages

1 granting a first lien on, real estate improved by completed and substantially rented
2 buildings and located in the United States [,] if the total value held by the fund in
3 each investment does not exceed \$100,000,000, and, if the total value held by the
4 fund in each investment exceeds \$100,000,000, these investments are made

5 (A) in a corporation, partnership, trust, or other entity in which,
6 at the conclusion of each investment transaction, at least 33 [60] percent of the
7 beneficial ownership interests are held by other institutional investors, and
8 which is organized and operated for the purpose of making real estate
9 investments by a bank, insurance company, or other manager of institutional
10 funds that has had at least five years of experience in the management of real
11 estate investments of institutional investors; or

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

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

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

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

25 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).