

2 **SSB 5270 - H COMM AMD ADOPTED 4-14-97**

3 By Committee on Financial Institutions & Insurance

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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.33A
8 RCW to read as follows:

9 (1) The board is authorized to create corporations under Title 23B
10 RCW, limited liability companies under chapter 25.15 RCW, and limited
11 partnerships under chapter 25.10 RCW, of which it may or may not be the
12 general partner, for the purposes of transferring, acquiring, holding,
13 overseeing, operating, or disposing of real estate or other not readily
14 marketable assets. The liability of each entity created by the board
15 is limited to the assets or properties of that entity. No creditor or
16 other person has any right of action against the board, its members or
17 employees, or the state of Washington on account of any debts,
18 obligations, or liabilities of the entity. Entities created under this
19 section may be authorized by the board to make any investment in real
20 estate or other not readily marketable assets that the board may make.

21 (2) Directors, officers, and other principals of entities created
22 under this section must be board members, board staff, or principals or
23 employees of an advisor or manager engaged by contract by the board or
24 the entity to manage real estate or other investment assets of the
25 entity. Directors of entities created under this section must be
26 appointed by the board. Officers and other principals of entities
27 created under this section are appointed by the directors.

28 (3) A public corporation, limited liability company, or limited
29 partnership created under this section has the same immunity or
30 exemption from taxation as that of the state. The entity shall pay an
31 amount equal to the amounts that would be paid for taxes otherwise
32 levied upon real property and personal property to the public official
33 charged with the collection of such real property and personal property
34 taxes as if the property were in private ownership. The proceeds of
35 such payments must be allocated as though the property were in private
36 ownership.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.33A RCW
2 to read as follows:

3 Rent and other income from real estate or other not readily
4 marketable assets acquired and being held for investment by the board
5 or by an entity created under section 1 of this act by the board, and
6 being managed by an external advisor or other property manager under
7 contract, shall not be deemed income or state funds for the purposes of
8 chapter 39.58 RCW and this title, until distributions are made to the
9 board of such income from the advisor or manager. Bank and other
10 accounts established by the advisor or property manager for the purpose
11 of the management of such investment assets shall not be deemed
12 accounts established by the state for the purpose of chapter 39.58 RCW
13 and this title.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.33A RCW
15 to read as follows:

16 For the purposes of sections 1 and 2 of this act, an asset is "not
17 readily marketable" when it is not publicly traded on a daily basis or
18 on an organized exchange. Such assets may include, but are not limited
19 to, real estate or other physical assets, and equity interests in, or
20 the indebtedness of, operating companies, whether the asset is held
21 directly or through an interest in an investing entity."

22 Correct the title.

23 EFFECT: The entities created by the board can invest in real
24 estate or other not readily marketable assets only.

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