

2 SHB 1586 - S COMM AMD

3 By Committee on Financial Institutions, Insurance & Housing

4

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 investment  
14 assets that are not publicly traded on a daily basis or on an organized  
15 exchange. The liability of each entity created by the board is limited  
16 to the assets or properties of that entity. No creditor or other  
17 person has any right of action against the board, its members or  
18 employees, or the state of Washington on account of any debts,  
19 obligations, or liabilities of the entity. Entities created under this  
20 section may be authorized by the board to make any investment that the  
21 board may make, including but not limited to the acquisition of:  
22 Equity interests in operating companies, the indebtedness of operating  
23 companies, and real estate.

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

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

1 taxes as if the property were in private ownership. The proceeds of  
2 such payments must be allocated as though the property were in private  
3 ownership.

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

6 Rent and other income from real estate or other investment assets  
7 that are not publicly traded on a daily basis or on an organized  
8 exchange that are acquired and being held for investment by the board  
9 or by an entity created under section 1 of this act by the board, and  
10 being managed by an external advisor or other property manager under  
11 contract, shall not be deemed income or state funds for the purposes of  
12 chapter 39.58 RCW and this title, until distributions are made to the  
13 board of such income from the advisor or manager. Bank and other  
14 accounts established by the advisor or property manager for the purpose  
15 of the management of such investment assets shall not be deemed  
16 accounts established by the state for the purpose of chapter 39.58 RCW  
17 and this title."

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21 On page 1, line 1 of the title, after "board;" strike the remainder  
22 of the title and insert "and adding new sections to chapter 43.33A  
23 RCW."

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