

2 SSB 5270 - CONF REPT
3 By Conference Committee

4 ADOPTED 4/26/97

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."

18 **SSB 5270** - CONF REPT
19 By Conference Committee

20

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."

--- END ---