

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Financial Institutions and Pensions** recommends **HB 2436** be amended on page 1, in line 16, by striking "5" and inserting "6";

On page 2, in line 22, after "fiduciary" by inserting "specifically on assets managed on behalf of the system"; in line 40, after "requires" by inserting "specifically on assets managed on behalf of the system";

On page 3, in line 25, after "based" by inserting "solely"; in line 31, after "based" by inserting "solely";

On page 4, in line 10, after "factors" by inserting ", in which case the system may grant proxy voting authority to such person"; in line 16, after "system" by inserting ", in which case the system may engage a proxy voting advisor"; in line 23, after "system" by inserting ", in which case the system may entrust engagement and share voting to a fiduciary"; in line 29, after "factors" by inserting ", in which case the investment manager or contractor may follow the recommendations of a proxy or other service advisor"; in line 31, by striking "legislative coordinating council" and inserting "joint committee on pensions, investments and benefits"; following line 35, by inserting:

"(j) Subsections (e) through (i) shall apply only to assets managed on behalf of the system and shall not apply to alternative or real estate investments as defined in K.S.A. 74-4921(5), and amendments thereto.";

On page 5, following line 18, by inserting:

"New Sec. 6. In a cause of action based on an action, inaction, decision, divestment,

investment, report or other determination made or taken in compliance with this act, without regard to whether the person performed services for compensation, the state shall indemnify and hold harmless the system for actual damages, court costs and attorney fees adjudged against, and defend the system and any of its current and former employees, members of the board or any other officers of the system related to the act or omission on which the damages are based.";

And by renumbering sections accordingly;

On page 1, in the title, in line 12, after the semicolon by inserting "indemnifying the Kansas public employees retirement system with respect to actions taken in compliance with such act;"; and the bill be passed as amended.

Chairperson