

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
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As Engrossed: S4/21/21
A Bill

SENATE BILL 609

By: Senators M. Johnson, T. Garner, Rapert, G. Stubblefield, D. Sullivan
By: Representative Bentley

For An Act To Be Entitled

AN ACT TO CREATE THE TRANSPARENCY IN FOREIGN
INVESTMENT ACT; TO DECLARE AN EMERGENCY; AND FOR
OTHER PURPOSES.

Subtitle

TO CREATE THE TRANSPARENCY IN FOREIGN
INVESTMENT ACT; AND TO DECLARE AN
EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 6, Chapter 60, is amended to add an additional subchapter to read as follows:

Subchapter 12 – Transparency in Foreign Investment Act

6-60-1201. Title.

This subchapter shall be known and may be cited as the "Transparency in Foreign Investment Act".

6-60-1202. Definitions.

As used in this subchapter:

(1) "Confucius Institute" means a Confucius Institute operated by the Office of Chinese Language Council International, also known as the "Haban", which is affiliated with the Ministry of Education of the People's Republic of China;

(2) "Contract" means an agreement for the acquisition by



purchase, lease, or barter of property or services between a foreign source and an institution for the direct benefit of or use by either of the parties;

(3) "Foreign source" means:

(A) A foreign government, including without limitation an agency of a foreign government;

(B) A legal entity, government or otherwise, created solely under the laws of a foreign state or states;

(C) An individual who is not a citizen or a national of the United States or a trust territory or a protectorate of a trust territory; or

(D) An agent, including without limitation a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source, as described by subdivisions (3)(A)-(C) of this section;

(4) "Gift" means a gift of money or property; and

(5) "Institution" means a state-supported:

(A) Two-year institution of higher education; or

(B) Four-year institution of higher education.

6-60-1203. Confucius Institutes – Certain affiliated entities – Prohibited.

An institution shall not host:

(1) A Confucius Institute; or

(2) Any entity with an affiliation with:

(A) The People's Republic of China;

(B) The Chinese Communist Party; or

(C) China's People's Liberation Army.

6-60-1204. Foreign gifts and contracts – Acceptance and disclosure.

(a) An institution shall not accept a gift from a foreign source or enter into a contract with a foreign source if the institution believes that doing so would threaten:

(1) The integrity of the institution's research, instruction, or operations;

(2) The institution's intellectual property rights;

(3) The protection of confidential information; or

(4) The safety and security of:

- (A) The institution;
- (B) The institution's personnel and students;
- (C) This state; or
- (D) The United States.

(b) If an institution receives a gift from a foreign source valued at more than two hundred fifty thousand dollars (\$250,000), the institution shall disclose the following information without limitation with respect to the gift:

- (1) The dollar value of the gift;
- (2) The name and national affiliation of the foreign source funding the gift;
- (3) The department, college, school, or other business unit of the institution to which the gift was made;
- (4) The date the gift was received; and
- (5) A brief description of the gift.

(c) If an institution enters into a contract with a foreign source valued at more than two hundred fifty thousand dollars (\$250,000), the institution shall disclose the following information without limitation with respect to the contract:

- (1) The dollar value of the contract;
- (2) The name and national affiliation of the foreign source entering into the contract with the institution;
- (3) The department, college, school, or other business unit of the institution that benefits from the contract;
- (4) The effective date and termination date of the contract; and
- (5) A brief description of the terms of the contract.

(d) If an institution receives multiple gifts from foreign sources affiliated with the same foreign government and each of the gifts is valued at two hundred fifty thousand dollars (\$250,000) or less, but the aggregate value of the gifts is more than two hundred fifty thousand dollars (\$250,000) the institution shall disclose each of the gifts as required under subsection (b) of this section.

(e) If an institution enters into multiple contracts with foreign sources affiliated with the same foreign government and each of the contracts is valued at two hundred fifty thousand dollars (\$250,000) or less but the aggregate value of the contracts is more two hundred fifty thousand dollars

(\$250,000), the institution shall disclose each of the contracts as required under subsection (c) of this section.

6-60-1205. Gifts and contracts – Annual disclosure report.

(a) By July 31, 2021, and by July 31 of each year thereafter, each institution shall prepare a gifts and contracts disclosure report that includes the information required under § 6-60-1204 regarding gifts from foreign sources and contracts entered into with foreign sources.

(b) The annual gifts and contracts disclosure report required under subsection (a) of this section shall:

(1) Be submitted to the:

(A) Secretary of the Department of Finance and Administration; and

(B) Department of Public Safety; and

(2) Disclose the gifts received from foreign sources and contracts entered into with foreign sources during the fiscal year ending on June 30 immediately preceding the reporting deadline under subsection (a) of this section.

(c) If an institution does not have a gift or contract subject to the disclosure reporting requirement under subsection (a) of this section, the institution shall submit a gifts and contracts disclosure report stating that the institution does not have a gift from a foreign source or a contract entered into with a foreign source subject to disclosure.

(d) The secretary shall make the gifts and contracts disclosure reports required under this section publicly available on the website of the Department of Finance and Administration.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Chinese Communist Party has already been found to have placed spies in institutions of higher education in this state; that it is necessary to preserve the state's security and ensure transparency in the actions taken by state-supported institutions of higher education; and that this act is immediately necessary before the upcoming academic year in order to prohibit certain contracts and gifts that may be entered into or received during the upcoming academic year. Therefore, an emergency is declared to exist, and this act being immediately

necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/M. Johnson