

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: S4/21/21

# A Bill

SENATE BILL 609

5 By: Senators M. Johnson, T. Garner, Rapert, G. Stubblefield, D. Sullivan  
6 By: Representative Bentley  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE THE TRANSPARENCY IN FOREIGN  
10 INVESTMENT ACT; TO DECLARE AN EMERGENCY; AND FOR  
11 OTHER PURPOSES.  
12  
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## Subtitle

15 TO CREATE THE TRANSPARENCY IN FOREIGN  
16 INVESTMENT ACT; AND TO DECLARE AN  
17 EMERGENCY.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code Title 6, Chapter 60, is amended to add an  
23 additional subchapter to read as follows:

24 Subchapter 12 – Transparency in Foreign Investment Act

25  
26 6-60-1201. Title.

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

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30 6-60-1202. Definitions.

31 As used in this subchapter:

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

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



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

3 (3) "Foreign source" means:

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

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

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

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

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

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

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

17 (B) Four-year institution of higher education.

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19 6-60-1203. Confucius Institutes – Certain affiliated entities –  
20 Prohibited.

21 An institution shall not host:

22 (1) A Confucius Institute; or

23 (2) Any entity with an affiliation with:

24 (A) The People’s Republic of China;

25 (B) The Chinese Communist Party; or

26 (C) China’s People’s Liberation Army.

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28 6-60-1204. Foreign gifts and contracts – Acceptance and disclosure.

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

32 (1) The integrity of the institution’s research, instruction, or  
33 operations;

34 (2) The institution’s intellectual property rights;

35 (3) The protection of confidential information; or

36 (4) The safety and security of:

1 (A) The institution;

2 (B) The institution's personnel and students;

3 (C) This state; or

4 (D) The United States.

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

9 (1) The dollar value of the gift;

10 (2) The name and national affiliation of the foreign source  
11 funding the gift;

12 (3) The department, college, school, or other business unit of  
13 the institution to which the gift was made;

14 (4) The date the gift was received; and

15 (5) A brief description of the gift.

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

20 (1) The dollar value of the contract;

21 (2) The name and national affiliation of the foreign source  
22 entering into the contract with the institution;

23 (3) The department, college, school, or other business unit of  
24 the institution that benefits from the contract;

25 (4) The effective date and termination date of the contract; and

26 (5) A brief description of the terms of the contract.

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

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

1 (\$250,000), the institution shall disclose each of the contracts as required  
2 under subsection (c) of this section.

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4 6-60-1205. Gifts and contracts – Annual disclosure report.

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

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

11 (1) Be submitted to the:

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

14 (B) Department of Public Safety; and

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

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

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

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

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

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

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

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

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*/s/M. Johnson*

**APPROVED: 4/29/21**