

Reprinted March 5, 2024

### **ENGROSSED HOUSE BILL No. 1179**

DIGEST OF HB 1179 (Updated March 4, 2024 3:56 pm - DI 143)

**Citations Affected:** IC 21-30; IC 21-36; IC 21-39; IC 21-49.

Synopsis: State educational institutions. Requires a state educational institution (institution) to disclose certain foreign gifts and contracts received or entered into after December 31, 2020. Requires the commission to establish and maintain a website for accessing (Continued next page)

Effective: July 1, 2024.

# King, Heaton, Teshka, Goodrich

(SENATE SPONSORS — RAATZ, CRANE, RANDOLPH LONNIE M)

January 9, 2024, read first time and referred to Committee on Education. January 25, 2024, amended, reported — Do Pass. January 29, 2024, read second time, ordered engrossed. Engrossed. January 30, 2024, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 12, 2024, read first time and referred to Committee on Education and Career

Development.
February 22, 2024, amended, reported favorably — Do Pass.
March 4, 2024, read second time, amended, ordered engrossed.



### **Digest Continued**

information about disclosed gifts and contracts. Authorizes the commission to provide for an audit of an institution's use of a disclosed gift, or the proceeds of a disclosed contract, received or entered into after June 30, 2021, and before July 1, 2024. Authorizes the attorney general to bring a cause of action to enforce the disclosure statute. Requires the board of trustees of an institution to adopt a policy prohibiting the transfer, licensing, or sublicensing of intellectual property developed using the institution's resources to: (1) a business entity organized under the laws of a foreign adversary; (2) a business entity organized under the laws of a foreign adversary, (2) a business entity headquartered in a foreign adversary; or (3) a business entity or other entity, including a governmental entity, that is owned or controlled by citizens of, or is directly controlled by the government of, a foreign adversary. Requires the board of trustees of each institution to adopt a policy prohibiting an employee or contractor of the institution from making a public statement in the employee's or contractor's official capacity unless the statement: (1) relates to the operation of the institution, or to an institution sponsored event; or (2) has been approved by the board of trustees. Prohibits an institution from using state funds or resources to: (1) engage or contract with an individual associated with a foreign terrorist organization or a state sponsor of terror; or (2) support the activities of a foreign terrorist organization or a state sponsor of terror.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1179

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 21-30-7 IS ADDED TO THE INDIANA CODE AS

2	A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3	1, 2024]:
4	Chapter 7. Disclosure of Foreign Gifts and Contracts
5	Sec. 1. As used in this chapter, "affiliate organization" means
6	any entity under the control of, or established for the benefit of, a
7	state educational institution, including a direct-support
8	organization.
9	Sec. 2. As used in this chapter, "contract" means an agreement
10	for the acquisition of property or services by purchase, lease, or
11	barter for the direct benefit or use of either of the parties.
12	Sec. 3. As used in this chapter, "direct-support organization"
13	means an organization that is organized and operated to receive
14	hold, invest, and administer property and to make expenditures to
15	or for the benefit of a state educational institution or for the benefit
16	of a research and development park or a research and development
17	entity affiliated with a state educational institution.



1	Sec. 4. As used in this chapter, "foreign adversary" includes the
2	following:
3	(1) A foreign government listed in 15 CFR 7.4.
4	(2) A country designated as a threat to critical infrastructure
5	by the governor under IC 1-1-16-8.
6	Sec. 5. As used in this chapter, "foreign government" means the
7	government, including an agent of the government, of any country,
8	nation, or group of nations, or any province or other political
9	subdivision of any country or nation, other than the government of
10	the United States or a state, territory, or protectorate of the United
11	States.
12	Sec. 6. As used in this chapter, "foreign source" means any of
13	the following:
14	(1) A foreign government or an agency of a foreign
15	government.
16	(2) A legal entity, governmental or otherwise, created solely
17	under the laws of a foreign nation or group of nations.
18	(3) An individual who is not a citizen or a national of the
19	United States or a territory or protectorate of the United
20	States.
21	(4) A partnership, an association, a corporation, an
22	organization, or any other combination of persons, including
23	a subsidiary of an entity described in this subdivision,
24	organized under the laws of, or having its principal place of
25	business in, a foreign adversary.
26	(5) An agent, including a subsidiary or an affiliate of a foreign
27	legal entity, acting on behalf of a foreign source.
28	(6) A political party of a foreign adversary or an individual
29	who is a member of a political party of a foreign adversary.
30	Sec. 7. As used in this chapter, "gift" means any gift, grant,
31	endowment, award, or donation of money or property of any kind,
32	or any combination thereof, including a conditional or
33	unconditional promise, pledge, or agreement to make a gift,
34	endowment, award, or donation.
35	Sec. 8. As used in this chapter, "grant" means a transfer of
36	money for a specified purpose, including a conditional gift.
37	Sec. 9. As used in this chapter, "political party of a foreign
38	adversary" means an organization or combination of individuals
39	organized for the purpose of, or engaged in any activity devoted in
40	whole or in part to, either of the following:
41	(1) The establishment, administration, control, or the

acquisition of the administration or control, of the



1	government of a foreign adversary.
2	(2) The furtherance or influencing of the political or public
3	interest, policies, or relations of the government of a foreign
4	adversary.
5	Sec. 10. (a) A state educational institution shall disclose to the
6	commission any gift of any value received directly or indirectly
7	from any foreign source located in a foreign adversary as follows:
8	(1) For a disclosable gift received after December 31, 2020.
9	and before July 1, 2024, not later than September 1, 2024.
10	(2) For a disclosable gift received after June 30, 2024,
11	biannually on January 1 and July 1 of each subsequent year
12	(b) A gift received from a foreign source through an
13	intermediary or affiliate organization is considered an indirect gift
14	to a state educational institution and is subject to the disclosure
15	required by subsection (a).
16	Sec. 11. Unless otherwise prohibited or deemed confidential
17	under state or federal law, a disclosure under section 10 of this
18	chapter must include the following information:
19	(1) The date of the gift.
20	(2) The amount of the gift.
21	(3) The purpose of the gift.
22	(4) The identification of the persons for whom the gift is
23	explicitly intended to benefit.
24	(5) Any applicable conditions, requirements, restrictions, or
25	terms made part of the gift.
26	(6) The name and country of residence or domicile of the
27	foreign source.
28	(7) The name and mailing address of the state educational
29	institution receiving the gift.
30	(8) If applicable, the date of termination of the gift.
31	Sec. 12. The commission shall establish and maintain a website
32	to enable the public to access information concerning gifts
33	disclosed by state educational institutions under section 10 of this
34	chapter.
35	Sec. 13. (a) A state educational institution shall disclose to the
36	commission any contract of any value entered into directly or
37	indirectly with any foreign source located in a foreign adversary as
38	follows:
39	(1) For a disclosable contract entered into after December 31,
40	2020, and before July 1, 2024, not later than September 1,
11	2024

(2) For a disclosable contract entered into after June 30, 2024,



1	biannually on January 1 and July 1 of each subsequent year.
2	(b) A contract entered into with a foreign source through an
3	intermediary or affiliate organization is considered an indirect
4	contract with a state educational institution and is subject to the
5	disclosure required by subsection (a).
6	Sec. 14. Unless otherwise prohibited or deemed confidential
7	under state or federal law, a disclosure under section 13 of this
8	chapter must include the following information:
9	(1) The date of the contract.
10	(2) The amount of the contract.
11	(3) The purpose of the contract.
12	(4) The identification of the persons for whom the contract is
13	explicitly intended to benefit.
14	(5) Any applicable conditions, requirements, restrictions, or
15	terms made part of the contract.
16	(6) A copy of the contract.
17	(7) The name and country of residence or domicile of the
18	foreign source.
19	(8) The name and mailing address of the state educational
20	institution entering into the contract.
21	(9) If applicable, the date of termination of the contract.
22	Sec. 15. The commission shall establish and maintain a website
23	to enable the public to access information concerning contracts
24	disclosed by state educational institutions under section 13 of this
25	chapter.
26	Sec. 16. (a) The commission may:
27	(1) audit; or
28	(2) contract with a qualified person to audit;
29	a state educational institution's use of a gift disclosed under section
30	10 of this chapter that the state educational institution received
31	after June 30, 2021, and before July 1, 2024.
32	(b) The commission may:
33	(1) audit; or
34	(2) contract with a qualified person to audit;
35	a state educational institution's use of the proceeds of a contract
36	disclosed under section 13 of this chapter that the state educational
37	institution entered into after June 30, 2021, and before July 1,
38	2024.
39	Sec. 17. The commission shall send copies of all disclosures
40	described in sections 10 and 13 of this chapter to the attorney
41	general, in a manner prescribed by the attorney general.
42	Sec. 18. (a) The attorney general may bring a civil action against
	2 - 3 - 2 · (a) - 2 · a · c · c · a · a · a · a · a · a · a



1	a state educational institution that has failed to comply with this
2	chapter:
3	(1) based upon information known to the attorney general; or
4	(2) at the request of:
5	(A) a member of the general assembly;
6	(B) the governor;
7	(C) a member of the commission;
8	(D) a member of the Indiana state board of education; or
9	(E) an Indiana taxpayer;
10	if the person described in this subdivision submits a signed
11	affidavit affirming that a state educational institution is not in
12	compliance with the requirements of this chapter.
13	(b) If the attorney general prevails in an action brought under
14	this section, the attorney general is entitled to injunctive relief to
15	require the state educational institution to comply with the
16	requirements of this chapter. In addition, a state educational
17	institution that is found to have knowingly or willingly failed to
18	comply with the requirements of this chapter must pay to the
19	attorney general:
20	(1) the costs incurred in bringing the civil action under this
21	section; and
22	(2) any associated costs of investigation and enforcement.
23	SECTION 2. IC 21-36-1-1.3 IS ADDED TO THE INDIANA CODE
24	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25	1, 2024]: Sec. 1.3. "Foreign adversary" includes the following:
26	(1) A foreign government listed in 15 CFR 7.4.
27	(2) A country designated as a threat to critical infrastructure
28	by the governor under IC 1-1-16-8.
29	SECTION 3. IC 21-36-1-1.5 IS ADDED TO THE INDIANA CODE
30	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
31	1, 2024]: Sec. 1.5. "Intellectual property" means all original data,
32	findings, or other products of the mind or intellect commonly
33	associated with claims, interests, and rights that are protected
34	under trade secret, patent, trademark, copyright, or unfair
35	competition law.
36	SECTION 4. IC 21-36-1-2.3 IS ADDED TO THE INDIANA CODE
37	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
38	1, 2024]: Sec. 2.3. "Prohibited person" means the following:
39	(1) A business entity organized under the laws of a foreign
40	adversary.
41	(2) A business entity headquartered in a foreign adversary.
42	(3) A business entity or other entity, including a governmental



1	entity, that is owned or controlled by citizens of, or is directly
2	controlled by the government of, a foreign adversary.
3	The term includes an agent, trustee, or fiduciary of a prohibited
4	person.
5	SECTION 5. IC 21-36-5 IS ADDED TO THE INDIANA CODE AS
6	A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
7	1, 2024]:
8	Chapter 5. Transfer of Intellectual Property
9	Sec. 1. This chapter applies to the following state educational
10	institutions:
11	(1) Indiana University.
12	(2) Purdue University.
13	(3) Indiana State University.
14	(4) Ball State University.
15	(5) Ivy Tech Community College.
16	(6) University of Southern Indiana.
17	(7) Vincennes University.
18	Sec. 2. The board of trustees of a state educational institution
19	shall adopt a policy that prohibits the transfer, licensing, or
20	sublicensing of intellectual property created or developed using the
21	state educational institution's resources to a prohibited person.
22	SECTION 6. IC 21-39-8.5 IS ADDED TO THE INDIANA CODE
23	AS A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24	JULY 1, 2024]:
25	Chapter 8.5. Official Public Statements
26	Sec. 1. As used in this chapter, "protected expressive activity"
27	has the meaning set forth in IC 21-39-8-5.
28	Sec. 2. The board of trustees of each state educational institution
29	shall adopt a policy prohibiting an employee or contractor of the
30	state educational institution from making a public statement in the
31	person's official capacity as a state educational institution
32	employee or contractor unless the statement:
33	(1) relates to the business or operation of the state educational
34	institution, or to a state educational institution sponsored
35	event; or
36	(2) has been approved by the board of trustees of the state
37	educational institution.
38	The policy may not prohibit the exercise of any protected
39	expressive activity that is not made in the employee's or
40	contractor's official capacity.
41	SECTION 7. IC 21-49-1 IS REPEALED [EFFECTIVE JULY 1,
42	2024]. (Disclosures by Postsecondary Educational Institutions of



1	Foreign Gifts and Contracts).
2	SECTION 8. IC 21-49-2.7 IS ADDED TO THE INDIANA CODE
3	AS A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4	JULY 1, 2024]:
5	Chapter 2.7. Prohibition on the Use of State Funds and
6	Resources
7	Sec. 1. As used in this chapter, "foreign terrorist organization"
8	refers to an organization designated by the Secretary of State of
9	the United States as a foreign terrorist organization under 8 U.S.C.
10	1189.
11	Sec. 2. As used in this chapter, "state sponsor of terror" means
12	a country determined by the Secretary of State of the United States
13	to have repeatedly provided support for acts of international
14	terrorism.
15	Sec. 3. The board of trustees of each state educational institution
16	shall adopt a policy that prohibits the use of any state funds or
17	resources to:
18	(1) engage or contract with an individual associated with a
19	foreign terrorist organization or a state sponsor of terror; or
20	(2) support the activities of a foreign terrorist organization or
21	a state sponsor of terror.



### COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1179, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 21-36-1-1.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 1.3. "Foreign adversary" includes the following:** 

- (1) China.
- (2) Iran.
- (3) North Korea.
- (4) Russia.
- (5) A foreign government listed in 15 CFR 7.4.
- (6) A country designated as a threat to critical infrastructure by the governor under IC 1-1-16-8.".

Page 1, line 11, delete "China." and insert "a foreign adversary.".

Page 1, line 12, delete "China." and insert "a foreign adversary.".

Page 1, line 15, delete "China." and insert "a foreign adversary.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1179 as introduced.)

**BEHNING** 

Committee Vote: yeas 13, nays 0.

### COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1179, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 36, delete "or contractor".

Page 2, line 39, delete "or contractor".

Page 3, line 4, delete "or".

EH 1179—LS 6805/DI 143



Page 3, line 5, delete "contractor's".

and when so amended that said bill do pass.

(Reference is to HB 1179 as printed January 25, 2024.)

RAATZ, Chairperson

Committee Vote: Yeas 13, Nays 0.

#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1179 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 21-30-7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:

Chapter 7. Disclosure of Foreign Gifts and Contracts

- Sec. 1. As used in this chapter, "affiliate organization" means any entity under the control of, or established for the benefit of, a state educational institution, including a direct-support organization.
- Sec. 2. As used in this chapter, "contract" means an agreement for the acquisition of property or services by purchase, lease, or barter for the direct benefit or use of either of the parties.
- Sec. 3. As used in this chapter, "direct-support organization" means an organization that is organized and operated to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a state educational institution or for the benefit of a research and development park or a research and development entity affiliated with a state educational institution.
- Sec. 4. As used in this chapter, "foreign adversary" includes the following:
  - (1) A foreign government listed in 15 CFR 7.4.
  - (2) A country designated as a threat to critical infrastructure by the governor under IC 1-1-16-8.
- Sec. 5. As used in this chapter, "foreign government" means the government, including an agent of the government, of any country, nation, or group of nations, or any province or other political subdivision of any country or nation, other than the government of

the United States or a state, territory, or protectorate of the United States.

- Sec. 6. As used in this chapter, "foreign source" means any of the following:
  - (1) A foreign government or an agency of a foreign government.
  - (2) A legal entity, governmental or otherwise, created solely under the laws of a foreign nation or group of nations.
  - (3) An individual who is not a citizen or a national of the United States or a territory or protectorate of the United States.
  - (4) A partnership, an association, a corporation, an organization, or any other combination of persons, including a subsidiary of an entity described in this subdivision, organized under the laws of, or having its principal place of business in, a foreign adversary.
  - (5) An agent, including a subsidiary or an affiliate of a foreign legal entity, acting on behalf of a foreign source.
  - (6) A political party of a foreign adversary or an individual who is a member of a political party of a foreign adversary.
- Sec. 7. As used in this chapter, "gift" means any gift, grant, endowment, award, or donation of money or property of any kind, or any combination thereof, including a conditional or unconditional promise, pledge, or agreement to make a gift, endowment, award, or donation.
- Sec. 8. As used in this chapter, "grant" means a transfer of money for a specified purpose, including a conditional gift.
- Sec. 9. As used in this chapter, "political party of a foreign adversary" means an organization or combination of individuals organized for the purpose of, or engaged in any activity devoted in whole or in part to, either of the following:
  - (1) The establishment, administration, control, or the acquisition of the administration or control, of the government of a foreign adversary.
  - (2) The furtherance or influencing of the political or public interest, policies, or relations of the government of a foreign adversary.
- Sec. 10. (a) A state educational institution shall disclose to the commission any gift of any value received directly or indirectly from any foreign source located in a foreign adversary as follows:
  - (1) For a disclosable gift received after December 31, 2020, and before July 1, 2024, not later than September 1, 2024.



- (2) For a disclosable gift received after June 30, 2024, biannually on January 1 and July 1 of each subsequent year.
- (b) A gift received from a foreign source through an intermediary or affiliate organization is considered an indirect gift to a state educational institution and is subject to the disclosure required by subsection (a).
- Sec. 11. Unless otherwise prohibited or deemed confidential under state or federal law, a disclosure under section 10 of this chapter must include the following information:
  - (1) The date of the gift.
  - (2) The amount of the gift.
  - (3) The purpose of the gift.
  - (4) The identification of the persons for whom the gift is explicitly intended to benefit.
  - (5) Any applicable conditions, requirements, restrictions, or terms made part of the gift.
  - (6) The name and country of residence or domicile of the foreign source.
  - (7) The name and mailing address of the state educational institution receiving the gift.
  - (8) If applicable, the date of termination of the gift.
- Sec. 12. The commission shall establish and maintain a website to enable the public to access information concerning gifts disclosed by state educational institutions under section 10 of this chapter.
- Sec. 13. (a) A state educational institution shall disclose to the commission any contract of any value entered into directly or indirectly with any foreign source located in a foreign adversary as follows:
  - (1) For a disclosable contract entered into after December 31, 2020, and before July 1, 2024, not later than September 1, 2024.
  - (2) For a disclosable contract entered into after June 30, 2024, biannually on January 1 and July 1 of each subsequent year.
- (b) A contract entered into with a foreign source through an intermediary or affiliate organization is considered an indirect contract with a state educational institution and is subject to the disclosure required by subsection (a).
- Sec. 14. Unless otherwise prohibited or deemed confidential under state or federal law, a disclosure under section 13 of this chapter must include the following information:
  - (1) The date of the contract.



- (2) The amount of the contract.
- (3) The purpose of the contract.
- (4) The identification of the persons for whom the contract is explicitly intended to benefit.
- (5) Any applicable conditions, requirements, restrictions, or terms made part of the contract.
- (6) A copy of the contract.
- (7) The name and country of residence or domicile of the foreign source.
- (8) The name and mailing address of the state educational institution entering into the contract.
- (9) If applicable, the date of termination of the contract.

Sec. 15. The commission shall establish and maintain a website to enable the public to access information concerning contracts disclosed by state educational institutions under section 13 of this chapter.

Sec. 16. (a) The commission may:

- (1) audit; or
- (2) contract with a qualified person to audit; a state educational institution's use of a gift disclosed under section 10 of this chapter that the state educational institution received

10 of this chapter that the state educational institution received after June 30, 2021, and before July 1, 2024.

- (b) The commission may:
  - (1) audit; or
  - (2) contract with a qualified person to audit;

a state educational institution's use of the proceeds of a contract disclosed under section 13 of this chapter that the state educational institution entered into after June 30, 2021, and before July 1, 2024.

Sec. 17. The commission shall send copies of all disclosures described in sections 10 and 13 of this chapter to the attorney general, in a manner prescribed by the attorney general.

Sec. 18. (a) The attorney general may bring a civil action against a state educational institution that has failed to comply with this chapter:

- (1) based upon information known to the attorney general; or
- (2) at the request of:
  - (A) a member of the general assembly;
  - (B) the governor;
  - (C) a member of the commission;
  - (D) a member of the Indiana state board of education; or
  - (E) an Indiana taxpayer;



if the person described in this subdivision submits a signed affidavit affirming that a state educational institution is not in compliance with the requirements of this chapter.

- (b) If the attorney general prevails in an action brought under this section, the attorney general is entitled to injunctive relief to require the state educational institution to comply with the requirements of this chapter. In addition, a state educational institution that is found to have knowingly or willingly failed to comply with the requirements of this chapter must pay to the attorney general:
  - (1) the costs incurred in bringing the civil action under this section; and
  - (2) any associated costs of investigation and enforcement.".

Page 1, delete lines 4 through 7.

Page 1, line 8, delete "(5)" and insert "(1)".

Page 1, line 9, delete "(6)" and insert "(2)".

Page 2, line 36, after "employee" insert "or contractor".

Page 2, line 39, after "employee" insert "or contractor".

Page 3, line 4, after "employee's" insert "or contractor's".

Page 3, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 6. IC 21-49-1 IS REPEALED [EFFECTIVE JULY 1, 2024]. (Disclosures by Postsecondary Educational Institutions of Foreign Gifts and Contracts)."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1179 as printed February 23, 2024.)

**RAATZ** 

