



State of Tennessee

PUBLIC CHAPTER NO. 344

HOUSE BILL NO. 1238

By Representatives Lamberth, Gant, Ragan, Calfee, Russell, Halford, Carr, Rudder, White, Sherrell, Hulsey, Faison, Reedy, Keisling, Moody, Smith, Terry, Helton, Alexander, Jerry Sexton, Lynn, Cepicky, Eldridge

Substituted for: Senate Bill No. 1191

By Senators Johnson, Hensley, Kelsey, Pody, Rose, Stevens

AN ACT to amend Tennessee Code Annotated, Title 49, relative to higher education.

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

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, is amended by adding the following as a new part:

49-7-3101. Short title.

This part is known and may be cited as the "Transparency in Foreign Investment Act."

49-7-3102. Part definitions.

As used in this part, unless the context otherwise requires:

(1) "Confucius Institute" means a Confucius Institute or Chinese Language Partner Network operated by the Office of Chinese Language Council International, also known as Hanban, 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 or use of either of the parties;

(3) "Foreign source" means:

(A) A foreign government, including an agency of a foreign government;

(B) A legal entity, governmental 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 protectorate thereof; and

(D) An agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source, as described in subdivisions (3)(A)-(C);

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

(5) "Institution" means a public institution of higher education in this state.

49-7-3103. Confucius Institutes prohibited.

An institution shall not host a Confucius Institute.

49-7-3104. Disclosure of foreign gifts and contracts.

HB1238

(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 the institution, the institution's personnel and students, this state, or the United States.

(b) If an institution receives a gift from a foreign source valued at more than ten thousand dollars (\$10,000), then the institution must disclose the following information 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 ten thousand dollars (\$10,000), then the institution must disclose the following information 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 ten thousand dollars (\$10,000) or less, but the aggregate value of the gifts is more than ten thousand dollars (\$10,000), then all of the gifts must be disclosed in accordance with subsection (b).

(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 ten thousand dollars (\$10,000) or less, but the aggregate value of the contracts is more than ten thousand dollars (\$10,000), then all of the contracts must be disclosed in accordance with subsection (c).

(f) By July 31, 2021, and by July 31 of each year thereafter, each institution shall prepare a foreign gifts and contracts disclosure report that includes the information required to be disclosed pursuant to this section, and submit the report to the comptroller of the treasury and the department of safety for review. Each report must disclose the foreign gifts received and the foreign contracts entered into during the fiscal year ending on June 30 prior to the reporting deadline. If an institution does not have a gift or contract subject to disclosure under this section, then the institution must submit a foreign gifts and contracts disclosure report stating that the institution does not have a gift or contract subject to disclosure.

HB1238

(g) The comptroller shall make the foreign gifts and contracts disclosure reports publicly available on the comptroller's website.

SECTION 2. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 3. The headings to sections in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

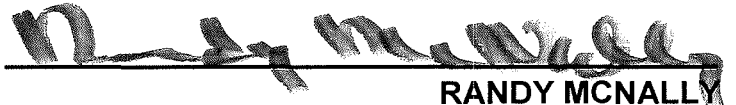
SECTION 4. This act takes effect July 1, 2021, the public welfare requiring it.

HOUSE BILL NO. 1238

PASSED: April 19, 2021



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 5th day of May 2021



BILL LEE, GOVERNOR