

HB 1239 -- ACTIVITIES BY FOREIGN ENTITIES

SPONSOR: Billington

This bill creates the "Research, Education, and Government Operations Protection Act of 2025".

The bill identifies countries of concern including China, Russia, Iran, and Korea among others and requires that public schools, universities and political subdivisions in the State report gifts and contracts entered into or received from a country of concern or foreign agent, as defined in the bill, since 2016 and provides a disclosure process for any gifts and contracts received prior to bill passage to be reported within 60 days.

The bill authorizes the Attorney General to develop policies and procedures for the determination on acceptable gifts and contracts and to develop a disclosure form to include date, value or amount, and purpose of any gift or contract.

The Attorney General must also develop and maintain a web portal to assist with transparency of foreign gifts and contracts, to disclose information relating to such gifts and contracts, and to display final decisions of the reception of gifts and contracts.

The bill outlines an appeal process for political subdivisions and provides for a civil penalty of \$10,000 for a first offense and \$20,000 for the second. Penalties for postsecondary educational institutions and public schools include a civil penalty in the amount of 105% of the undisclosed gift or contract to be paid from nonstate funds. The State Board of Education(SBE) and the Coordinating Board of Higher Education (CBHE) must enforce such penalties and can impose them as administrative penalties.

Attorney General's opinions determining violation by a political subdivision must include a determination on the individual responsible for acceptance of any undisclosed gift or contract. Such opinion must be referred to the Governor, Speaker of the House, and the President Pro Tem of the Senate.

The bill further restricts postsecondary educational institutions and public schools from participation in cultural exchange agreements with foreign sources within countries of concern or entities controlled by such countries that meet criteria outlined in the bill. Prior to entering any cultural exchange agreement with a country of concern institutions and schools must share details with the State Department and Federal Agencies concerned with protecting national security to ensure the security of such exchange.

Annual reporting details for specific data and grant programs, agreements, and partnerships are outlined in the bill with the first report submission due to the SBE and the CBHE by July 1, 2026 and to the Governor, Speaker of the House, and the President Pro Tempore of the Senate by the December 1st.

The bill requires that any postsecondary educational institution with a research budget over \$10 million screen applicants seeking employment, graduate and undergraduate students seeking research or research-related support positions, and certain applicants for visiting researcher positions as specified in the bill. Such individuals must submit specified information including Visa application, passport, references and jobs since turning 18, and funding sources. Postsecondary educational institutions will designate a research integrity office to review materials and verify documentation and provided information.

Before July of 2026, such institutions must establish a international travel approval and monitoring program. The program will require preapproval and screening by a research integrity office for any employment-related foreign travel and activities. Approval is based on acknowledgment of guidance published by the institution relating to countries of concern, countries under sanction, or other restrictions in place by the State or the United States government. Reporting requirements are provided for all foreign travel and must be retained for a minimum of three years.

The bill requires that the State Auditor perform an audit for all postsecondary educational institutions with a research budget over \$10 million to ensure compliance before July of 2026.

The bill creates an offense of stealing and trafficking in trade secrets if an individual obtains, uses, or attempts to use a trade secret as provided in the bill. Stealing or trafficking a trade secret is a Class C felony and a Class B felony if such secret is with intent to benefit a foreign government.

The bill repeals existing language relating to foreign government gifts and institutions of higher education.