

**SUBSTITUTE FOR
HOUSE BILL NO. 4239**

A bill to prohibit state institutions of higher education from entering into agreements with foreign actors under certain circumstances; to prohibit state institutions of higher education from receiving grants and other items of value from foreign actors under certain circumstances; to require state institutions of higher education to enter into gift agreements; to establish reporting requirements for certain gifts received by state institutions of higher education and affiliate organizations from certain foreign actors; to provide for the powers and duties of certain state and local governmental officers and entities; to prescribe remedies; to prescribe civil sanctions; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "foreign influence of
2 state institutions of higher education act".

3 Sec. 3. As used in this act:

4 (a) "Affiliate organization" means an entity under the control
5 of or established for the benefit of a state institution of higher
6 education.

7 (b) "Contract" means an agreement for any of the following:

8 (i) The acquisition, through purchase, lease, or barter, of
9 property or services by a foreign source for the direct benefit or
10 use of either of the parties.

11 (ii) The purchase, lease, or barter of property or services
12 from a foreign country of concern.

13 (c) "Foreign country of concern" means any of the following:

14 (i) The People's Republic of China.

15 (ii) The Russian Federation.

16 (iii) The Islamic Republic of Iran.

17 (iv) The Democratic People's Republic of Korea.

18 (v) The Republic of Cuba.

19 (vi) The Venezuelan regime of Nicolás Maduro.

20 (vii) The Syrian Arab Republic.

21 (viii) An agency or other entity under significant control of a
22 country described in subparagraphs (i) to (vii).

23 (d) "Foreign government" means the government of a country,
24 nation, or group of nations, or a province or other political
25 subdivision of a country or nation. Foreign government includes an
26 agent of a country or nation. Foreign government does not include
27 the government of the United States or the government of a state or
28 political subdivision of the United States.

29 (e) "Foreign source" means any of the following:

1 (i) A foreign government or an agency of a foreign government.

2 (ii) A governmental or nongovernmental entity created solely
3 under the laws of a foreign state or foreign states.

4 (iii) An individual who is not a citizen or national of the
5 United States or a territory or protectorate of the United States.

6 (iv) An agent acting on behalf of an individual or entity
7 described in subparagraphs (i) to (iii).

8 (f) "Gift" includes a pledge, contract, grant, endowment,
9 award, or donation of money or property, or a combination of those
10 things.

11 (g) "Pledge" means a promise, an agreement, or an expressed
12 intention to give a gift.

13 (h) "State institution of higher education" means a public
14 community or junior college established under section 7 of article
15 VIII of the state constitution of 1963 or part 25 of the revised
16 school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a state
17 university described in section 4, 5, or 6 of article VIII of the
18 state constitution of 1963.

19 Sec. 5. A state institution of higher education may not
20 participate in an agreement with or accept a grant from a foreign
21 country of concern if the agreement or grant does any of the
22 following:

23 (a) Constrains the state institution of higher education's
24 freedom to contract.

25 (b) Allows the curriculum or values of a program in this state
26 to be directed or controlled by the foreign country of concern.

27 (c) Promotes an agenda that is detrimental to the safety and
28 security of the United States or its residents as determined by a
29 majority vote of the governing board of the state institution of

1 higher education.

2 Sec. 7. (1) Before a state institution of higher education
3 executes a cultural exchange agreement with a foreign country of
4 concern, the substance of the agreement must be shared with the
5 United States Department of State or other appropriate federal
6 agency concerned with protecting national security or enforcing
7 trade sanctions, embargoes, or other restrictions under federal
8 law.

9 (2) If the federal agency reviewing the cultural exchange
10 agreement under subsection (1) suggests that the agreement promotes
11 an agenda that is detrimental to the safety and security of the
12 United States or its residents, the state institution of higher
13 education may not enter into the agreement.

14 Sec. 9. A state institution of higher education may not accept
15 anything of value that is conditioned on its participation in a
16 program or other endeavor to promote the language or culture of a
17 foreign country of concern.

18 Sec. 11. (1) Before a state institution of higher education
19 may receive a gift from a foreign source, the state institution of
20 higher education and the foreign source must enter into a gift
21 agreement.

22 (2) The gift agreement described in subsection (1) must
23 include all of the following:

24 (a) The signatures of all of the following:

25 (i) The chief administrative officer of the state institution
26 of higher education, or the designee of the chief administrative
27 officer.

28 (ii) The foreign source, if the foreign source is an
29 individual, or an agent of the government, agency, or entity, if

1 the foreign source is not an individual.

2 (b) A detailed description of the purpose for which the state
3 institution of higher education will use the gift.

4 (c) The name of any person that the gift is explicitly
5 intended to benefit.

6 (d) A summary of any condition, requirement, restriction, or
7 term that is part of the gift relating to the control of curricula,
8 faculty, student admissions, student fees, or contingencies placed
9 on the state institution of higher education to take a specific
10 public position or to award an honorary degree.

11 Sec. 13. (1) Except as otherwise provided in subsection (3), a
12 state institution of higher education and its affiliate
13 organizations shall each submit to its respective governing board
14 on January 31 and July 31 a report that includes all of the
15 following:

16 (a) Except as otherwise provided in subdivision (b), a
17 description of each gift that is received, directly or indirectly,
18 from a foreign source with a value of \$50,000.00 or more.

19 (b) If a foreign source provides more than 1 gift to the state
20 institution of higher education or affiliate organization, and the
21 cumulative value of the gifts is \$50,000.00 or more, a description
22 of each gift received from the foreign source.

23 (c) The value of any gift described in subdivision (a) or (b).

24 (d) If a gift described in subdivision (a) or (b) is a
25 contract, the start and end date of the contract.

26 (e) The name of the foreign source that supplied any gift
27 described in subdivision (a) or (b).

28 (f) If the foreign source described in subdivision (e) is not
29 a government, the country of citizenship, if known, and the country

1 of principal residence or domicile of the foreign source.

2 (g) A copy of the gift agreement under section 11.

3 (2) For the purpose of subsection (1), a gift received from a
4 foreign source through an intermediary is considered an indirect
5 gift.

6 (3) A state institution of higher education may consolidate
7 its report under subsection (1) with any of its affiliate
8 organizations.

9 (4) The information disclosed under this section is not
10 confidential or exempt from the freedom of information act, 1976 PA
11 442, MCL 15.231 to 15.246.

12 Sec. 15. Beginning on July 1, 2025, the governing board of a
13 state institution of higher education shall annually inspect a
14 random sample of at least 5% of the total numbers of gift
15 agreements described in section 11 and gifts disclosed under
16 section 13 to determine compliance with the requirements of
17 sections 11 and 13.

18 Sec. 17. If requested by the governor, the senate majority
19 leader, or the speaker of the house of representatives, the
20 governing board of a state institution of higher education must
21 inspect a gift agreement described in section 11 or a gift
22 disclosed under section 13.

23 Sec. 19. (1) The attorney general may bring a civil action to
24 enforce this act.

25 (2) If the civil action described under subsection (1) relates
26 to a state institution of higher education or an affiliate
27 organization knowingly, willfully, or negligently failing to
28 disclose a gift under section 13, the state institution of higher
29 education or affiliate organization may be ordered to pay a civil

1 fine in an amount equal to 105% of the value of the undisclosed
2 gift, payable only from nonpublic funds.

3 (3) If the attorney general is successful in bringing an
4 action described in subsection (1), the attorney general is
5 entitled to reasonable attorney fees and costs.

6 Enacting section 1. 1986 PA 90, MCL 390.1231 to 390.1233, is
7 repealed.