

By: Hughes

S.B. No. 2430

A BILL TO BE ENTITLED

AN ACT

relating to measures to protect public institutions of higher education from foreign adversaries and to the prosecution of the criminal offense of theft of trade secrets; providing civil and administrative penalties; increasing a criminal penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 3, Education Code, is amended by adding Chapter 51B to read as follows:

CHAPTER 51B. HIGHER EDUCATION RESEARCH AND PROTECTION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 51B.001. DEFINITIONS. In this chapter:

(1) "Affiliate organization" means an entity under the control of or established for the benefit of an organization. The term includes a direct-support organization that is organized and operated to receive, hold, invest, and administer property and make expenditures to or for the benefit of an institution of higher education or for the benefit of a research and development park or authority affiliated with an institution of higher education.

(2) "Coordinating board" means the Texas Higher Education Coordinating Board.

(3) "Foreign adversary" means:

(A) any country designated as a foreign adversary by the United States secretary of commerce under 15 C.F.R. Section 791.4; and

1 (B) the State of Qatar.

2 (4) "Foreign government" means the government or an
3 agent of a country, nation, or group of nations, or a province or
4 other political subdivision of a country or nation, other than the
5 United States government.

6 (5) "Foreign source" means:

7 (A) a foreign government or agency of a foreign
8 government;

9 (B) a legal entity created solely under the laws
10 of a foreign government;

11 (C) an individual who is not a citizen or a
12 national of the United States, including a territory or
13 protectorate of the United States;

14 (D) a partnership, association, organization, or
15 other combination of persons, or a subsidiary of such an entity,
16 organized under the laws of or having its principal place of
17 business in a foreign adversary;

18 (E) a political party or member of a political
19 party of a foreign adversary; or

20 (F) an agent acting on behalf of an individual or
21 entity described by Paragraph (A), (B), (C), (D), or (E).

22 (6) "Gift" means a gift, grant, endowment, award, or
23 donation of money or property of any kind, including a conditional
24 or unconditional pledge of the gift, grant, endowment, award, or
25 donation.

26 (7) "Institution of higher education" has the meaning
27 assigned by Section [61.003](#).

1 (8) "Interest" when referring to an entity means any
2 direct or indirect:

3 (A) investment in or loan extended to the entity
4 that is valued at five percent or more of the entity's net worth; or

5 (B) control over the entity at a level exerting
6 similar or greater influence on the governance of the entity as an
7 investment described by Paragraph (A).

8 (9) "Political party" means an organization or
9 combination of individuals whose aim or purpose is, or who is
10 engaged in an activity devoted to, the establishment, control, or
11 acquisition of administration or control of a government, or the
12 furtherance or influencing of the political or public interest,
13 policies, or relations of a government.

14 Sec. 51B.002. RULES. The coordinating board shall adopt
15 rules as necessary to implement this chapter.

16 SUBCHAPTER B. REQUIREMENTS FOR GIFTS FROM AND CONTRACTS WITH
17 FOREIGN ADVERSARIES

18 Sec. 51B.051. GIFT FROM FOREIGN ADVERSARY. (a) Each
19 institution of higher education may not accept a gift the
20 institution is directly or indirectly offered from a foreign source
21 of a foreign adversary unless the gift is approved by the
22 coordinating board.

23 (b) An institution of higher education shall promptly
24 submit to the coordinating board a report on any gift the
25 institution is directly or indirectly offered from a foreign source
26 of a foreign adversary.

27 (b-1) Not later than November 1, 2025, each institution of

1 higher education shall submit to the coordinating board a report on
2 each gift the institution received directly or indirectly from a
3 foreign source of a foreign adversary from December 31, 2015, to
4 September 1, 2025. This subsection expires January 1, 2026.

5 (c) For each gift required to be reported under this
6 section, an institution of higher education must include in the
7 report the following information, unless the disclosure of that
8 information is prohibited or the information is confidential under
9 federal or state law:

10 (1) the date the institution received the offer of the
11 gift;

12 (2) the value of the gift;

13 (3) the purpose of the gift;

14 (4) an identification of the persons the gift is
15 explicitly intended to benefit;

16 (5) any applicable condition, requirement,
17 restriction, or term made a part of the gift;

18 (6) the foreign source's name and country of residence
19 or domicile;

20 (7) the name and mailing address of the person making
21 the disclosure; and

22 (8) the date the gift terminates, if applicable.

23 (d) Not later than the 30th day after the date the
24 coordinating board receives a report under Subsection (b), the
25 coordinating board shall determine whether and under what
26 conditions the institution may accept the gift.

27 (e) The coordinating board shall adopt:

1 (1) forms for an institution of higher education to
2 use in reporting the offering of a gift described by Subsection (b);
3 and

4 (2) rules and procedures for deciding whether to allow
5 an institution of higher education to accept a gift described by
6 Subsection (b).

7 (f) The coordinating board shall maintain a public Internet
8 portal disclosing each gift reported under this section and the
9 coordinating board's decision whether to allow the institution of
10 higher education to accept the gift.

11 (g) For purposes of this section, a gift offered through an
12 intermediary or affiliate organization is considered an indirect
13 gift and subject to reporting.

14 (h) On the request of the governor, the lieutenant governor,
15 or the speaker of the house of representatives, the coordinating
16 board shall inspect or audit a gift reported under this section.

17 (i) Information required to be reported under this section
18 is not confidential except as otherwise provided by state law or
19 unless protected as a trade secret by federal or state law.

20 Sec. 51B.052. CONTRACT OR CULTURAL AGREEMENT WITH FOREIGN
21 ADVERSARY. (a) Each institution of higher education may not enter
22 into a contract or cultural agreement with a foreign source of a
23 foreign adversary unless the contract or agreement is approved by
24 the coordinating board.

25 (b) An institution of higher education shall promptly
26 submit to the coordinating board a report on any contract or
27 cultural agreement the institution is directly or indirectly

1 offered from a foreign source of a foreign adversary.

2 (b-1) Not later than November 1, 2025, each institution of
3 higher education shall submit to the coordinating board a report on
4 each contract or cultural agreement the institution directly or
5 indirectly entered into with a foreign source of a foreign
6 adversary from December 31, 2013, to September 1, 2025. This
7 subsection expires January 1, 2026.

8 (c) For each contract or cultural agreement required to be
9 reported under this section, an institution of higher education
10 must include in the report, unless the disclosure of that
11 information is prohibited or the information is confidential under
12 federal or state law:

13 (1) the information described by Section 51B.051(c)
14 with respect to the contract or agreement; and

15 (2) a copy of the contract or agreement.

16 (d) Not later than the 30th day after the date the
17 coordinating board receives a report under Subsection (b), the
18 coordinating board shall determine whether and under what
19 conditions the institution may enter into the contract or cultural
20 agreement.

21 (e) The coordinating board shall adopt:

22 (1) forms for an institution of higher education to
23 use in reporting the offering of a contract or cultural agreement
24 described by Subsection (b); and

25 (2) rules and procedures for deciding whether to allow
26 an institution of higher education to enter into a contract or
27 cultural agreement described by Subsection (b).

1 (f) The coordinating board shall maintain a public Internet
2 portal disclosing each contract and cultural agreement reported
3 under this section and the coordinating board's decision whether to
4 allow the institution of higher education to enter into the
5 contract or agreement.

6 (g) For purposes of this section, a contract or cultural
7 agreement entered into through an intermediary or affiliate
8 organization is considered an indirect contract or cultural
9 agreement and subject to reporting.

10 (h) On the request of the governor, the lieutenant governor,
11 or the speaker of the house of representatives, the coordinating
12 board shall inspect or audit a contract or cultural agreement
13 reported under this section.

14 Sec. 51B.053. INVESTIGATION. (a) The coordinating board
15 shall investigate an alleged violation of this subchapter if the
16 coordinating board receives:

17 (1) a complaint from a compliance officer of a state
18 agency or institution of higher education; or

19 (2) a sworn complaint based on substantive information
20 and reasonable belief.

21 (b) The coordinating board may request from any person
22 records relevant to a reasonable suspicion of a violation of this
23 subchapter. A person who receives a request under this subsection
24 shall produce the records not later than the 10th day after the date
25 the person receives the request, unless the coordinating board and
26 the person agree to a later date.

27 Sec. 51B.054. ENFORCEMENT; PENALTIES FOR VIOLATION. (a) A

1 person who fails to submit a report required under this subchapter,
2 obtain coordinating board approval for a gift, contract, or
3 cultural agreement as required under this subchapter, or provide a
4 record requested under Section 51B.053 is liable to this state for a
5 civil penalty in the amount of \$10,000 for the first violation and
6 \$20,000 for each subsequent violation.

7 (b) A final order finding a failure to submit a report
8 required under this subchapter or to obtain coordinating board
9 approval for a gift, contract, or cultural agreement as required
10 under this subchapter must:

11 (1) identify the state officer or employee responsible
12 for accepting or entering into the unreported or unapproved gift,
13 contract, or cultural agreement; and

14 (2) refer the violation to, as applicable:

15 (A) the governor to consider removing a state
16 officer identified under Subdivision (1) from office; or

17 (B) the employing institution of higher
18 education to consider terminating the employment of an employee
19 identified under Subdivision (1).

20 (c) The attorney general may sue to collect the civil
21 penalty under Subsection (a). A suit under this subsection may be
22 filed in a district court in Travis County.

23 (d) If the coordinating board determines that an
24 institution of higher education negligently failed to report
25 information required by this subchapter or obtain coordinating
26 board approval for a gift, contract, or cultural agreement as
27 required under this subchapter, the coordinating board may assess

an administrative penalty against the institution in an amount equal to 105 percent of the value of each unreported or unapproved gift, contract, or agreement.

(e) An institution of higher education may not pay a civil penalty imposed under Subsection (a) or an administrative penalty assessed under Subsection (d) using state or federal money.

(f) A person who reports a violation described by Subsection (a) may also report the violation to the attorney general and retain protection under Chapter 554, Government Code. The person is entitled to receive a reward in the amount of 25 percent of any penalty recovered under this section.

SUBCHAPTER C. INTERNATIONAL CULTURAL EXCHANGE AGREEMENTS AND PARTNERSHIPS AND STUDENT ASSOCIATIONS

Sec. 51B.101. DEFINITIONS. In this subchapter:

(1) "Cultural exchange agreement" means a written or spoken statement of mutual interest in cultural exchange or academic or research collaboration.

(2) "Cultural exchange partnership" means a faculty or student exchange program, study abroad program, matriculation program, recruiting program, or dual degree program.

Sec. 51B.102. CERTAIN INTERNATIONAL CULTURAL AGREEMENTS PROHIBITED. (a) An institution of higher education may not participate in a cultural exchange agreement with a foreign source of a foreign adversary, or an entity controlled by a foreign adversary, that:

(1) constrains the institution's freedom of contract;

(2) allows the institution's curriculum or values to

1 be directed, controlled, or influenced by the foreign adversary; or
2 (3) promotes an agenda detrimental to the safety or
3 security of this state, the residents of this state, or the United
4 States.

5 (b) Before entering into a cultural exchange agreement with
6 a foreign source of a foreign adversary, an institution of higher
7 education shall share the substance of the agreement with the
8 coordinating board and federal agencies responsible for national
9 security or the enforcement of trade sanctions, embargoes, or other
10 trade restrictions. If the coordinating board or a federal agency
11 consulted under this subsection determines that the agreement
12 violates the prohibition under Subsection (a), the institution may
13 not participate in the agreement.

14 Sec. 51B.103. PROHIBITIONS ON STUDENT ASSOCIATIONS. (a) A
15 student or scholars association affiliated with an institution of
16 higher education may not:

17 (1) accept a gift from a foreign source of a foreign
18 adversary; or

19 (2) enter into a contract or agreement with a foreign
20 source of a foreign adversary.

21 (b) An institution of higher education shall terminate an
22 affiliation with a student or scholars association if the
23 institution determines that the association has violated this
24 section.

25 (c) For purposes of this section, member dues or fees are
26 not considered a gift from a foreign source of a foreign adversary.

27 Sec. 51B.104. ANNUAL REPORT. (a) Not later than December 1

1 of each year, the coordinating board shall submit a written report
2 to the governor, the lieutenant governor, and the speaker of the
3 house of representatives on the grant programs, cultural exchange
4 agreements, cultural exchange partnerships, and contracts between
5 an institution of higher education and a foreign adversary or a
6 foreign source of a foreign adversary.

7 (b) The report must include the following information for
8 the preceding fiscal year:

9 (1) data regarding each grant program, cultural
10 exchange agreement, cultural exchange partnership, or contract
11 between an institution of higher education and an educational
12 institution or other institution that is based in or controlled by a
13 foreign adversary;

14 (2) a list of each office, campus, or physical
15 location used or maintained by an institution of higher education
16 in a foreign adversary; and

17 (3) the date on which each grant program, agreement,
18 partnership, or contract described by Subdivision (1) is expected
19 to terminate.

20 (c) Not later than July 1 of each year, each institution of
21 higher education shall submit to the coordinating board the
22 information described by Subsection (b).

23 SUBCHAPTER D. SCREENING OF FOREIGN RESEARCHERS

24 Sec. 51B.151. APPLICABILITY. This subchapter applies only
25 to an institution of higher education that has an annual research
26 budget of \$10 million or more.

27 Sec. 51B.152. SCREENING OF FOREIGN RESEARCHERS REQUIRED.

1 (a) Before interviewing or offering an applicant employment for a
2 research or research-related support position at the institution or
3 granting an applicant access to research data or activities or
4 other sensitive data of the institution, an institution of higher
5 education must screen the applicant as provided by this subchapter
6 if the applicant:

7 (1) is a citizen of a foreign country and is not a
8 permanent resident of the United States; or

9 (2) is affiliated with an institution or program, or
10 has at least one year of employment or training, in a foreign
11 adversary, other than employment or training by an agency of the
12 United States.

13 (b) An institution of higher education may screen
14 additional applicants as provided by this subchapter for a position
15 described by Subsection (a) at the institution's discretion.

16 Sec. 51B.153. APPLICATION: REQUIRED MATERIALS. (a) An
17 institution of higher education must require an applicant subject
18 to screening under Section 51B.152 to submit to the institution:

19 (1) if the applicant is a citizen of a foreign country,
20 a copy of the applicant's passport and nonimmigrant visa
21 application most recently submitted to the United States Department
22 of State; and

23 (2) a resume and curriculum vitae that includes:

24 (A) a list of each postsecondary educational
25 institution in which the applicant has been enrolled;

26 (B) a list of all places of employment since the
27 applicant's 18th birthday;

1 (C) a list of all published materials for which
2 the applicant received credit as an author, a researcher, or
3 otherwise or to which the applicant contributed significant
4 research, writing, or editorial support;

5 (D) a list of the applicant's current and pending
6 research funding from any source, including the source of funding,
7 the amount of funding, the applicant's role on the project, and a
8 brief description of the research; and

9 (E) a full disclosure of the applicant's
10 professional activities outside of higher education, including any
11 affiliation with an institution or program in a foreign adversary.

12 (b) Notwithstanding Subsection (a)(2)(B), an applicant who
13 has been continuously employed or enrolled in a postsecondary
14 educational institution in the United States for the preceding 20
15 years may include in the applicant's resume only the applicant's
16 employment history for the preceding 20 years.

17 (c) An institution of higher education may destroy or return
18 to an applicant the copy of the applicant's nonimmigrant visa
19 application submitted under Subsection (a)(1) after extracting all
20 information relevant to the requirements of this subchapter.

21 Sec. 51B.154. RESEARCH INTEGRITY OFFICE. (a) The chief
22 administrative officer of an institution of higher education shall
23 establish a research integrity office to:

24 (1) review the materials submitted to the institution
25 by an applicant under Section 51B.153; and

26 (2) take reasonable steps to verify the information in
27 the application, including by:

1 (A) searching public databases for research
2 publications and presentations and public conflict of interest
3 records to identify any research publication or presentation that
4 may have been omitted from the application;

5 (B) contacting each of the applicant's employers
6 during the preceding 10 years to verify employment;

7 (C) contacting each postsecondary educational
8 institution the applicant attended to verify enrollment and
9 educational progress;

10 (D) searching public listings of persons subject
11 to sanctions or restrictions under federal law;

12 (E) submitting the applicant's name and other
13 identifying information to the Federal Bureau of Investigation or
14 another federal agency for screening related to national security
15 or counterespionage; and

16 (F) taking any other action the office considers
17 appropriate.

18 (b) An institution of higher education may direct the
19 research integrity office to approve applicants for hire using a
20 risk-based determination that considers the nature of the research
21 and the applicant's background and ongoing affiliations.

22 (c) An institution of higher education must complete the
23 requirements of this subchapter before:

24 (1) interviewing or offering a position to an
25 applicant described by Section 51B.152(a) in a research or
26 research-related support position; or

27 (2) granting the applicant access to research data or

1 activities or other sensitive data.

2 (d) An institution of higher education may not employ an
3 applicant subject to screening under Section 51B.152(a) in a
4 research or research-related support position if the applicant
5 fails to disclose in the application a substantial educational,
6 employment, or research-related activity or publication or
7 presentation unless the applicable department head or the
8 department head's designee certifies in writing the substance of
9 the failure to disclosure and the reasons for disregarding that
10 failure. A copy of the certification must be kept in the
11 investigative file of the research integrity office and must be
12 submitted to the nearest Federal Bureau of Investigation field
13 office.

14 (e) The research integrity office shall report to the
15 nearest Federal Bureau of Investigation field office, and to any
16 law enforcement agency designated by the governor or the
17 institution of higher education's governing board, the identity of
18 an applicant who is rejected for employment based on the screening
19 required by this subchapter or other risk-based screening.

20 Sec. 51B.155. OPERATIONAL AUDIT. Not later than March 31,
21 2026, the coordinating board shall conduct an operational audit
22 regarding the implementation of this subchapter. This section
23 expires September 1, 2026.

24 SUBCHAPTER E. FOREIGN TRAVEL: RESEARCH INSTITUTIONS

25 Sec. 51B.201. APPLICABILITY. This subchapter applies only
26 to an institution of higher education that has an annual research
27 budget of \$10 million or more.

Sec. 51B.202. FOREIGN TRAVEL: RESEARCH INSTITUTIONS. (a)

Each institution of higher education shall establish an international travel approval and monitoring program.

(b) The program must require, in addition to any other travel approval process required by the institution of higher education, preapproval from the institution's research integrity office established under Section 51B.154 for any employment-related foreign travel or activities by a faculty member, researcher, or research department staff member of the institution.

(c) A research integrity office may preapprove travel or activities under the program only if the applicant:

(1) reviews and acknowledges guidance published by the institution of higher education that relates to foreign adversaries or countries under sanctions or other restrictions by this state or the United States government, including:

(A) federal license requirements;
(B) customs rules;
(C) export controls;
(D) restrictions on taking institution of higher education property, including intellectual property, abroad;
(E) restrictions on presentations, teaching, and interactions with foreign colleagues; and

(F) other subjects important to the research and academic integrity of the institution of higher education; and

(2) agrees to comply with the institution of higher education's limitations on travel and activities abroad and all

1 applicable federal laws.

2 Sec. 51B.203. MAINTENANCE OF RECORDS AND REPORT. (a) An
3 institution of higher education shall maintain for at least three
4 years, or any longer period of time required by applicable federal
5 or state law, records relating to foreign travel and activities by a
6 faculty member, researcher, or research department staff member of
7 the institution, including:

8 (1) each foreign travel request and approval;

9 (2) expenses reimbursed by the institution for foreign
10 travel, including for travel, food, and lodging;

11 (3) payments and honoraria received during foreign
12 travel and activities, including for travel, food, and lodging;

13 (4) a statement of the purpose of each foreign travel;

14 and

15 (5) any record related to the foreign activity review.

16 (b) Each institution of higher education shall annually
17 submit to the institution's governing board a report on foreign
18 travel by a faculty member, researcher, or research department
19 staff member of the institution to a foreign adversary. The report
20 must list each traveler, foreign location visited, and foreign
21 institution visited.

22 Sec. 51B.204. OPERATIONAL AUDIT. Not later than March 31,
23 2026, the coordinating board shall conduct an operational audit
24 regarding the implementation of this subchapter. This section
25 expires September 1, 2026.

26 SUBCHAPTER F. ACADEMIC PARTNERSHIPS

27 Sec. 51B.251. APPROVAL OF CERTAIN ACADEMIC PARTNERSHIPS

1 REQUIRED. (a) Subject to approval by the coordinating board, an
2 institution of higher education may enter into or renew an academic
3 partnership with an educational or research institution located in
4 a foreign adversary only if the institution of higher education
5 maintains sufficient structural safeguards to protect the
6 institution's intellectual property, the security of this state,
7 and the national security interests of the United States.

8 (b) The coordinating board may approve an academic
9 partnership described by Subsection (a) only if the coordinating
10 board, in consultation with the attorney general's office,
11 determines that the partnership includes the following safeguards:

12 (1) compliance with all federal requirements,
13 including requirements of:

14 (A) federal research sponsors and federal export
15 control agencies, including regulations regarding international
16 traffic in arms and export administration regulations; and

17 (B) economic and trade sanctions administered by
18 the Office of Foreign Assets Control of the United States
19 Department of the Treasury;

20 (2) annual formal institution-level training programs
21 for faculty on conflicts of interest and conflicts of commitment;
22 and

23 (3) a formalized foreign visitor process and uniform
24 visiting scholar agreement.

25 (c) The coordinating board, in consultation with the
26 attorney general's office, may reject or terminate an academic
27 partnership described by Subsection (a) at any time and for any

1 reason.

2 SUBCHAPTER G. FOREIGN ADVERSARY SOFTWARE AND EDUCATION SERVICES

3 Sec. 51B.301. REVIEW OF EDUCATION SOFTWARE. (a) The
4 coordinating board shall:

5 (1) conduct a thorough review of the use by
6 institutions of higher education of testing, tutoring, or other
7 education software owned or controlled by a foreign adversary or a
8 company domiciled or headquartered in a foreign adversary; and

9 (2) develop a plan to eliminate the use of education
10 software described by Subdivision (1).

11 (b) An institution of higher education may not enter into or
12 renew a contract to provide testing, tutoring, or other education
13 software with a foreign adversary or a company domiciled or
14 headquartered in a foreign adversary.

15 SECTION 2. Section 31.05(a), Penal Code, is amended by
16 adding Subdivisions (2-a), (2-b), and (2-c) to read as follows:

17 (2-a) "Foreign agent" means an officer, employee,
18 proxy, servant, delegate, or representative of a foreign
19 government.

20 (2-b) "Foreign government" has the meaning assigned by
21 Section 51B.001, Education Code.

22 (2-c) "Foreign instrumentality" means an agency,
23 bureau, ministry, component, institution, association, or legal,
24 commercial, or business organization, corporation, firm, or entity
25 that is substantially owned, controlled, sponsored, commanded,
26 managed, or dominated by a foreign government.

27 SECTION 3. Section 31.05(c), Penal Code, is amended to read

as follows:

(c) An offense under this section is a felony of the third degree, except that the offense is a felony of the second degree if it is shown on the trial of the offense that the person who committed the offense intended to benefit a foreign agent, foreign government, or foreign instrumentality.

SECTION 4. Not later than March 31, 2026, each public institution of higher education shall establish an international travel approval and monitoring program required by Section 51B.202, Education Code, as added by this Act.

SECTION 5. Not later than December 1, 2026, the Texas Higher Education Coordinating Board shall prepare and submit the initial report required by Section 51B.104, Education Code, as added by this Act.

SECTION 6. The changes in law made by this Act apply only to a contract entered into or renewed on or after the effective date of this Act. A contract entered into or renewed before the effective date of this Act is governed by the law in effect on the date the contract was entered into or renewed, and the former law is continued in effect for that purpose.

SECTION 7. The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

1 SECTION 8. This Act takes effect September 1, 2025.