

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 59th Legislature (2024)

4   COMMITTEE SUBSTITUTE  
5   FOR  
6   HOUSE BILL NO. 1265

By: McCall

7  
8                                   COMMITTEE SUBSTITUTE

9           An Act relating to property and critical  
10          infrastructure; creating the Military Installation  
11          and Critical Infrastructure Protection Act of 2024;  
12          defining terms; prohibiting foreign principals from  
13          foreign adversary countries from owning, having an  
14          interest in or acquiring agricultural land;  
15          describing scope of de minimis indirect interest;  
16          directing the sale, transfer, or divestiture of  
17          agricultural land under certain circumstances;  
18          establishing registration requirements; allowing for  
19          the acquisition of agricultural land under certain  
20          circumstances; deeming contracts, deeds or other  
21          agreements invalid; assigning the Office of the  
22          Attorney General with the responsibility of making  
23          certain determinations; granting the Attorney General  
24          the authority to commence certain actions in district  
            court; providing for the sale of land through  
            judicial foreclosure; providing payment of a reward  
            to whistleblowers; providing for the disbursement of  
            proceeds; providing for the adoption of rules;  
            prohibiting foreign principals from foreign adversary  
            countries from purchasing, holding, renting or  
            controlling any property near military bases or  
            installations; requiring the sale, transfer, or  
            divestiture of property within certain time period;  
            deeming contracts, deeds or other agreements invalid;  
            granting the Attorney General the authority to  
            commence certain actions in district court; providing  
            for the sale of land through judicial foreclosure;  
            providing payment of a reward to whistleblowers;  
            providing for the disbursement of proceeds; assigning

1 the Office of the Attorney General with the  
2 responsibility of making certain determinations;  
3 establishing guidelines for whistleblowers; providing  
4 for referrals to the Office of the Attorney General;  
5 establishing rewards for whistleblowers; setting  
6 effective date for whistleblower enforcement  
7 provision; prohibiting entities and governmental  
8 entities from entering into agreements relating to  
9 critical infrastructure with foreign principals from  
10 foreign adversary counties; authorizing entities and  
11 governmental entities to enter into agreements under  
12 certain circumstances; requiring companies to file a  
13 certification form prior to accessing critical  
14 infrastructure; establishing guidelines for  
15 maintaining registrations; setting fee for  
16 administering certification process; providing for  
17 the revocation of certifications; prohibiting the use  
18 of certain software in state infrastructure;  
19 providing for the replacement of prohibited software;  
20 providing software removal and notification  
21 requirements; directing the Office of the Attorney  
22 General to establish reporting process for non-  
23 notified transactions; authorizing the Attorney  
24 General to submit memorandums or reports to certain  
committee; directing the Attorney General to retain  
certain documents and notify the State Legislature  
and Governor; providing for noncodification;  
providing for codification; and providing an  
effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Military  
Installation and Critical Infrastructure Act of 2024".

1       SECTION 2.       NEW LAW       A new section of law to be codified

2 in the Oklahoma Statutes as Section 128.1 of Title 60, unless there  
3 is created a duplication in numbering, reads as follows:

4       As used in this act:

5       1. "Agricultural land" shall mean a land area that is either  
6 arable, under permanent crops, or under permanent pastures. Arable  
7 land includes land under temporary crops such as cereals, temporary  
8 meadows for mowing or pasture, land under market or kitchen gardens,  
9 and land temporarily fallow. Land abandoned as a result of shifting  
10 cultivation is excluded. Land under permanent crops is cultivated  
11 with crops that occupy the land for long periods and need not be  
12 replanted after each harvest, such as orchards or vineyards. This  
13 category excludes land under trees grown for wood or timber.  
14 Permanent pasture land is land used for five (5) or more years for  
15 forage, including natural and cultivated crops;

16       2. "Company" shall mean a for-profit sole proprietorship,  
17 organization, association, corporation, partnership, joint venture,  
18 limited partnership, limited liability partnership, or limited  
19 liability company, including a wholly owned subsidiary, majority-  
20 owned subsidiary, parent company, or affiliate of those entities or  
21 business associations that exists to make a profit; or a non-profit  
22 organization;

23       3. "Critical infrastructure" shall mean systems and assets,  
24 whether physical or virtual, so vital to Oklahoma or the United

1 States of America that the incapacity or destruction of such systems  
2 and assets would have a debilitating impact on state or national  
3 security, state or national economic security, state or national  
4 public health, or any combination of those matters. A critical  
5 infrastructure may be publicly or privately owned and includes, but  
6 is not limited to:

- 7 a. gas and oil production, storage, or delivery systems,
- 8 b. water supply, refinement, storage, or delivery  
9 systems,
- 10 c. telecommunications networks,
- 11 d. electrical power delivery systems,
- 12 e. emergency services,
- 13 f. transportation systems and services, or
- 14 g. personal data or otherwise classified information  
15 storage systems, including cybersecurity;

16 4. "Cybersecurity" shall mean the measures taken to protect a  
17 computer, computer network, computer system, or other technology  
18 infrastructure against unauthorized use or access;

19 5. "Domicile" shall mean either the country in which a company  
20 is registered, or where the affairs of the company are primarily  
21 completed, or where the majority of ownership share is held;

22 6. "Foreign adversary" shall mean any country designated by the  
23 United States Secretary of State as hostile or a Country of  
24 Particular Concern (CPC);

1       7. "Foreign principal" shall mean:

2           a. the government or any official of the government of a  
3           foreign adversary,

4           b. a political party or member of a political party or  
5           any subdivision of a political party of a foreign  
6           adversary,

7           c. a partnership, association, corporation, organization,  
8           or other combination of persons organized under the  
9           laws of or having its principal place of business in a  
10          foreign adversary, or a subsidiary of such entity, or  
11          owned or controlled wholly or in part by any person,  
12          entity, or collection of persons or entities of a  
13          foreign adversary,

14          d. any person who is domiciled in a foreign adversary and  
15          is not a citizen or lawful permanent resident of the  
16          United States, or

17          e. any person, entity, or collection of persons or  
18          entities, described in subparagraphs a through d of  
19          this paragraph having a controlling interest in a  
20          partnership, association, corporation, organization,  
21          trust, or any other legal entity or subsidiary formed  
22          for the purpose of owning real property;

23       8. "Military base or installation" shall mean any land,

24       structure, or property owned or controlled by any division of the

1 Department of Defense, Oklahoma National Guard, or any other  
2 department of government, state or federal, critical to the safety  
3 and security of Oklahoma or the United States of America;

4 9. "Non-notified transactions" shall mean foreign investments  
5 in the United States that are not voluntarily submitted to the  
6 Committee on Foreign Investment in the United States for review  
7 under Section 4565 of Title 50 of the United States Code;

8 10. "Operational software" shall mean computer programs used  
9 for the operation, control, maneuver or maintenance of state  
10 infrastructure, or any other computer program applications related  
11 to state infrastructure;

12 11. "Software" shall mean any program or routine, or any set of  
13 one or more programs or routines, which are used or intended for use  
14 to cause one or more computers or pieces of computer related  
15 peripheral equipment, or any combination thereof, to perform a task  
16 or set of tasks, as it relates to state infrastructure;

17 12. "State infrastructure" shall mean critical infrastructure  
18 and transportation infrastructure; and

19 13. "Transportation infrastructure" shall include, but not be  
20 limited to:

- 21 a. airports including, but not limited to, commercial and  
22 intermodal airports and heliports and all airport  
23 infrastructure,  
24

- 1           b.    roadways including, but not limited to, publicly  
2               accessible streets, roads, highways, and bridges and  
3               all roadway infrastructure including, but not limited  
4               to, signage, toll booths, weigh stations, and traffic  
5               signals,
- 6           c.    railways including, but not limited to, all classes of  
7               freight rail and passenger rail and all railway  
8               infrastructure including, but not limited to,  
9               intermodal rail yards and signals,
- 10          d.    ports including, but not limited to, inland ports,  
11               seaports, deepwater ports, inland waterways, and  
12               levees and all port infrastructure including, but not  
13               limited to, intermodal stations, and
- 14          e.    public transit including bus, ferry, cable car, tram,  
15               trolley, and other types of publicly accessible  
16               transportation and all public transit infrastructure.

17       SECTION 3.       NEW LAW       A new section of law to be codified  
18 in the Oklahoma Statutes as Section 128.2 of Title 60, unless there  
19 is created a duplication in numbering, reads as follows:

20       A.   A foreign principal from a foreign adversary country may not  
21 directly or indirectly own, have an interest of greater than twenty-  
22 five percent (25%) in, or acquire by purchase, grant, devise, or  
23 descent agricultural land or any interest, except a de minimis  
24 indirect interest, in such land in this state. A foreign principal

1 has a de minimis indirect interest if any ownership is the result of  
2 the foreign principal's ownership of registered equities in a  
3 publicly traded company owning the land and if the ownership of the  
4 foreign principal in the country is either:

5 1. Less than five percent (5%) of any class of registered  
6 equities or less than five percent (5%) in the aggregate in multiple  
7 classes of registered equities; or

8 2. A noncontrolling interest in an entity controlled by a  
9 company that is both registered with the United States Securities  
10 and Exchange Commission as an investment advisor under the  
11 Investment Advisers Act of 1940, as amended, and is not a foreign  
12 entity.

13 B. A foreign principal that directly or indirectly owns or  
14 otherwise controls agricultural land, as defined in Section 1 of  
15 this act, in this state must sell, transfer, or otherwise divest  
16 itself of the agricultural land within one hundred eighty (180) days  
17 of the effective date of this act.

18 C. A foreign principal that directly or indirectly owns or  
19 acquires agricultural land or any interest in such land in this  
20 state shall register with the State Department of Agriculture within  
21 sixty (60) days of the effective date of this act or the date of  
22 acquisition, whichever is latest. The Department shall establish a  
23 form for such registration which, at minimum, shall include all of  
24 the following:



1        1. The name of the owner of the agricultural land or the owner  
2 of the interest in such land;

3        2. The address of the agricultural land, the parcel  
4 identification number of the property appraiser, and the legal  
5 description of the property; and

6        3. The number of acres of the agricultural land.

7        D. Notwithstanding the provisions of subsection A of this  
8 section, a foreign principal from a foreign adversary country may  
9 acquire agricultural land on or after the effective date of this act  
10 by devise or descent, through the enforcement of security interests,  
11 or through the collection of debts, provided that the foreign  
12 principal sells, transfers, or otherwise divests itself of the  
13 agricultural land within one hundred eighty (180) days of acquiring  
14 the agricultural land.

15        E. Any current deeds, contracts, rental agreements, or other  
16 legal agreements in conflict with the provisions of this act shall  
17 be deemed invalid from the date of adoption unless otherwise  
18 provided.

19        F. The responsibility for determining whether an entity is  
20 subject to the provisions of this section rests solely with the  
21 foreign entity, the Attorney General, any qualifying whistleblower,  
22 and no other individual or entity. An individual or entity who is  
23 not a foreign entity shall not be required to determine or inquire  
24 whether another person or entity is or may be subject to this

1 section, and shall bear no civil or criminal liability under the  
2 provisions of this section.

3 G. If a foreign principal from a foreign adversary country does  
4 not divest the public or private lands as required by this section,  
5 the Attorney General shall commence an action in district court  
6 within the jurisdiction of the public or private land.

7 H. If the public or private land is held in violation of the  
8 provisions of this section, the district court shall order that the  
9 public or private land be sold through judicial foreclosure.

10 I. If a whistleblower referral results in a divestiture of land  
11 or other assets held in violation of the provisions of this section,  
12 the whistleblower shall be entitled to a reward equal to thirty  
13 percent (30%) of the proceeds of the land sale that results from the  
14 violation of this section after payments to lienholders. Proceeds  
15 of the sale shall be disbursed in the following order, as  
16 applicable:

17 1. The payment of authorized costs of the sale, including all  
18 approved fees and expenses of the referee and any taxes and  
19 assessments due;

20 2. The payment, in an amount approved by the court, to the  
21 Office of the Attorney General for reimbursement of investigation  
22 and litigation costs and expenses;  
23  
24

1        3. To bona fide lien holders, in their order of priority,  
2 except for liens which under the terms of the sale are to remain on  
3 the property;

4        4. To whistleblowers; and

5        5. To the restricted foreign entity.

6        J. The State Department of Agriculture shall adopt rules to  
7 implement the provisions of this section.

8        SECTION 4.        NEW LAW        A new section of law to be codified  
9 in the Oklahoma Statutes as Section 128.3 of Title 60, unless there  
10 is created a duplication in numbering, reads as follows:

11        A. A foreign principal from a foreign adversary country shall  
12 not be allowed to directly or indirectly purchase, hold, rent, or  
13 otherwise control any property within ten (10) miles of a military  
14 base or installation.

15        B. A foreign principal that directly or indirectly controls any  
16 property covered by the provisions of subsection A of this section,  
17 excluding temporary contractual agreements such as rental or lease  
18 agreements, must sell, transfer, or otherwise divest itself of the  
19 property within one hundred eighty (180) days of the effective date  
20 of this act.

21        C. Any current deeds, contracts, rental agreements, or other  
22 legal agreements in conflict with this law shall be deemed invalid  
23 from the date of adoption unless otherwise provided.

1 D. If a foreign principal from a foreign adversary country does  
2 not divest the public or private lands as required by the provisions  
3 of this section, the Attorney General shall commence an action in  
4 the district court within the jurisdiction of the public or private  
5 land.

6 E. If the public or private land is held in violation of the  
7 provisions of this section, the district court shall order that the  
8 public or private land be sold through judicial foreclosure.

9 F. If a whistleblower referral results in a divestiture of land  
10 or other assets held in violation of the provisions of this section,  
11 the whistleblower shall be entitled to a reward equal to thirty  
12 percent (30%) of the proceeds of the land sale that results from the  
13 violation of the provisions of this section after payments to  
14 lienholders. Proceeds of the sale shall be disbursed in the  
15 following order, as applicable:

16 1. The payment of authorized costs of the sale, including all  
17 approved fees and expenses of the referee and any taxes and  
18 assessments due;

19 2. The payment, in an amount approved by the district court, to  
20 the Attorney General for reimbursement of investigation and  
21 litigation costs and expenses;

22 3. To bona fide lien holders, in their order of priority,  
23 except for liens which under the terms of the sale are to remain on  
24 the property;

1       4. To whistleblowers; and

2       5. To the restricted foreign entity.

3       G. The responsibility for determining whether an entity is  
4 subject to this section rests solely with the foreign entity, the  
5 Attorney General, any qualifying whistleblower, and no other  
6 individual or entity. An individual or entity who is not a foreign  
7 entity shall not be required to determine or inquire whether another  
8 person or entity is or may be subject to the provisions of this  
9 section, and shall bear no civil or criminal liability under the  
10 provisions of this section.

11       SECTION 5.       NEW LAW       A new section of law to be codified  
12 in the Oklahoma Statutes as Section 128.4 of Title 60, unless there  
13 is created a duplication in numbering, reads as follows:

14       A. Any individual may act as a whistleblower and provide a  
15 referral to the Office of the Attorney General for violations of the  
16 provisions of Section 3 and Section 4 of this act.

17       B. If a whistleblower referral results in a divestiture of land  
18 or other assets held in violation of the provisions of this act, the  
19 whistleblower shall be entitled to a reward equal to thirty percent  
20 (30%) of the proceeds of the land sale that results from violation  
21 of this act.

22       C. The whistleblower enforcement provision shall take effect  
23 one hundred eighty (180) days after the effective date of this act.  
24

1       SECTION 6.       NEW LAW       A new section of law to be codified

2 in the Oklahoma Statutes as Section 13001 of Title 74, unless there  
3 is created a duplication in numbering, reads as follows:

4       A. An entity constructing, repairing, operating, or otherwise  
5 having significant access to critical infrastructure may not enter  
6 into an agreement relating to critical infrastructure in this state  
7 with a foreign principal from a foreign adversary country, or use  
8 products or services produced by a foreign principal from a foreign  
9 adversary country.

10       B. A governmental entity may not enter into a contract or other  
11 agreement relating to critical infrastructure in this state with a  
12 company that is a foreign principal from a foreign adversary  
13 country, or use products or services produced by a foreign principal  
14 from a foreign adversary country.

15       C. Notwithstanding the provisions of subsection A and B of this  
16 section, an entity or governmental entity may enter into a contract  
17 or agreement relating to critical infrastructure with a foreign  
18 principal from a foreign adversary country or use products or  
19 services produced by a foreign principal from a foreign adversary  
20 country if:

21       1. There is no other reasonable option for addressing the need  
22 relevant to state critical infrastructure;

23       2. The contract is pre-approved by the Office of the Attorney  
24 General; and

1        3. Not entering into such a contract or agreement would pose a  
2 greater threat to the state than the threat associated with entering  
3 into the contract.

4        SECTION 7.        NEW LAW        A new section of law to be codified  
5 in the Oklahoma Statutes as Section 13002 of Title 74, unless there  
6 is created a duplication in numbering, reads as follows:

7        A. In order to access critical infrastructure, a company must  
8 file a certification form with and pay a certification fee to the  
9 Office of the Attorney General. The Office of the Attorney General  
10 shall prescribe the registration form to be filed pursuant to the  
11 provisions of this section.

12        B. To maintain registration as a company with access to  
13 critical infrastructure, a company shall:

14        1. Identify all employee positions in the organization that  
15 have access to critical infrastructure;

16        2. Before hiring a person described in paragraph 1 of this  
17 subsection, obtain from the Oklahoma State Bureau of Investigation  
18 or a private vendor criminal history record information relating to  
19 the prospective employee and any other background information  
20 considered necessary by the company or required by the Office of the  
21 Attorney General to protect critical infrastructure from foreign  
22 adversary infiltration or interference;

23        3. Prohibit foreign nationals from an adversary nation from  
24 access to critical infrastructure; and

1        4. Be compliant with the provisions of Section 6 of this act.

2        C. The Office of the Attorney General shall set the fee in an  
3 amount sufficient to cover the costs of administering the  
4 certification process but not to exceed One Hundred Fifty Dollars  
5 (\$150.00).

6        D. The Office of the Attorney General shall provide that a  
7 company is compliant with all requirements of this section or revoke  
8 certification.

9        SECTION 8.        NEW LAW        A new section of law to be codified  
10 in the Oklahoma Statutes as Section 13003 of Title 74, unless there  
11 is created a duplication in numbering, reads as follows:

12        A. All software used in state infrastructure located within or  
13 serving Oklahoma shall henceforth not include any software produced  
14 by a federally banned corporation, nor any software banned at the  
15 federal level.

16        B. All software used in state infrastructure located within or  
17 serving Oklahoma shall henceforth not include any software produced  
18 in or by a foreign adversary, a state-owned enterprise of a foreign  
19 adversary, or a company domiciled within a foreign adversary.

20        C. All software used in state infrastructure in operation  
21 within or serving Oklahoma, to include any state infrastructure  
22 which is not permanently disabled, shall have all software  
23 prohibited by subsection A or B of this section removed and replaced  
24



1 with software which is not prohibited by subsection A or B of this  
2 section.

3 D. Any state infrastructure provider that removes,  
4 discontinues, or replaces any prohibited software shall not be  
5 required to obtain any additional permits from any state agency or  
6 political subdivision for the removal, discontinuance, or  
7 replacement of such software as long as the state agency or  
8 political subdivision is properly notified of the necessary  
9 replacements and the replacement software is similar to the existing  
10 software.

11 SECTION 9. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 13004 of Title 74, unless there  
13 is created a duplication in numbering, reads as follows:

14 A. The Office of the Attorney General shall establish a process  
15 by which local officials, states officials, or other persons may  
16 submit information or concerns to the Office regarding non-notified  
17 transactions in Oklahoma. The Office of the Attorney General may  
18 adopt any necessary rules to implement the provisions of this  
19 subsection.

20 B. The Office of the Attorney General may submit a memorandum  
21 or report concerning non-notified transactions the Attorney General  
22 has identified in Oklahoma to the Committee on Foreign Investment in  
23 the United States.

24 C. The Office of the Attorney General shall:

1        1. Retain a copy of any documents submitted to the Committee on  
2 Foreign Investment in the United States that are included with a  
3 memorandum or report submitted under the provisions of subsection B  
4 of this section; and

5        2. Notify the State Legislature and the Governor as soon as  
6 practicable after submitting a memorandum, report, or other  
7 information pursuant to the provisions of subsection B of this  
8 section.

9        SECTION 10. This act shall become effective November 1, 2024.

10  
11 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/26/2024 - DO PASS,  
12 As Amended.