

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE

FOR ENGROSSED

SENATE BILL NO. 997

By: Frix of the Senate

and

Sneed of the House

COMMITTEE SUBSTITUTE

[ state procurement - contracts - disclosure

statements - penalties - exceptions -

noncodification - codification -

emergency ]

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 "Procurement  
Protection Act of 2025".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 85.59 of Title 74, unless there  
is created a duplication in numbering, reads as follows:

As used in this act:

1        1. "Company" means any sole proprietorship, organization,  
2 association, corporation, partnership, joint venture, limited  
3 partnership, limited liability partnership, limited liability  
4 company, or other entity or business association, including all  
5 wholly owned subsidiaries, majority-owned subsidiaries, parent  
6 companies, or affiliates of such entities or business associations,  
7 that exist for the purpose of making profit;

8        2. "Control" means:

9            a. control as defined in the Investment Company Act of  
10                1940, 15 U.S.C. Section 80a-2(a), or

11           b. in the case of a Chinese company, involvement in an  
12                entity's governance structure, monitoring, or internal  
13                human resources decisions of an entity consistent with  
14                the objectives set out in the Opinion on Strengthening  
15                the United Front Work of the Private Economy in the  
16                New Era issued by the General Office of the Central  
17                Committee of the Chinese Communist Party (2020) or a  
18                successor or similar document;

19        3. "Domicile" means the country in which a company is  
20 registered, the company's affairs are primarily completed, and where  
21 the majority of ownership share is held;

22        4. "Federally banned corporation" means any company or  
23 designated equipment federally banned currently or banned after the  
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1 effective date of this act. Such bans shall include those resulting  
2 from, but not limited to, the following federal agencies and acts:

- 3 a. the Federal Communications Commission, including, but  
4 not limited to, any equipment or service deemed to  
5 pose a threat to national security identified on the  
6 Covered List developed pursuant to 47 C.F.R., Section  
7 1.50002 and published by the Public Safety and  
8 Homeland Security Bureau of the Federal Communications  
9 Commission pursuant to the federal Secure and Trust  
10 Communications Networks Act of 2019, 47 U.S.C.,  
11 Section 1601 et seq.,
- 12 b. the United States Department of Commerce,
- 13 c. the Cybersecurity and Infrastructure Security Agency,
- 14 d. the Federal Acquisition Security Council, and
- 15 e. Section 889 of the John S. McCain National Defense  
16 Authorization Act for Fiscal Year 2019, P. L. 115-232;

17 5. "Foreign adversary" means adversarial nations including the  
18 People's Republic of China, the Russian Federation, the Islamic  
19 Republic of Iran, the Democratic People's Republic of Korea, the  
20 Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the  
21 Syrian Arab Republic, including any agent of or any other entity  
22 under significant control of such foreign country of concern, or any  
23 other entity deemed a foreign adversary by the Governor;

1       6.   a.     "Foreign adversary company" means any company, other  
2                than a United States person or United States  
3                subsidiary as defined in 15 C.F.R., Section 772.1,  
4                that:

5                (1)   is domiciled, incorporated, issued, or listed in  
6                    a foreign adversary country,

7                (2)   is headquartered in a foreign adversary country,

8                (3)   has its principal place of business in a foreign  
9                    adversary country,

10              (4)   is controlled by the government of the People's

11                    Republic of China, the Chinese Communist Party,

12                    the Chinese military, or any instrumentality

13                    thereof, including the state-owned Assets

14                    Supervision and Administration Commission of the

15                    State Council or the National Social Security

16                    Fund, or

17              (5)   is majority-owned by an entity controlled by the

18                    government of the People's Republic of China, the

19                    Chinese Communist Party, the Chinese military, or

20                    any instrumentality thereof, including the state-

21                    owned Assets Supervision and Administration

22                    Commission of the State Council or the National

23                    Social Security Fund, or

24              b.    If an entity:

- (1) does not meet any of the above criteria, and
- (2) does not recognize more than fifty percent (50%) of the total annual global revenue of the entity and its subsidiaries from a foreign adversary country, then that entity shall not be considered a "foreign adversary company" regardless of whether because one or more subsidiaries or affiliates of the entity meets the definition of a "foreign adversary company" under this section; and

7. "Government of China" shall mean the People's Republic of China led by the Chinese Communist Party.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.59a of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Except as provided under subsection D of this section, the following companies shall be ineligible to bid on or submit a proposal for a contract with a state agency or political subdivision of this state for goods or services:

1. A state-owned enterprise of a foreign adversary;
2. A foreign adversary company; or
3. A federally banned corporation.

B. A state agency or any political subdivision of this state shall require a company that submits a bid or proposal with respect

1 to a contract for goods or services to certify that the company is  
2 not a company listed under subsection A of this section.

3 C. If the Director of Office of Management and Enterprise  
4 Services or political subdivision determines that a company has  
5 submitted a false certification under subsection B of this section:

6 1. The company shall be liable for a civil penalty in an amount  
7 that is equal to Two Hundred Fifty Thousand Dollars (\$250,000.00) or  
8 twice the amount of the contract for which a bid or proposal was  
9 submitted, whichever is greater;

10 2. The state agency or the Office of Management and Enterprise  
11 Services shall terminate the contract with the company; and

12 3. The company shall be ineligible to, and shall not, bid on a  
13 state contract for sixty (60) months.

14 D. Notwithstanding the provisions of subsection B of this  
15 section, a state agency may enter into a contract for goods  
16 manufactured by a company listed under subsection A of this section  
17 if:

18 1. There is no other reasonable option for procuring the good;

19 2. The contract is pre-approved by the Director of the Office  
20 of Management and Enterprise Services, or, in the case of a  
21 political subdivision, the contract is pre-approved by the  
22 procurement authority of the political subdivision, after a  
23 determination that not procuring the good would pose a greater  
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1 threat to this state than the threat associated with the  
2 procurement.

3 E. This act does not apply to a company, including a third-  
4 party vendor, that is in compliance with the Secure and Trusted  
5 Communications Networks Act of 2019, P. L. 116-124.

6 SECTION 4. It being immediately necessary for the preservation  
7 of the public peace, health or safety, an emergency is hereby  
8 declared to exist, by reason whereof this act shall take effect and  
9 be in full force from and after its passage and approval.

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