

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3067

By: Banning

AS INTRODUCED

An Act relating to state government; declaring legislative intent; prohibiting state contracts with certain companies; requiring certification for certain companies; providing penalties; defining terms; 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:

The Legislature finds that:

1. The Communist Party of China's authoritarian governance over the People's Republic of China includes extensive and continuing efforts to destroy any meaningful distinction between the Communist Party of China, the People's Republic of China state, and commercial entities in the People's Republic of China;
2. The People's Republic of China's commercial entities are an intrinsic part of Communist Party of China malignant activities

1 globally, which include the Communist Party of China's human rights
2 abuses, military civil fusion efforts, and military expansion;

3 3. Dealings with commercial entities of the People's Republic
4 of China are less likely to be commercially sound because such
5 entities are likely acting on noncommercial motivations and carry an
6 increased political risk;

7 4. While a commercial entity of the People's Republic of China
8 is not beyond the reach of the Communist Party of China, the
9 People's Republic of China's state-owned entities present heightened
10 concerns of commercial soundness;

11 5. Dealings with commercial entities of the People's Republic
12 of China, and especially state-owned entities, threaten Oklahoma
13 security, including by making accessible to the Communist Party of
14 China and People's Republic of China government information about
15 the structure, operations, resources, and infrastructure of the
16 government of Oklahoma; and

17 6. Dealings with commercial entities of the People's Republic
18 of China, and especially state-owned entities, threaten the privacy
19 and security of residents of Oklahoma, to the extent that they
20 involve the personal information of such residents.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 12101 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

24 A. A state agency shall not enter into a contract:
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1 1. With a scrutinized company; or

2 2. That employs a scrutinized company as a subcontractor.

3 B. A state agency shall require a company that submits a bid or
4 proposal for a contract for goods or services to certify that the
5 company is not a scrutinized company.

6 C. If a state agency or the Office of Management and Enterprise
7 Services determines that a company has submitted a false
8 certification under subsection B of this section:

9 1. The company shall be liable for a civil penalty in an amount
10 equal to the greater of Two Hundred Fifty Thousand Dollars
11 (\$250,000.00) or twice the amount of the contract for which a bid or
12 proposal was submitted;

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

15 3. The company shall be ineligible to bid on a state contract
16 for five (5) years and then the company's status will be
17 reassessed.

18 D. As used in this section:

19 1. "Company" means any sole proprietorship, organization,
20 association, corporation, partnership, joint venture, limited
21 partnership, limited liability partnership, limited liability
22 company, or other entity or business association, including all
23 wholly owned subsidiaries, majority-owned subsidiaries, parent
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1 companies, or affiliates of such entities or business associations,
2 that exists for the purpose of making profit;

3 2. "Contract" means all types of state agreements, regardless
4 of what they may be called, for the purchase of commodities and
5 services and for the disposal of surplus commodities and services
6 not otherwise exempt;

7 3. "Scrutinized company" means a company owned in whole or with
8 a majority ownership by the government of the People's Republic of
9 China; and

10 4. "State agency" means any agency, department, board,
11 commission, or council of this state.

12 SECTION 3. This act shall become effective November 1, 2024.

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