

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 4193

By: Chapman

COMMITTEE SUBSTITUTE

An Act relating to state procurement; creating the Procurement Protection Act of 2026; defining terms; prohibiting certain entities from entering into contracts with certain companies; requiring certain disclosure statements; providing penalties; providing exceptions to certain prohibitions; 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 "Procurement Protection Act of 2026".

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

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

23 4. "Federally banned corporation" means any company producing
24 designated equipment federally banned currently or banned after the

effective date of this act. Such bans shall include those resulting from, but not limited to, the following federal agencies and acts:

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

5. "Foreign adversary" means adversarial nations including the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the Syrian Arab Republic; and

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

- a. is domiciled, incorporated, issued, or listed in a foreign adversary country,
- b. is headquartered in a foreign adversary country,
- c. has its principal place of business in a foreign adversary country,
- d. is controlled by the government of a foreign adversary or any instrumentality thereof, or
- e. is majority-owned by an entity controlled by the government of a foreign adversary or any instrumentality thereof.

If a parent company does not meet any of the criteria set forth in this paragraph and does not recognize more than fifty percent (50%) of the total annual global revenue of the parent company and subsidiaries from a foreign adversary, such parent company shall not be considered a foreign adversary company.

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 for goods or services:

1. A state-owned enterprise of a foreign adversary;
2. A company domiciled within a foreign adversary;
3. A foreign adversary company; or

1 4. A federally banned corporation.

2 B. A state agency shall require a company that submits a bid or
3 proposal with respect to a contract for goods or services to certify
4 that the company is not a company listed under subsection A of this
5 section.

6 C. If the Director of the Office of Management and Enterprise
7 Services determines that a company has knowingly 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 that is equal to Two Hundred Fifty Thousand Dollars (\$250,000.00) or
11 twice the amount of the contract for which a bid or proposal was
12 submitted, whichever is greater;

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, and shall not, bid on a
16 state contract for sixty (60) months and shall provide proof of
17 ownership change to the State Purchasing Director before being
18 eligible again to bid on state contracts.

19 D. Notwithstanding the provisions of subsection B of this
20 section, a state agency may enter into a contract for goods
21 manufactured by a company listed under subsection A of this section
22 if:

23 1. There is no other reasonable option for procuring the good;
24 and

1 2. The contract is pre-approved by the Director of the Office
2 of Management and Enterprise Services after a determination that not
3 procuring the good would pose a greater threat to this state than
4 the threat associated with the procurement.

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

8 SECTION 4. This act shall become effective November 1, 2026.

9
10 60-2-16911 MJ 03/03/26
11
12
13
14
15
16
17
18
19
20
21
22
23
24