

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 POLICY COMMITTEE  
4 RECOMMENDATION

5 FOR

6 HOUSE BILL NO. 4193

7 By: Chapman

8 POLICY COMMITTEE RECOMMENDATION

9 An Act relating to state procurement; creating the  
10 Procurement Protection Act of 2026; defining terms;  
11 prohibiting certain entities from entering into  
12 contracts with certain companies; requiring certain  
13 disclosure statements; providing penalties; providing  
14 exceptions to certain prohibitions; providing for  
15 noncodification; providing for codification; and  
16 providing an effective date.

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

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

20 This act shall be known and may be cited as the "Procurement  
21 Protection Act of 2026".

22 SECTION 2. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 85.59 of Title 74, unless there  
24 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

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 Trusted  
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; and

22 6. "Foreign adversary company" means any company, other than a  
23 United States person or United States subsidiary as such terms are  
24 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           SECTION 4. This act shall become effective November 1, 2026.

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