

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 19, 2025

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB997

By: Frix of the Senate and Sneed of the House

Title: State procurement; creating the Procurement Protection Act of 2025. Emergency..

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

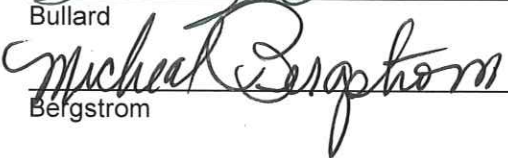
1. That the Senate accept House amendments.
2. That the **title be restored** as follows:

An Act relating to state procurement; creating the Procurement Protection Act of 2025; providing short title; 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 declaring an emergency.

Respectfully submitted,

SENATE CONFEREES:


Frix

Bullard

Bergstrom


McIntosh

Grellner

Kirt

HOUSE CONFEREES:

Conference Committee on Government Oversight

Senate Action _____ Date _____ House Action _____ Date _____

HOUSE CONFEREES

Bennett, Forrest

Crosswhite Hader,
Denise

Denise Crosswhite Hader

Dempsey, Eddy

E. Dempsey

Fugate, Andy

Hays, Neil

Neil Hays

Kelley, Mike

Lepak, Mark

Mark Lepak

Luttrell, Ken

May, Stan

Stan May

Munson, Cyndi

Olsen, Jim

Roberts, Eric

Shaw, Jim

Jim Shaw

Steagall, Jay

Jay Steagall

Strom, Judd

West, Kevin

Kevin West

Woolley, Gabe

G. Woolley

1 ENGROSSED HOUSE AMENDMENT

2 TO

3 ENGROSSED SENATE BILL NO. 997

By: Frix of the Senate

and

Sneed of the House

[state procurement - contracts - disclosure
statements - penalties - exceptions - noncodification
- codification -

emergency]

AMENDMENT NO. 1. Strike the stricken title, enacting clause, and
entire bill and insert:

"[state procurement - contracts - disclosure
statements - penalties - exceptions -
noncodification - codification -

emergency]

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

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

3 This act shall be known and may be cited as the "Procurement
4 Protection Act of 2025".

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

8 As used in this act:

9 1. "Company" means any sole proprietorship, organization,
10 association, corporation, partnership, joint venture, limited
11 partnership, limited liability partnership, limited liability
12 company, or other entity or business association, including all
13 wholly owned subsidiaries, majority-owned subsidiaries, parent
14 companies, or affiliates of such entities or business associations,
15 that exist for the purpose of making profit;

16 2. "Control" means:

- 17 a. control as defined in the Investment Company Act of
18 1940, 15 U.S.C. Section 80a-2(a), or
19 b. in the case of a Chinese company, involvement in an
20 entity's governance structure, monitoring, or internal
21 human resources decisions of an entity consistent with
22 the objectives set out in the Opinion on Strengthening
23 the United Front Work of the Private Economy in the
24 New Era issued by the General Office of the Central

1 Committee of the Chinese Communist Party (2020) or a
2 successor or similar document;

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

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

10 a. the Federal Communications Commission, including, but
11 not limited to, any equipment or service deemed to
12 pose a threat to national security identified on the
13 Covered List developed pursuant to 47 C.F.R., Section
14 1.50002 and published by the Public Safety and
15 Homeland Security Bureau of the Federal Communications
16 Commission pursuant to the federal Secure and Trust
17 Communications Networks Act of 2019, 47 U.S.C.,
18 Section 1601 et seq.,

19 b. the United States Department of Commerce,

20 c. the Cybersecurity and Infrastructure Security Agency,

21 d. the Federal Acquisition Security Council, and

22 e. Section 889 of the John S. McCain National Defense
23 Authorization Act for Fiscal Year 2019, P. L. 115-232;

1 5. "Foreign adversary" means adversarial nations including the
2 People's Republic of China, the Russian Federation, the Islamic
3 Republic of Iran, the Democratic People's Republic of Korea, the
4 Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the
5 Syrian Arab Republic, including any agent of or any other entity
6 under significant control of such foreign country of concern, or any
7 other entity deemed a foreign adversary by the Governor;

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

- 12 (1) is domiciled, incorporated, issued, or listed in
13 a foreign adversary country,
- 14 (2) is headquartered in a foreign adversary country,
- 15 (3) has its principal place of business in a foreign
16 adversary country,
- 17 (4) is controlled by the government of the People's
18 Republic of China, the Chinese Communist Party,
19 the Chinese military, or any instrumentality
20 thereof, including the state-owned Assets
21 Supervision and Administration Commission of the
22 State Council or the National Social Security
23 Fund, or

1 (5) is majority-owned by an entity controlled by the
2 government of the People's Republic of China, the
3 Chinese Communist Party, the Chinese military, or
4 any instrumentality thereof, including the state-
5 owned Assets Supervision and Administration
6 Commission of the State Council or the National
7 Social Security Fund, or

8 b. If an entity:

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

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

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 85.59a of Title 74, unless there
23 is created a duplication in numbering, reads as follows:
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1 A. Except as provided under subsection D of this section, the
2 following companies shall be ineligible to bid on or submit a
3 proposal for a contract with a state agency or political subdivision
4 of this state for goods or services:

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

8 B. A state agency or any political subdivision of this state
9 shall require a company that submits a bid or proposal with respect
10 to a contract for goods or services to certify that the company is
11 not a company listed under subsection A of this section.

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

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

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

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

23 D. Notwithstanding the provisions of subsection B of this
24 section, a state agency may enter into a contract for goods

1 manufactured by a company listed under subsection A of this section
2 if:

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

4 2. The contract is pre-approved by the Director of the Office
5 of Management and Enterprise Services, or, in the case of a
6 political subdivision, the contract is pre-approved by the
7 procurement authority of the political subdivision, after a
8 determination that not procuring the good would pose a greater
9 threat to this state than the threat associated with the
10 procurement.

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

14 SECTION 4. It being immediately necessary for the preservation
15 of the public peace, health or safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval."
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1 Passed the House of Representatives the 7th day of May, 2025.

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4 Presiding Officer of the House of
5 Representatives

6 Passed the Senate the ____ day of _____, 2025.

7
8
9 Presiding Officer of the Senate

1 ENGROSSED SENATE
2 BILL NO. 997

By: Frix of the Senate

3 and

4 Sneed of the House

5
6 [state procurement - contracts - disclosure
7 statements - penalties - exceptions - noncodification
- codification -

8 emergency]

9
10
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 5. NEW LAW A new section of law not to be
13 codified in the Oklahoma Statutes reads as follows:

14 This act shall be known and may be cited as the "Procurement
15 Protection Act of 2025".

16 SECTION 6. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 85.59 of Title 74, unless there
18 is created a duplication in numbering, reads as follows:

19 As used in this act:

20 1. "Company" means any sole proprietorship, organization,
21 association, corporation, partnership, joint venture, limited
22 partnership, limited liability partnership, limited liability
23 company, or other entity or business association, including all
24 wholly owned subsidiaries, majority owned subsidiaries, parent

1 companies, or affiliates of such entities or business associations,
2 that exists for the purpose of making profit;

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

6 3. "Federally banned corporation" means any company or
7 designated equipment federally banned currently or banned after the
8 effective date of this act. Such bans shall include those resulting
9 from, but not limited to, the following federal agencies and acts:

10 a. the Federal Communications Commission, including, but
11 not limited to, any equipment or service deemed to
12 pose a threat to national security identified on the
13 Covered List developed pursuant to 47 C.F.R., Section
14 1.50002 and published by the Public Safety and
15 Homeland Security Bureau of the Federal Communications
16 Commission pursuant to the federal Secure and Trust
17 Communications Networks Act of 2019, 47 U.S.C.,
18 Section 1601 et seq.,

19 b. the United States Department of Commerce,

20 c. the Cybersecurity and Infrastructure Security Agency,

21 d. the Federal Acquisition Security Council, and

22 e. Section 889 of the John S. McCain National Defense
23 Authorization Act for Fiscal Year 2019, P. L. 115-232;
24

1 4. "Foreign adversary" means adversarial nations including the
2 People's Republic of China, the Russian Federation, the Islamic
3 Republic of Iran, the Democratic People's Republic of Korea, the
4 Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the
5 Syrian Arab Republic, including any agent of or any other entity
6 under significant control of such foreign country of concern, or any
7 other entity deemed a foreign adversary by the Governor;

8 5. "Foreign adversary company" means a company domiciled in a
9 foreign adversary, owned or controlled, in whole or in part, by the
10 government of a foreign adversary, by individuals acting in official
11 government capacities of a foreign adversary, by a company domiciled
12 in a foreign adversary, or by any company otherwise under control of
13 a foreign adversary; and

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

16 SECTION 7. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 85.59a of Title 74, unless there
18 is created a duplication in numbering, reads as follows:

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

23 1. A state-owned enterprise of a foreign adversary;

24 2. A company domiciled within a foreign adversary;

1 3. A foreign adversary company; or

2 4. A federally banned corporation.

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

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

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

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

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

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

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

23 2. The contract is pre-approved by the Director of the Office
24 of Management and Enterprise Services; or

1 3. Not procuring the good would pose a greater threat to this
2 State than the threat associated with the procurement itself.

3 E. Each bid or offer submitted for a state contract shall
4 include a disclosure of whether or not the bidder, offeror, or any
5 of its corporate parents or subsidiaries, within the twenty-four
6 (24) months before submission of the bid or offer had business
7 operations that involved contracts with or provision of supplies or
8 services from or to any foreign adversary, state-owned enterprise of
9 a foreign adversary, or a company domiciled within a foreign
10 adversary.

11 1. A bid or offer that does not include the disclosure required
12 by this subsection may be given a grace period after the bid or
13 offer is submitted to cure non-disclosure. A state agency or
14 political subdivision receiving the bid may consider the disclosure
15 when evaluating the bid or offer or awarding the contract.

16 2. Each state agency or political subdivision shall provide the
17 Office of Management and Enterprise Services with the name of each
18 entity disclosed under paragraph 1 of this subsection as doing
19 business or having done business in or with a foreign adversary, a
20 state-owned enterprise of a foreign adversary, or a foreign
21 adversary company.

22 SECTION 8. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 85.59c of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 A. Any company wishing to submit a bid or offer for a state
2 contract or for any contract with a political subdivision of this
3 state shall certify with the Office of Management and Enterprise
4 Services that the bidder, offeror, or any of its corporate parents
5 or subsidiaries, has not, within the sixty (60) months before
6 submission of the bid or offer, had business operations that
7 involved contracts with or provision of goods or services to any
8 military entity of any foreign adversary, any state-owned enterprise
9 of a foreign adversary, any political party of a foreign adversary,
10 or any federally banned corporation.

11 B. No bid or offer may be submitted for a state contract or for
12 any contract with a political subdivision of this state if the
13 bidder, offeror, or any of its corporate parents or subsidiaries,
14 within the sixty (60) months before submission of the bid or offer,
15 had business operations that involved contracts with or provision of
16 goods or services to any military entity of any foreign adversary,
17 any state-owned enterprise of a foreign adversary, or any federally
18 banned corporation.

19 C. The Director of the Office of Management and Enterprise
20 Services shall provide each state agency and political subdivision
21 with the name of each entity disclosed under this section as doing
22 business or having done business in or with a foreign adversary, a
23 state-owned enterprise of a foreign adversary, or a company
24 domiciled within a foreign adversary.

1 D. If the Director of the Office of Management and Enterprise
2 Services determines that a company has submitted a false
3 certification under subsection A of this section:

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

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

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

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

1 Passed the Senate the 26th day of March, 2025.

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3
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2025.

7
8 Presiding Officer of the House
9 of Representatives