

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 60th Legislature (2026)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 4193

By: Chapman of the House

and

Frix of the Senate

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10 COMMITTEE SUBSTITUTE

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

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

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

22 This act shall be known and may be cited as the "Procurement
23 Protection Act of 2026".
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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 85.59 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 As used in this act:

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

12 2. "Control" means:

13 a. control as defined in the Investment Company Act of
14 1940, 15 U.S.C., Section 80a-2(a), or

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

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

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

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

22 5. "Foreign adversary" means adversarial nations including the
23 People's Republic of China, the Russian Federation, the Islamic
24 Republic of Iran, the Democratic People's Republic of Korea, the

1 Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the
2 Syrian Arab Republic; and

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

6 a. is domiciled, incorporated, issued, or listed in a
7 foreign adversary country,

8 b. is headquartered in a foreign adversary country,

9 c. has its principal place of business in a foreign
10 adversary country,

11 d. is controlled by the government of a foreign adversary
12 or any instrumentality thereof, or

13 e. is majority-owned by an entity controlled by the
14 government of a foreign adversary or any
15 instrumentality thereof.

16 If a parent company does not meet any of the criteria set forth
17 in this paragraph and does not recognize more than fifty percent
18 (50%) of the total annual global revenue of the parent company and
19 subsidiaries from a foreign adversary, such parent company shall not
20 be considered a foreign adversary company.

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 for goods or services:

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

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

12 C. If the Director of the Office of Management and Enterprise
13 Services determines that a company has knowingly submitted a false
14 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 and shall provide proof of
23 ownership change to the State Purchasing Director before being
24 eligible again to bid on state contracts.

1 D. Notwithstanding the provisions of subsection B of this
2 section, a state agency may enter into a contract for goods
3 manufactured by a company listed under subsection A of this section
4 if:

5 1. There is no other reasonable option for procuring the good;
6 and

7 2. The contract is pre-approved by the Director of the Office
8 of Management and Enterprise Services after a determination that not
9 procuring the good would pose a greater threat to this state than
10 the threat associated with the 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. This act shall become effective November 1, 2026.
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16 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
17 03/03/2026 - DO PASS, As Amended and Coauthored.
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