

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 997

By: Frix of the Senate

and

Sneed of the House

8
9
10 COMMITTEE SUBSTITUTE

11 [state procurement - contracts - disclosure

12 statements - penalties - exceptions -

13 noncodification - codification -

14 emergency]

15
16
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 2025".

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:

1 As used in this act:

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

9 2. "Control" means:

10 a. control as defined in the Investment Company Act of
11 1940, 15 U.S.C. Section 80a-2(a), or

12 b in the case of a Chinese company, involvement in an
13 entity's governance structure, monitoring, or internal
14 human resources decisions of an entity consistent with
15 the objectives set out in the Opinion on Strengthening
16 the United Front Work of the Private Economy in the
17 New 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 or
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 Trust
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, including any agent of or any other entity
22 under significant control of such foreign country of concern, or any
23 other entity deemed a foreign adversary by the Governor;

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

5 (1) is domiciled, incorporated, issued, or listed in
6 a foreign adversary country,

7 (2) is headquartered in a foreign adversary country,

8 (3) has its principal place of business in a foreign
9 adversary country,

10 (4) is controlled by the government of the People's

11 Republic of China, the Chinese Communist Party,

12 the Chinese military, or any instrumentality

13 thereof, including the state-owned Assets

14 Supervision and Administration Commission of the

15 State Council or the National Social Security

16 Fund, or

17 (5) is majority-owned by an entity controlled by the

18 government of the People's Republic of China, the

19 Chinese Communist Party, the Chinese military, or

20 any instrumentality thereof, including the state-

21 owned Assets Supervision and Administration

22 Commission of the State Council or the National

23 Social Security Fund, or

24 b. If an entity:

- 1 (1) does not meet any of the above criteria, and
- 2 (2) does not recognize more than fifty percent (50%)
- 3 of the total annual global revenue of the entity
- 4 and its subsidiaries from a foreign adversary
- 5 country, then that entity shall not be considered
- 6 a "foreign adversary company" regardless of
- 7 whether because one or more subsidiaries or
- 8 affiliates of the entity meets the definition of
- 9 a "foreign adversary company" under this section;
- 10 and

11 7. "Government of China" shall mean the People's Republic of

12 China led by the Chinese Communist Party.

13 SECTION 3. NEW LAW A new section of law to be codified

14 in the Oklahoma Statutes as Section 85.59a of Title 74, unless there

15 is created a duplication in numbering, reads as follows:

16 A. Except as provided under subsection D of this section, the

17 following companies shall be ineligible to bid on or submit a

18 proposal for a contract with a state agency or political subdivision

19 of this state for goods or services:

- 20 1. A state-owned enterprise of a foreign adversary;
- 21 2. A foreign adversary company; or
- 22 3. A federally banned corporation.

23 B. A state agency or any political subdivision of this state

24 shall require a company that submits a bid or proposal with respect

1 to a contract for goods or services to certify that the company is
2 not a company listed under subsection A of this section.

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

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

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

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

14 D. Notwithstanding the provisions of subsection B of this
15 section, a state agency may enter into a contract for goods
16 manufactured by a company listed under subsection A of this section
17 if:

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

19 2. The contract is pre-approved by the Director of the Office
20 of Management and Enterprise Services, or, in the case of a
21 political subdivision, the contract is pre-approved by the
22 procurement authority of the political subdivision, after a
23 determination that not procuring the good would pose a greater
24

1 threat to this state than the threat associated with the
2 procurement.

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

6 SECTION 4. It being immediately necessary for the preservation
7 of the public peace, health or safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

10
11 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
12 04/28/2025 - DO PASS, As Amended.
13
14
15
16
17
18
19
20
21
22
23
24