

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 4193

By: Chapman

AS INTRODUCED

An Act relating to state government; creating the Procurement Protection Act of 2026; defining terms; prohibiting foreign adversary and federally banned corporations from contracting with state agencies or political subdivisions; requiring companies certify they are not ineligible; establishing penalties for false certification; providing exceptions; providing for noncodification; providing for codification; and declaring an emergency.

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. "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited

1 partnership, limited liability partnership, limited liability  
2 company, or other entity or business association, including all  
3 wholly owned subsidiaries, majority-owned subsidiaries, parent  
4 companies, or affiliates of such entities or business associations,  
5 that exist for the purpose of making profit;

6 2. "Control" means:

- 7 a. control as defined in the Investment Company Act of  
8 1940, 15 U.S.C., Section 80a-2(a), or
- 9 b. in the case of a Chinese company, involvement in an  
10 entity's governance structure, monitoring, or internal  
11 human resources decisions of an entity consistent with  
12 the objectives set out in the Opinion on Strengthening  
13 the United Front Work of the Private Economy in the  
14 New Era issued by the General Office of the Central  
15 Committee of the Chinese Communist Party (2020) or a  
16 successor or similar document;

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

20 4. "Federally banned corporation" means any company or  
21 designated equipment federally banned currently or banned after the  
22 effective date of this act. Such bans shall include those resulting  
23 from, but not limited to, the following federal agencies and acts:  
24

- 1           a.    the Federal Communications Commission, including, but  
2                   not limited to, any equipment or service deemed to  
3                   pose a threat to national security identified on the  
4                   Covered List developed pursuant to 47 C.F.R., Section  
5                   1.50002 and published by the Public Safety and  
6                   Homeland Security Bureau of the Federal Communications  
7                   Commission pursuant to the federal Secure and Trust  
8                   Communications Networks Act of 2019, 47 U.S.C.,  
9                   Section 1601 et seq.,
- 10          b.    the United States Department of Commerce,
- 11          c.    the Cybersecurity and Infrastructure Security Agency,
- 12          d.    the Federal Acquisition Security Council, and
- 13          e.    Section 889 of the John S. McCain National Defense  
14                Authorization Act for Fiscal Year 2019, P.L. 115-232;

15          5.    "Foreign adversary" means adversarial nations including the  
16    People's Republic of China, the Russian Federation, the Islamic  
17    Republic of Iran, the Democratic People's Republic of Korea, the  
18    Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the  
19    Syrian Arab Republic, including any agent of or any other entity  
20    under significant control of such foreign country of concern, or any  
21    other entity deemed a foreign adversary by the Governor;

- 22          6.    a.    "Foreign adversary company" means any company, other  
23                   than a United States person or United States  
24

1 subsidiary as defined in 15 C.F.R., Section 772.1,  
2 that:

3 (1) is domiciled, incorporated, issued, or listed in  
4 a foreign adversary country,

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

6 (3) has its principal place of business in a foreign  
7 adversary country,

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

9 Republic of China, the Chinese Communist Party,

10 the Chinese military, or any instrumentality

11 thereof, including the state-owned Assets

12 Supervision and Administration Commission of the

13 State Council or the National Social Security

14 Fund, or

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

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

17 Chinese Communist Party, the Chinese military, or

18 any instrumentality thereof, including the state-

19 owned Assets Supervision and Administration

20 Commission of the State Council or the National

21 Social Security Fund, or

22 b. If an entity:

23 (1) does not meet any of the above criteria, and  
24

(2) does not recognize more than fifty percent (50%) of the total annual global revenue of the entity and its subsidiaries from a foreign adversary country, then that entity shall not be considered a "foreign adversary company" regardless of whether one or more subsidiaries or affiliates of the entity meets the definition of a "foreign adversary company" under this section; and

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

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 or political subdivision of this state for goods or services:

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

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

1 C. If the Director of the Office of Management and Enterprise  
2 Services or a political subdivision determines that a company has  
3 submitted a false certification under subsection B 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 D. Notwithstanding the provisions of subsection B of this  
13 section, a state agency may enter into a contract for goods  
14 manufactured by a company listed under subsection A of this section  
15 if:

16 1. There is no other reasonable option for procuring the goods;  
17 and

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

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

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

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