

SENATE FLOOR VERSION

February 11, 2025

SENATE BILL NO. 997

By: Frix

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.

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 2025".

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:

A. As used in this act:

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

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

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

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

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

21 b. the United States Department of Commerce,
22 c. the Cybersecurity and Infrastructure Security Agency,
23 d. the Federal Acquisition Security Council, and

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

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

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

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

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 85.59a of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

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

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

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

9 C. If the Director of Office of Management and Enterprise

10 Services determines that a company has submitted a false
11 certification under subsection B of this section:

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

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

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

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

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

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

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

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

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

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

1 SECTION 4. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 85.59c of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

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

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

22 C. The Director of the Office of Management and Enterprise
23 Services shall provide each state agency and political subdivision
24 with the name of each entity disclosed under this section as doing

1 business or having done business in or with a foreign adversary, a
2 state-owned enterprise of a foreign adversary, or a company
3 domiciled within a foreign adversary.

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

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

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

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

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

19 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT
20 RESOURCES

February 11, 2025 - DO PASS