



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3998

Introduced 2/6/2026, by Sen. Jason Plummer

SYNOPSIS AS INTRODUCED:

New Act

Creates the Procurement Protection Act. Provides that a company domiciled within the jurisdiction of a foreign adversary or a federally banned corporation shall be ineligible to bid or submit a proposal for contracts with the State. Provides that each bid or offer submitted for a contract with a State agency or political subdivision shall include a disclosure of whether or not the bidder, offeror, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid or offer, had business operations that involved contracts with or the provision of supplies or services from or to any foreign adversary, any state-owned enterprise of a foreign adversary, or any company domiciled within the jurisdiction of a foreign adversary. Provides that a bid or offer that does not include the disclosure required by these provisions may be given an opportunity to cure nondisclosure. Allows a chief procurement officer to consider the disclosure when evaluating a bid or offer or awarding the contract. Sets forth exceptions to the general provisions. Defines terms. Effective immediately.

LRB104 20137 TRT 33588 b

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Procurement Protection Act.

6 Section 5. Purpose. The purpose of this Act is to ensure
7 that suppliers to the State and to political subdivisions of
8 the State are safe, reliable, and free from undue influence
9 from foreign adversaries.

10 Section 10. Definitions. As used in this Act:

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

18 "Department" means the Department of Central Management
19 Services.

20 "Domicile" means either the country in which a company is
21 registered, the location where the company's affairs are
22 primarily completed, or the location where the majority of the

1 ownership shares in the company are held.

2 "Federally banned corporation" means any company that has
3 been banned at the federal level or any company that makes
4 equipment that has been banned at the federal level.

5 "Federally banned corporation" includes companies or equipment
6 that have been banned by or under one or more of the following
7 federal agencies or Acts: (i) the Federal Communications
8 Commission, including, but not limited to, any equipment or
9 service deemed to pose a threat to national security
10 identified on the Covered List developed pursuant to 47 CFR
11 1.50002 and the Secure and Trusted Communications Networks Act
12 of 2019; (ii) the United States Department of Commerce; (iii)
13 the Cybersecurity and Infrastructure Security Agency; (iv) the
14 Federal Acquisition Security Council; and (v) Section 889 of
15 the John S. McCain National Defense Authorization Act for
16 Fiscal Year 2019.

17 "Foreign adversary" means the People's Republic of China,
18 the Russian Federation, the Islamic Republic of Iran, the
19 Democratic People's Republic of Korea, the Republic of Cuba,
20 the Venezuelan regime of Nicolás Maduro, or the Syrian Arab
21 Republic, including any agent of or any other entity under
22 significant control of such a foreign country of concern, or
23 any other entity deemed to be a foreign adversary by the
24 Governor in consultation with the Department of Central
25 Management Services.

26 "Foreign adversary company" means any company domiciled in

1 a foreign adversary, owned or controlled, in whole or in part,
2 by the government of a foreign adversary, by individuals
3 acting in official government capacities of a foreign
4 adversary, by a company domiciled in a foreign adversary, or
5 by any company otherwise under control of a foreign adversary.
6 "Government of China" means the People's Republic of China led
7 by the Chinese Communist Party.

8 Section 15. Procurement restrictions.

9 (a) Except as provided under subsection (e), the following
10 covered companies shall be ineligible to bid on or submit a
11 proposal for a contract with a State agency or political
12 subdivision of the State for goods or services:

- 13 (1) a foreign adversary company; or
14 (2) a federally banned corporation.

15 (b) For the purposes of complying with subsection (a), any
16 company that offers or provides goods or services to a State
17 agency or a political subdivision of the State that were
18 supplied, manufactured, or produced by a covered company under
19 subsection (a) shall, for the purposes of this subsection, be
20 considered a covered company.

21 (c) A State agency or any political subdivision of the
22 State shall require a company that submits a bid or proposal
23 with respect to a contract for goods or services to certify
24 that the company is not a covered company as defined under
25 subsection (a).

1 (d) If the Department determines that a company has
2 submitted a false certification under subsection (b) of this
3 Act:

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

8 (2) the State agency or the Department shall terminate
9 the contract with company; and

10 (3) the company shall be ineligible to bid and shall
11 not bid on any State contract for 60 months.

12 (e) Notwithstanding subsection (a), a State agency may
13 enter into a contract for goods manufactured by a covered
14 company if:

15 (1) there is no other reasonable option for procuring
16 the goods;

17 (2) the contract is pre-approved by the Department;
18 and

19 (3) not procuring this good would pose a greater
20 threat to the State than the threat associated with the
21 good itself.

22 Section 20. Procurement disclosure requirements; general.

23 (a) Each bid or offer submitted for a contract with a State
24 agency or political subdivision shall include a disclosure of
25 whether or not the bidder, offeror, or any of its corporate

1 parents or subsidiaries, within the 24 months before
2 submission of the bid or offer, has had business operations
3 that involved contracts with or provision of supplies or
4 services from or to any foreign adversary, state-owned
5 enterprise of a foreign adversary, or a company domiciled
6 within the jurisdiction of a foreign adversary.

7 (b) A bid or offer that does not include the disclosure
8 required by subsection (a) may be given a period after the bid
9 or offer is submitted to cure nondisclosure. A chief
10 procurement officer may consider the disclosure when
11 evaluating the bid or offer or awarding the contract.

12 (c) Each chief procurement officer shall provide the
13 Department with the name of each entity disclosed under
14 subsection (b) as doing business or having done business in or
15 with a foreign adversary, a state-owned enterprise of a
16 foreign adversary, or a company domiciled within a foreign
17 adversary.

18 Section 25. Procurement disclosure requirements; military
19 adversaries.

20 (a) Any company that wishes to submit a bid or offer for a
21 contract with a State agency or for any contract with a
22 political subdivision of the State must certify with the State
23 agency or the Department that the bidder, offeror, or any of
24 its corporate parents or subsidiaries has not within the 60
25 months before submission of the bid or offer, had business

1 operations that involved contracts with or provision of goods
2 or services to any military entity of any foreign adversary,
3 any state-owned enterprise of a foreign adversary, any
4 political party of a foreign adversary, or any federally
5 banned corporation.

6 (b) No bid or offer may be submitted for a State contract
7 or for any contract with a political subdivision of the State
8 if the bidder, offeror, or any of its corporate parents or
9 subsidiaries, within the 60 months before submission of the
10 bid or offer, had business operations that involved contracts
11 with or provision of goods or services to any military entity
12 of any foreign adversary, any state-owned enterprise of a
13 foreign adversary, or any federally banned corporation.

14 (c) Each chief procurement officer shall provide the
15 Department with the name of each entity disclosed under this
16 Section as doing business or having done business in or with a
17 foreign adversary, a state-owned enterprise of a foreign
18 adversary, or a company domiciled within a foreign adversary.

19 (d) If the Department determines that a company has
20 submitted a false certification under subsection (a) of this
21 Section:

22 (1) the company shall be liable for a civil penalty in
23 an amount that is equal to the greater of \$250,000.00 or
24 twice the amount of the contract for which a bid or
25 proposal was submitted;

26 (2) the State agency or the Department shall terminate

1 the contract with company; and

2 (3) the company shall be ineligible to bid and shall
3 not bid on any State contract for 60 months.

4 Section 97. Severability. The provisions of this Act are
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.