



State of Tennessee
PUBLIC CHAPTER NO. 768

HOUSE BILL NO. 548

By Representatives Cochran, Zachary, Todd, Reeves

Substituted for: Senate Bill No. 377

By Senators Rose, Roberts

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 56, relative to the
"Tennessee Procurement Protection Act."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 56, is amended by adding the
following as a new part:

4-56-201.

(a) This part is known and may be cited as the "Tennessee Procurement Protection Act."

(b) The purpose of this act is to ensure that suppliers to the state and to political subdivisions of this state are safe, reliable, and free from undue influence and control from foreign adversaries.

4-56-202.

(a) As used in this part:

(1) "Chief procurement officer" means the chief procurement officer within the department of general services;

(2) "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity, including all wholly owned subsidiaries, or majority-owned subsidiaries of such entities, that exist for the purpose of making profit;

(3) "Domicile" means the country in which a company is registered, where the company's affairs are primarily completed, or where the majority of ownership shares are held;

(4) "Final product or service" means a technology service or software that may contain information and communication technology;

(5) "Foreign adversary" means a country designated by the United States department of commerce under 15 CFR 791.4 on January 1, 2025, and as amended thereafter;

(6) "Foreign adversary company":

(A) Means a company that:

(i) Is domiciled, incorporated, issued, or listed in a foreign adversary;

(ii) Is headquartered in a foreign adversary;

(iii) Has its principal place of business in a foreign adversary;

(iv) Is controlled by the government or an instrumentality thereof of a foreign adversary; or

(v) Is majority-owned by an entity or is board-controlled by an entity that is under the jurisdictional control of the government of a foreign adversary; and

(B) Does not mean a parent company solely because one (1) or more subsidiaries or affiliates meet the definition of a foreign adversary company, if the parent company does not meet the criteria in subdivision (a)(6)(A) and does not recognize more than fifty percent (50%) of the total annual global revenue of the parent company and subsidiaries from China and Hong Kong combined; and

(7) "Information and communication technology":

(A) Means the following electronic, digital, or telecommunications equipment, systems, software, or services used to create, convert, store, process, transmit, receive, display, distribute, or otherwise make information available:

(i) Computers, laptops, tablets, mobile devices, and peripheral equipment;

(ii) Software applications, operating systems, databases, and cloud-based services;

(iii) Internet and intranet websites, web applications, and digital content;

(iv) Telecommunications equipment and services, including voice, video, messaging, and data communications systems;

(v) Electronic documents, multimedia, and audiovisual materials; and

(vi) Any related hardware, firmware, or embedded technology integral to the operation of the foregoing; and

(B) Does not include standalone mechanical systems or equipment that do not electronically process or transmit information.

4-56-203.

Except as provided in § 4-56-204, it is the policy of this state to:

(1) Prohibit the public procurement of final products or services from a foreign adversary company, whether those final products or services are sold directly by the foreign adversary company or through a third-party vendor; and

(2) Authorize the public procurement of final products or services from a company that has operations, affiliates, and subsidiaries in a foreign adversary so long as the company is not a foreign adversary company.

4-56-204.

(a) Except as provided in subsection (e), a foreign adversary company is prohibited from bidding on or submitting a proposal for a contract with a state agency or political subdivision of this state for information and communications technology.

(b) For the purpose of complying with subsection (a), a company shall not, as a third-party vendor, knowingly sell final products or services to a state agency or a political subdivision of this state that include information and communication technologies if such final product or service is manufactured or produced by a foreign adversary company. The restriction does not apply to information and communications

technologies which have inputs from a foreign adversary company but that are not final products or services of a foreign adversary company.

(c) A state agency or political subdivision of this state shall require a company that submits a bid or proposal for a contract for information and communication technology to certify that the company is not a foreign adversary company as described in subsection (a) and is not knowingly selling final products or services of a foreign adversary company to a state agency or political subdivision as described in subsection (b).

(d) If the commissioner determines that a company has submitted a false certification under subsection (c):

(1) The company is liable for a civil penalty in an amount that is equal to the greater of two hundred fifty thousand dollars (\$250,000) or twice the amount of the contract for which a bid or proposal was submitted;

(2) The state agency or chief procurement officer shall terminate the contract with the company; and

(3) The company is prohibited from bidding on a state contract for sixty (60) months.

(e) Notwithstanding the prohibitions in subsections (a) and (b), a state agency may enter into a contract for a final product or service or information and communications technology produced by a foreign adversary company if:

(1) There is no other reasonable option for procuring the final product or service or information and communications technology; and

(2) The contract is preapproved by the chief procurement officer, state agency, or political subdivision after a determination that not procuring the final product or service or information and communications technology would pose a greater threat to the state than the threat associated with the information and communications technology itself.

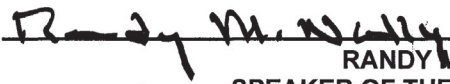
SECTION 2. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 3. This act takes effect July 1, 2026, the public welfare requiring it.

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PASSED: April 7, 2026


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES


RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 21st day of April 2026


BILL LEE, GOVERNOR