

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 2251

By: Representative Gazaway

For An Act To Be Entitled

AN ACT CONCERNING THE PERSONAL INFORMATION PROTECTION
ACT; TO DEFINE "ENCRYPTION" IN THE PERSONAL
INFORMATION PROTECTION ACT; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING THE PERSONAL INFORMATION
PROTECTION ACT; AND TO DEFINE
"ENCRYPTION" IN THE PERSONAL INFORMATION
PROTECTION ACT.

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

SECTION 1. Arkansas Code § 4-110-103 is amended to read as follows:

4-110-103. Definitions.

As used in this chapter:

(1)(A) "Breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by a person or business.

(B) "Breach of the security of the system" does not include the good faith acquisition of personal information by an employee or agent of the person or business for the legitimate purposes of the person or business if the personal information is not otherwise used or subject to further unauthorized disclosure;

(2)(A) "Business" means a sole proprietorship, partnership, corporation, association, or other group, however organized and whether or not organized to operate at a profit, including a financial institution



organized, chartered, or holding a license or authorization certificate under the law of this state, any other state, the United States, or of any other country or the parent or the subsidiary of a financial institution.

(B) "Business" includes:

- (i) An entity that destroys records; and
- (ii) A state agency;

(3) "Customer" means an individual who provides personal information to a business for the purpose of purchasing or leasing a product or obtaining a service from the business;

(4)(A) "Encryption" or "encrypted" means the transformation of data through the use of an algorithmic process into a form for which there is a low probability of assigning meaning without the use of a confidential process or key or securing the information by another method that renders the data elements completely unreadable or unusable.

(B) For purposes of subdivision (4)(A) of this section, data is not considered encrypted if the data is acquired in combination with any required key, security code, access code, or password that would permit access to the encrypted data;

(5) "Individual" means a natural person;

~~(5)(6)~~ "Medical information" means any individually identifiable information, in electronic or physical form, regarding the individual's medical history or medical treatment or diagnosis by a health care professional;

~~(6)(7)~~ "Owns or licenses" includes, but is not limited to, personal information that a business retains as part of the internal customer account of the business or for the purpose of using the information in transactions with the person to whom the information relates;

~~(7)(8)~~ "Personal information" means an individual's first name or first initial and his or her last name in combination with any one (1) or more of the following data elements when either the name or the data element is not encrypted or redacted:

(A) Social ~~security~~ Security number;

(B) Driver's license number or Arkansas identification card number;

(C) Account number, credit card number, or debit card number in combination with any required security code, access code, or

password that would permit access to an individual's financial account; and

(D) Medical information;

~~(8)(A)~~(9)(A) "Records" means any material that contains sensitive personal information in electronic form.

(B) "Records" does not include any publicly available directories containing information an individual has voluntarily consented to have publicly disseminated or listed, such as name, address, or telephone number; and

~~(9)~~(10) "State agencies" or "state agency" means any agency, institution, authority, department, board, commission, bureau, council, or other agency of the State of Arkansas supported by cash funds or the appropriation of state or federal funds.