

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 2251

5 By: Representative Gazaway
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For An Act To Be Entitled

8 AN ACT CONCERNING THE PERSONAL INFORMATION PROTECTION
9 ACT; TO DEFINE "ENCRYPTION" IN THE PERSONAL
10 INFORMATION PROTECTION ACT; AND FOR OTHER PURPOSES.
11

Subtitle

12 CONCERNING THE PERSONAL INFORMATION
13 PROTECTION ACT; AND TO DEFINE
14 "ENCRYPTION" IN THE PERSONAL INFORMATION
15 PROTECTION ACT.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 4-110-103 is amended to read as follows:

23 4-110-103. Definitions.

24 As used in this chapter:

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

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

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



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

4 (B) "Business" includes:

5 (i) An entity that destroys records; and

6 (ii) A state agency;

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

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

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

19 (5) "Individual" means a natural person;

20 ~~(5)(6)~~ (6) "Medical information" means any individually identifiable
 21 information, in electronic or physical form, regarding the individual's
 22 medical history or medical treatment or diagnosis by a health care
 23 professional;

24 ~~(6)(7)~~ (7) "Owns or licenses" includes, but is not limited to,
 25 personal information that a business retains as part of the internal customer
 26 account of the business or for the purpose of using the information in
 27 transactions with the person to whom the information relates;

28 ~~(7)(8)~~ (8) "Personal information" means an individual's first name
 29 or first initial and his or her last name in combination with any one (1) or
 30 more of the following data elements when either the name or the data element
 31 is not encrypted or redacted:

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

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

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

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

2 (D) Medical information;

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

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

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

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