1	State of Arkansas	A D'11	
2	94th General Assembly	A Bill	
3	Regular Session, 2023		HOUSE BILL 1704
4			
5	By: Representative R. Scott	Richardson	
6			
7		For An Act To Be Entitled	
8	AN ACT TO PROHIBIT PUBLIC ENTITIES FROM PAYING A		
9	RANSOM FOR A CYBERATTACK; TO REQUIRE PUBLIC ENTITIES		
10	TO CREATE	E A POLICY TO PROHIBIT PAYMENT OF A RANS	OM
11	FOR A CYI	BERATTACK; AND FOR OTHER PURPOSES.	
12			
13			
14		Subtitle	
15	ТО	PROHIBIT PUBLIC ENTITIES FROM PAYING A	
16	RAN	SOM FOR A CYBERATTACK; AND TO REQUIRE	
17	PUB	LIC ENTITIES TO CREATE A POLICY TO	
18	PRO	HIBIT PAYMENT OF A RANSOM FOR A	
19	СҮВ	ERATTACK.	
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22	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKANS	AS:
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24	SECTION 1. DO	NOT CODIFY. <u>Legislative findings.</u>	
25	The General Ass	sembly finds that:	
26	<u>(1) Usir</u>	ng taxpayer moneys to fund United States	<u>adversaries</u>
27	should be illegal;		
28	(2) Acco	ording to the Microsoft Digital Defense	Report, at least
29	half of ransomware cy	yberattacks come from the countries of R	ussia, China,
30	North Korea, and Iran	n, with the primary targets being United	States entities;
31	<u>(3) Rans</u>	somware cyberattacks are one hundred per	<u>cent (100%)</u>
32	recoverable with adeo	quate backup and recovery processes;	
33	<u>(4) Payr</u>	ment of ransoms only encourages further	cyberattacks on
34	the same entities;		
35	<u>(5) Sect</u>	urityWeek discovered for entities that p	ay a ransom in a
36	ransomeware cyberatta	ack that at least eighty percent (80%) o	f those victims

1	are hit with a second ransomeware cyberattack;
2	(6) An entity that pays a ransom to ransom holders that are
3	holding data access hostage is often not successful in regaining data access;
4	<u>and</u>
5	(7) A study by Statista in 2023 reported that only fifty-two
6	percent (52%) of the victims that paid a ransom received data access back on
7	the first ransom payment and that another forty-one percent (41%) had to pay
8	a second ransom to regain data access.
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10	SECTION 2. Arkansas Code Title 25, Chapter 1, Subchapter 1, is amended
11	to add an additional section to read as follows:
12	25-1-126. Policy regarding prohibition on ransom payments for
13	cyberattacks.
14	(a) As used in this section:
15	(1) "Cyberattack" means an attack on, or a cybersecurity breach
16	of, a public entity;
17	(2) "Public entity" means an instrumentality funded in whole or
18	in part by taxpayer funds, including without limitation:
19	(A) The Department of Agriculture;
20	(B) The Department of Commerce;
21	(C) The Department of Corrections;
22	(D) The Department of Education;
23	(E) The Department of Energy and Environment;
24	(F) The Department of Finance and Administration;
25	(G) The Department of Health;
26	(H) The Department of Human Services;
27	(I) The Department of Inspector General;
28	(J) The Department of Labor and Licensing;
29	(K) The Department of the Military;
30	(L) The Department of Parks, Heritage, and Tourism;
31	(M) The Department of Public Safety;
32	(N) The Department of Transformation and Shared Services;
33	(0) The Department of Veterans Affairs;
34	(P) The offices of constitutional officers;
35	(Q) Political subdivisions of the state;
36	(R) Public school districts;

1	(S) Public school boards of directors;		
2	(T) Charter schools;		
3	(U) Institutions of higher education;		
4	(V) The State Highway Commission;		
5	(W) The Arkansas Department of Transportation;		
6	(X) The Arkansas State Game and Fish Commission; and		
7	(Y) All courts of the State of Arkansas;		
8	(3) "Public funds" means state, county, or local government		
9	moneys, in addition to any department, agency, or instrumentality authorized		
10	or appropriated under state law or derived from any fund in which such moneys		
11	are deposited; and		
12	(4) "Ransom" means the amount of moneys made in demand by a		
13	third party to stop or limit damage or restrictions to the operations of a		
14	<pre>public entity.</pre>		
15	(b) A public entity shall not pay ransom for a cyberattack.		
16	(c) A public entity shall create a cyberattack policy to prohibit the		
17	payment of a ransom for a cyberattack on the public entity.		
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