

STATE OF NEW YORK

6806

2021-2022 Regular Sessions

IN SENATE

May 18, 2021

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Internet and Technology

AN ACT to amend the state technology law, in relation to the payment of ransom in the event of a cyber incident or a cyber ransom or ransomware attack

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The state technology law is amended by adding a new article
2 4 to read as follows:

ARTICLE IV

CYBER SECURITY INCIDENTS

5 Section 401. Payment of ransom; cyber incident, cyber ransom or ransom-
6 ware.

7 § 401. Payment of ransom; cyber incident, cyber ransom or ransomware.
8 1. For the purpose of this section:

9 a. "Cyber incident" means the compromise of the security, confiden-
10 tiality, or integrity of computerized data due to the exfiltration,
11 modification, or deletion that results in the unauthorized acquisition
12 of and access to information maintained by a governmental entity, busi-
13 ness entity, or health care entity.

14 b. "Cyber ransom or ransomware" means a type of malware that encrypts
15 or locks valuable digital files and demands a ransom to release the
16 files.

17 c. "Governmental entity" shall mean any state, city, town or village
18 or local department, board, bureau, division, commission, committee,
19 school district, public authority, public benefit corporation, council
20 or office, including all entities defined pursuant to section two of the
21 public authorities law. Such term shall include the state university of

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 New York and the city university of New York as well as the state legis-
2 lature, the judiciary or state and local legislatures.

3 d. "Business entity" shall mean any legal entity that conducts busi-
4 ness in the state of New York.

5 e. "Health care entity" shall mean hospitals, nursing homes, home
6 care, hospice and any other health care facilities regulated by the
7 department of health.

8 2. No governmental entity, business entity or health care entity with-
9 in the state shall pay, or have another entity pay on their behalf,
10 ransom in the event of a cyber incident or a cyber ransom or ransomware
11 attack.

12 3. All governmental entities shall report any cyber incidents and
13 cyber ransom or ransomware attacks to the New York state division of
14 homeland security and emergency services.

15 4. A fine of up to ten thousand dollars for each affected party per
16 incident may be issued for any violation of subdivision two of this
17 section.

18 § 2. This act shall take effect immediately.