

House Study Bill 13 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH AND
TECHNOLOGY BILL BY
CHAIRPERSON SORENSEN)

A BILL FOR

- 1 An Act relating to ransomware and providing penalties.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 715.2, Code 2023, is amended to read as
2 follows:

3 **715.2 Title.**

4 This chapter shall be known and may be cited as the "*Computer*
5 *Spyware, Malware, and Ransomware Protection Act*".

6 Sec. 2. Section 715.3, Code 2023, is amended by adding the
7 following new subsections:

8 NEW SUBSECTION. 1A. "*Computer control language*" means
9 ordered statements that direct a computer to perform specific
10 functions.

11 NEW SUBSECTION. 1B. "*Computer database*" means a
12 representation of information, knowledge, facts, concepts, or
13 instructions that is intended for use in a computer, computer
14 system, or computer network that is being prepared or has been
15 prepared in a formalized manner, or is being produced or has
16 been produced by a computer, computer system, or computer
17 network.

18 NEW SUBSECTION. 9A. "*Ransomware*" means a computer or data
19 contaminant, encryption, or lock that is placed or introduced
20 without authorization into a computer, computer network, or
21 computer system that restricts access by an authorized person
22 to a computer, computer data, a computer system, or a computer
23 network in a manner that results in the person responsible for
24 the placement or introduction of the contaminant, encryption,
25 or lock making a demand for payment of money or other
26 consideration to remove the contaminant, encryption, or lock.

27 Sec. 3. Section 715.5, subsection 2, Code 2023, is amended
28 to read as follows:

29 2. Using intentionally deceptive means to cause the
30 execution of a computer software component with the intent of
31 causing an owner or operator to use such component in a manner
32 that violates any other provision of [this chapter subchapter](#).

33 Sec. 4. Section 715.6, Code 2023, is amended to read as
34 follows:

35 **715.6 Exceptions.**

1 Sections 715.4 and 715.5 shall not apply to the monitoring
2 of, or interaction with, an owner's or an operator's internet
3 or other network connection, service, or computer, by a
4 telecommunications carrier, cable operator, computer hardware
5 or software provider, or provider of information service or
6 interactive computer service for network or computer security
7 purposes, diagnostics, technical support, maintenance, repair,
8 authorized updates of computer software or system firmware,
9 authorized remote system management, or detection, criminal
10 investigation, or prevention of the use of or fraudulent
11 or other illegal activities prohibited in this ~~chapter~~
12 subchapter in connection with a network, service, or computer
13 software, including scanning for and removing computer software
14 prescribed under this chapter subchapter. Nothing in this
15 ~~chapter subchapter~~ shall limit the rights of providers of wire
16 and electronic communications under 18 U.S.C. §2511.

17 Sec. 5. Section 715.7, Code 2023, is amended to read as
18 follows:

19 **715.7 Criminal penalties.**

20 1. A person who commits an unlawful act under this ~~chapter~~
21 subchapter is guilty of an aggravated misdemeanor.

22 2. A person who commits an unlawful act under this ~~chapter~~
23 subchapter and who causes pecuniary losses exceeding one
24 thousand dollars to a victim of the unlawful act is guilty of a
25 class "D" felony.

26 Sec. 6. Section 715.8, unnumbered paragraph 1, Code 2023,
27 is amended to read as follows:

28 For the purpose of determining proper venue, a violation
29 of this chapter subchapter shall be considered to have been
30 committed in any county in which any of the following apply:

31 Sec. 7. NEW SECTION. **715.9 Ransomware prohibition.**

32 1. A person shall not intentionally, willfully, and without
33 authorization do any of the following:

34 a. Access, attempt to access, cause to be accessed, or
35 exceed the person's authorized access to all or a part of a

1 computer network, computer control language, computer, computer
2 software, computer system, or computer database.

3 *b.* Copy, attempt to copy, possess, or attempt to possess
4 the contents of all or part of a computer database accessed in
5 violation of paragraph "a".

6 2. A person shall not commit an act prohibited in subsection
7 1 with the intent to do any of the following:

8 *a.* Cause the malfunction or interruption of the operation
9 of all or any part of a computer, computer network, computer
10 control language, computer software, computer system, computer
11 service, or computer data.

12 *b.* Alter, damage, or destroy all or any part of data or a
13 computer program stored, maintained, or produced by a computer,
14 computer network, computer software, computer system, computer
15 service, or computer database.

16 3. A person shall not intentionally, willfully, and without
17 authorization do any of the following:

18 *a.* Possess, identify, or attempt to identify a valid
19 computer access code.

20 *b.* Publicize or distribute a valid computer access code to
21 an unauthorized person.

22 4. A person shall not commit an act prohibited under this
23 section with the intent to interrupt or impair the functioning
24 of any of the following:

25 *a.* The state.

26 *b.* A service, device, or system related to the production,
27 transmission, delivery, or storage of electricity or natural
28 gas in the state that is owned, operated, or controlled by a
29 person other than a public utility as defined in chapter 476.

30 *c.* A service provided in the state by a public utility as
31 defined in chapter 476.

32 *d.* A hospital or health care facility as defined in section
33 135C.1.

34 *e.* A public elementary or secondary school, community
35 college, or area education agency under the supervision of the

1 department of education.

2 5. This section shall not apply to the use of ransomware for
3 research purposes by a person who has a bona fide scientific,
4 educational, governmental, testing, news, or other similar
5 justification for possessing ransomware. However, a person
6 shall not knowingly possess ransomware with the intent to
7 use the ransomware for the purpose of introduction into the
8 computer, computer network, or computer system of another
9 person without the authorization of the other person.

10 6. A person who has suffered a specific and direct injury
11 because of a violation of this section may bring a civil action
12 in a court of competent jurisdiction.

13 a. In an action under this subsection, the court may award
14 actual damages, reasonable attorney fees, and court costs.

15 b. A conviction for an offense under this section is not a
16 prerequisite for the filing of a civil action.

17 Sec. 8. NEW SECTION. 715.10 **Criminal penalties.**

18 1. A person who commits an unlawful act under this
19 subchapter and who causes pecuniary losses involving less than
20 ten thousand dollars to a victim of the unlawful act is guilty
21 of an aggravated misdemeanor.

22 2. A person who commits an unlawful act under this
23 subchapter and who causes pecuniary losses involving at least
24 ten thousand dollars but less than fifty thousand dollars to a
25 victim of the unlawful act is guilty of a class "D" felony.

26 3. A person who commits an unlawful act under this
27 subchapter and who causes pecuniary losses involving at least
28 fifty thousand dollars to a victim of the unlawful act is
29 guilty of a class "C" felony.

30 Sec. 9. NEW SECTION. 715.11 **Venue.**

31 For the purpose of determining proper venue, a violation of
32 this subchapter shall be considered to have been committed in
33 any county in which any of the following apply:

34 1. Where the defendant performed the unlawful act.

35 2. Where the defendant resides.

1 3. Where the accessed computer is located.

2 Sec. 10. CODE EDITOR DIRECTIVE. The Code editor shall
3 divide chapter 715 into subchapters and shall designate
4 sections 715.1 through 715.8, including sections amended in
5 this Act, as subchapter I entitled "COMPUTER SPYWARE AND
6 MALWARE", and sections 715.9 through 715.11, as enacted in this
7 Act, as subchapter II entitled "RANSOMWARE".

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill relates to ransomware.

12 The bill defines "ransomware" as a computer or data
13 contaminant, encryption, or lock that is placed or introduced
14 without authorization into a computer, computer network, or a
15 computer system that restricts access by an authorized person
16 to a computer, computer data, a computer network, or a computer
17 system in a manner that results in the person responsible for
18 the placement or introduction of the contaminant, encryption,
19 or lock making a demand for payment of money or other
20 consideration to remove the contaminant, encryption, or lock.

21 The bill provides that a person shall not do any of
22 the following with the intent to cause the malfunction or
23 interruption of the operation of, or alter, damage, or destroy,
24 all or any part of a computer, computer network, computer
25 control language, computer software, computer system, computer
26 service, or computer data: intentionally, willfully, and
27 without authorization access, attempt to access, cause to be
28 accessed, or exceed the person's authorized access to all
29 or a part of a computer network, computer control language,
30 computer, computer software, computer system, or computer
31 database; or copy, attempt to copy, possess, or attempt to
32 possess the contents of all or part of a computer database.

33 The bill provides that a person shall not intentionally,
34 willfully, and without authorization possess, identify,
35 or attempt to identify a valid access code or publicize or

1 distribute a valid access code to an unauthorized person.

2 The bill provides that a person shall not commit a prohibited
3 act with the intent to interrupt or impair the functioning of
4 the state government; a service, device, or system related
5 to the production, transmission, delivery, or storage of
6 electricity or natural gas in the state that is owned,
7 operated, or controlled by a person other than a public utility
8 as defined in Code chapter 476; a service provided in the state
9 by a public utility as defined in Code chapter 476; a hospital
10 or health care facility; or a public elementary or secondary
11 school, community college, or area education agency under the
12 supervision of the department of education.

13 The bill does not apply to the use of ransomware for
14 research purposes by a person who has a bona fide scientific,
15 educational, governmental, testing, news, or other similar
16 justification for possessing ransomware. However, a person
17 shall not knowingly possess ransomware with the intent to
18 use the ransomware for the purpose of introduction into the
19 computer, computer network, or computer system of another
20 person without the authorization of the other person.

21 The bill provides that a person who has suffered a specific
22 and direct injury because of a violation of the bill may bring
23 a civil action in a court of competent jurisdiction, and the
24 court may award actual damages, reasonable attorney fees, and
25 court costs. A conviction for an offense under the bill is not
26 a prerequisite for the filing of a civil action.

27 The bill provides that a person who commits a violation
28 of the bill and who causes pecuniary losses involving less
29 than \$10,000 to a victim of the unlawful act is guilty of an
30 aggravated misdemeanor. A person who commits a violation of
31 the bill and who causes pecuniary losses involving at least
32 \$10,000 but less than \$50,000 to a victim of the unlawful
33 act is guilty of a class "D" felony. A person who commits a
34 violation of the bill and who causes pecuniary losses involving
35 at least \$50,000 to a victim of the unlawful act is guilty of a

1 class "C" felony.

2 An aggravated misdemeanor is punishable by confinement for
3 no more than two years and a fine of at least \$855 but not more
4 than \$8,540. A class "D" felony is punishable by confinement
5 for no more than five years and a fine of at least \$1,025 but
6 not more than \$10,245. A class "C" felony is punishable by
7 confinement for no more than 10 years and a fine of at least
8 \$1,370 but not more than \$13,660.

9 The bill provides that for the purpose of determining
10 venue, a violation of the bill shall be considered to have
11 been committed in any county where the defendant performed
12 the unlawful act, where the defendant resides, or where the
13 accessed computer is located.