

[First Reprint]

ASSEMBLY, No. 3613

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED MARCH 12, 2018

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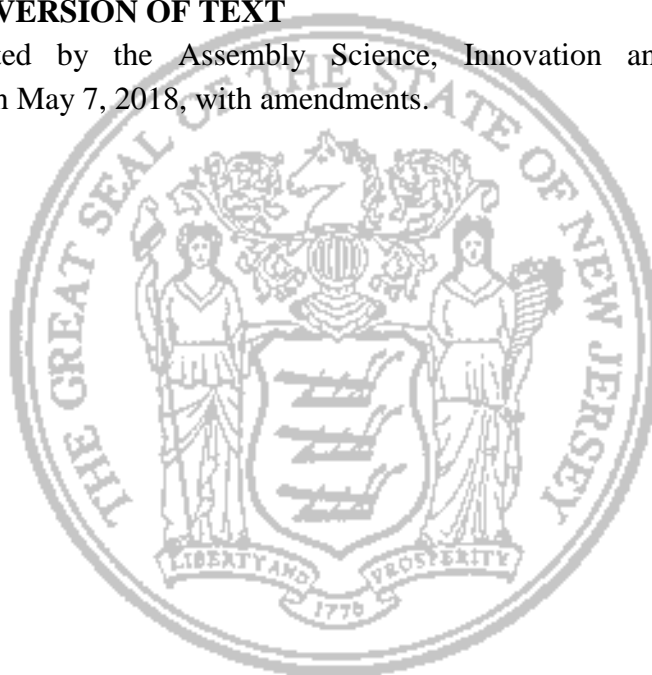
Assemblymen Zwicker and Johnson

SYNOPSIS

Establishes NJ Blockchain Initiative Task Force.

CURRENT VERSION OF TEXT

As reported by the Assembly Science, Innovation and Technology Committee on May 7, 2018, with amendments.



(Sponsorship Updated As Of: 9/25/2018)

1 AN ACT creating the New Jersey Blockchain Initiative Task Force to
 2 study ¹**[if]** whether¹ State, county, and municipal governments
 3 can benefit from a transition to a ¹**[Blockchain-based]** blockchain-
 4 based¹ system for recordkeeping and service delivery.

5
 6 **BE IT ENACTED** by the Senate and General Assembly of the State
 7 of New Jersey:

8
 9 1. The Legislature finds and declares that:

10 a. The development of distributed databases and ledgers protected
 11 against revision by publicly-verifiable open source cryptographic
 12 algorithms, and protected from data loss by distributed records
 13 sharing, colloquially called ¹**["Blockchain,"]** "blockchain,"¹ has
 14 reached a point where the opportunities for efficiency, cost savings,
 15 and cybersecurity deserve study.

16 b. Blockchain technology is a promising way to facilitate a
 17 transition to more efficient government service delivery models and
 18 economies of scale, including facilitating safe, paperless transactions,
 19 and permanent recordkeeping ¹**[nearly resistant/impervious]** resistant
 20 or nearly impervious¹ to cyber-attacks and data destruction.

21 c. Blockchain technology can reduce the prevalence of
 22 government's disparate computer systems, databases, and custom-built
 23 software interfaces, reducing costs associated with maintenance and
 24 implementation, streamlining the sharing of information, and allowing
 25 more regions of the State to participate in electronic government
 26 services.

27 d. Nations and municipalities across the world are studying and
 28 implementing government reforms that bolster trust and reduce
 29 bureaucracy through verifiable open source ¹**[Blockchain]**
 30 blockchain¹ technology in a variety of areas, including medical
 31 records, land records, banking, and property auctions.

32 e. It is in the public interest to establish a New Jersey Blockchain
 33 Initiative Task Force to study ¹**[if]** whether¹ State, county, and
 34 municipal governments can benefit from a transition to a
 35 ¹**[Blockchain-based]** blockchain-based¹ system for recordkeeping and
 36 service delivery and to develop and submit recommendations to the
 37 Governor and the Legislature concerning the potential for
 38 implementation of a ¹**[Blockchain-based]** blockchain-based¹ system.

39
 40 2. a. There is established in the Office of Information
 41 Technology, the New Jersey Blockchain Initiative Task Force. The
 42 purpose of the task force shall be to study if State, county, and
 43 municipal governments can benefit from a transition to a

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AST committee amendments adopted May 7, 2018.

- 1 ¹**["Blockchain-based"] blockchain-based**¹ system for recordkeeping and
2 service delivery.
- 3 b. The task force shall consist of 14 members as follows:
- 4 (1) two public members who shall be appointed by the Governor;
- 5 (2) two members appointed by the President of the Senate;
- 6 (3) two members appointed by the Speaker of the General
7 Assembly;
- 8 (4) one member appointed by the Assembly Minority Leader;
- 9 (5) one member appointed by the Senate Minority Leader; and
- 10 (6) the Chief Technology Officer; the Commissioner of Banking
11 and Insurance; the Clerk of the County of Bergen; the Mayor of the
12 City of Newark, County of Essex; the Mayor of the City of Jersey
13 City, County of Hudson; and the Mayor of the City of Camden,
14 County of Camden, or their designees, who shall serve ex-officio.
- 15 c. Within 90 days after the effective date of this act, a majority of
16 the task force's authorized membership shall be appointed and the task
17 force shall hold its initial meeting. The task force shall organize upon
18 the appointment of a majority of its authorized membership and shall
19 elect a chair from among the members. The members of the task force,
20 other than those serving ex-officio, shall serve for the duration of the
21 existence of the task force. Any vacancy shall be filled in the same
22 manner as the original appointment. The task force members shall
23 serve without compensation, but may be reimbursed for necessary
24 expenses incurred in the performance of their duties.
- 25 d. The task force shall study the issue of ¹**["Blockchain"]**
26 **blockchain**¹ technology including, but not limited to, the following:
- 27 (1) opportunities and risks associated with using ¹**["Blockchain"]**
28 **blockchain**¹ and distributed ledger technology;
- 29 (2) different types of ¹**["Blockchains"] blockchain**¹, both public
30 and private, and different consensus algorithms;
- 31 (3) projects and use cases currently under development in other
32 states and nations, and how those cases could be applied in New
33 Jersey; and
- 34 (4) how the Legislature can modify current State laws to support
35 secure, paperless recordkeeping.
- 36 e. Not later than 180 days after the initial meeting of the task
37 force, the task force shall issue a report to the Governor and, pursuant
38 to section 2 of P.L.1991, c.164 (C.52:14-19.1)^{1, 1} to the Legislature,
39 and shall present its findings before the General Assembly Science,
40 Innovation and Technology Committee. The report shall include a
41 general description of the costs and benefits of State and local
42 government agencies utilizing ¹**["Blockchain"] blockchain**¹ technology;
43 recommendations concerning the feasibility of implementing
44 ¹**["Blockchain"] blockchain**¹ technology in the State and the best
45 approach to finance the cost of implementation; any draft legislation
46 the task force deems appropriate to implement ¹**["Blockchain"]**

1 blockchain¹ technology; and any other information relevant to the
2 subject of the report.

3 f. The task force shall be entitled to the assistance and services of
4 the employees of any State board, bureau, commission, or agency as it
5 may require and as may be available to it for these purposes, and to
6 employ stenographic and clerical assistants and incur traveling and
7 other miscellaneous expenses, as necessary, to perform its duties.

8 g. The Office of Information Technology shall assist the task
9 force in the performance of its duties and provide the task force with
10 studies, data, or other materials in its possession, to the extent that
11 such materials are relevant to the purposes of the task force. The
12 Office of Information Technology shall provide administrative staff to
13 support the task force.

14

15 3. This act shall take effect immediately and shall expire upon
16 the issuance of the task force's report.