

[Third Reprint]

ASSEMBLY, No. 3613

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED MARCH 12, 2018

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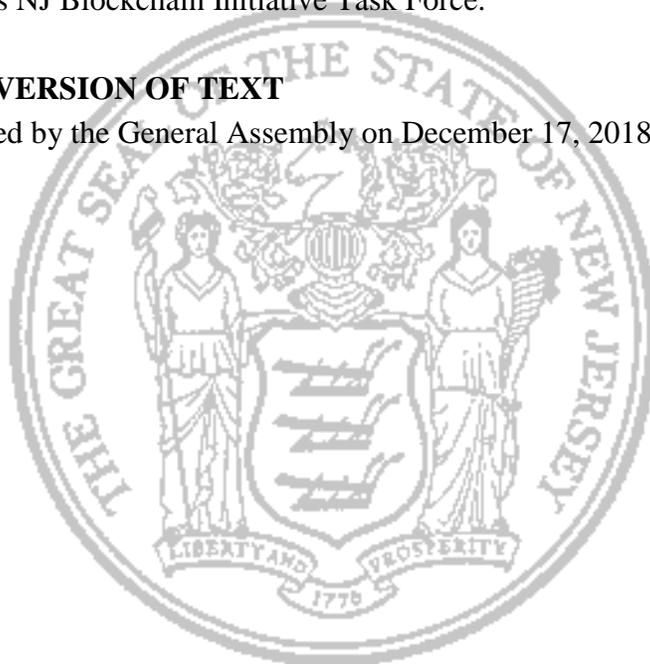
Assemblymen Johnson and Conaway

SYNOPSIS

Establishes NJ Blockchain Initiative Task Force.

CURRENT VERSION OF TEXT

As amended by the General Assembly on December 17, 2018.



(Sponsorship Updated As Of: 5/24/2019)

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

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.

²Assembly floor amendments adopted October 29, 2018.

³Assembly floor amendments adopted December 17, 2018.

- 1 municipal governments can benefit from a transition to a
2 ¹**[Blockchain-based]** blockchain-based¹ system for recordkeeping
3 and service delivery.
- 4 b. The task force shall consist of ²**[14]** ³**[15²]** ¹⁶³ members as
5 follows:
- 6 (1) two ³**[public]**³ members who shall be appointed by the
7 Governor;
- 8 (2) two members appointed by the President of the Senate;
- 9 (3) two members appointed by the Speaker of the General
10 Assembly;
- 11 (4) one member appointed by the Assembly Minority Leader;
- 12 (5) one member appointed by the Senate Minority Leader; and
- 13 (6) the Chief Technology Officer; ³the Chief Innovation
14 Officer;³ the Commissioner of Banking and Insurance; the Clerk of
15 the County of Bergen; ²the Clerk of the County of Monmouth;² the
16 Mayor of the City of Newark, County of Essex; the Mayor of the
17 City of Jersey City, County of Hudson; and the Mayor of the City
18 of Camden, County of Camden, or their designees, who shall serve
19 ex-officio.
- 20 c. Within 90 days after the effective date of this act, a majority
21 of the task force's authorized membership shall be appointed and
22 the task force shall hold its initial meeting. The task force shall
23 organize upon the appointment of a majority of its authorized
24 membership and shall elect a chair from among the members. The
25 members of the task force, other than those serving ex-officio, shall
26 serve for the duration of the existence of the task force. Any
27 vacancy shall be filled in the same manner as the original
28 appointment. The task force members shall serve without
29 compensation, but may be reimbursed for necessary expenses
30 incurred in the performance of their duties.
- 31 d. The task force shall study the issue of ¹**[Blockchain]**
32 blockchain¹ technology including, but not limited to, the following:
- 33 (1) opportunities and risks associated with using ¹**[Blockchain]**
34 blockchain¹ and distributed ledger technology;
- 35 (2) different types of ¹**[Blockchains]** blockchains¹, both public
36 and private, and different consensus algorithms;
- 37 (3) projects and use cases currently under development in other
38 states and nations, and how those cases could be applied in New
39 Jersey; and
- 40 (4) how the Legislature can modify current State laws to support
41 secure, paperless recordkeeping.
- 42 e. Not later than 180 days after the initial meeting of the task
43 force, the task force shall issue a report to the Governor and,
44 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)^{1, 1} to the
45 Legislature, and shall present its findings before the General
46 Assembly Science, Innovation and Technology Committee ²and the
47 Senate State Government, Wagering, Tourism and Historic

1 Preservation Committee². The report shall include a general
2 description of the costs and benefits of State and local government
3 agencies utilizing ¹**Blockchain** blockchain¹ technology;
4 recommendations concerning the feasibility of implementing
5 ¹**Blockchain** blockchain¹ technology in the State and the best
6 approach to finance the cost of implementation; any draft
7 legislation the task force deems appropriate to implement
8 ¹**Blockchain** blockchain¹ technology; and any other information
9 relevant to the subject of the report.

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

16 g. The Office of Information Technology shall assist the task
17 force in the performance of its duties and provide the task force
18 with studies, data, or other materials in its possession, to the extent
19 that such materials are relevant to the purposes of the task force.
20 The Office of Information Technology shall provide administrative
21 staff to support the task force.

22

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