

P.L. 2019, CHAPTER 213, *approved August 8, 2019*  
Senate, No. 2297 (*Second Reprint*)

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

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

- 9  
10 1. The Legislature finds and declares that:  
11 a. The development of distributed databases and ledgers  
12 protected against revision by publicly-verifiable open source  
13 cryptographic algorithms, and protected from data loss by  
14 distributed records sharing, colloquially called <sup>1</sup>**["Blockchain,"]**  
15 "blockchain,"<sup>1</sup> has reached a point where the opportunities for  
16 efficiency, cost savings, and cybersecurity deserve study.  
17 b. Blockchain technology is a promising way to facilitate a  
18 transition to more efficient government service delivery models and  
19 economies of scale, including facilitating safe, paperless  
20 transactions, and permanent recordkeeping <sup>1</sup>**["nearly**  
21 **resistant/impervious"]** resistant or nearly impervious<sup>1</sup> to cyber-  
22 attacks and data destruction.  
23 c. Blockchain technology can reduce the prevalence of  
24 government's disparate computer systems, databases, and custom-  
25 built software interfaces, reducing costs associated with  
26 maintenance and implementation, streamlining the sharing of  
27 information, and allowing more regions of the State to participate in  
28 electronic government services.  
29 d. Nations and municipalities across the world are studying and  
30 implementing government reforms that bolster trust and reduce  
31 bureaucracy through verifiable open source <sup>1</sup>**["Blockchain"]**  
32 blockchain<sup>1</sup> technology in a variety of areas, including medical  
33 records, land records, banking, and property auctions.  
34 e. It is in the public interest to establish a New Jersey  
35 Blockchain Initiative Task Force to study <sup>1</sup>**["if"]** whether<sup>1</sup> State,  
36 county, and municipal governments can benefit from a transition to  
37 a <sup>1</sup>**["Blockchain-based"]** blockchain-based<sup>1</sup> system for recordkeeping  
38 and service delivery and to develop and submit recommendations to  
39 the Governor and the Legislature concerning the potential for

**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:

<sup>1</sup>Senate SSG committee amendments adopted September 27, 2018.

<sup>2</sup>Senate SBA committee amendments adopted December 3, 2018.

1 implementation of a <sup>1</sup>**["Blockchain-based"]** blockchain-based<sup>1</sup>  
2 system.

3

4 2. a. There is established in the Office of Information  
5 Technology, the New Jersey Blockchain Initiative Task Force. The  
6 purpose of the task force shall be to study if State, county, and  
7 municipal governments can benefit from a transition to a  
8 <sup>1</sup>**["Blockchain-based"]** blockchain-based<sup>1</sup> system for recordkeeping  
9 and service delivery.

10 b. The task force shall consist of <sup>1</sup>**[14]** <sup>2</sup>**[15<sup>1</sup>]** <sup>16</sup><sup>2</sup> members as  
11 follows:

12 (1) two <sup>2</sup>**["public"]**<sup>2</sup> members who shall be appointed by the  
13 Governor;

14 (2) two members appointed by the President of the Senate;

15 (3) two members appointed by the Speaker of the General  
16 Assembly;

17 (4) one member appointed by the Assembly Minority Leader;

18 (5) one member appointed by the Senate Minority Leader; and

19 (6) the Chief Technology Officer; <sup>2</sup>the Chief Innovation  
20 Officer;<sup>2</sup> the Commissioner of Banking and Insurance; the Clerk of  
21 the County of Bergen; <sup>1</sup>the Clerk of the County of Monmouth;<sup>1</sup> the  
22 Mayor of the City of Newark, County of Essex; the Mayor of the  
23 City of Jersey City, County of Hudson; and the Mayor of the City  
24 of Camden, County of Camden, or their designees, who shall serve  
25 ex-officio.

26 c. Within 90 days after the effective date of this act, a majority  
27 of the task force's authorized membership shall be appointed and  
28 the task force shall hold its initial meeting. The task force shall  
29 organize upon the appointment of a majority of its authorized  
30 membership and shall elect a chair from among the members. The  
31 members of the task force, other than those serving ex-officio, shall  
32 serve for the duration of the existence of the task force. Any  
33 vacancy shall be filled in the same manner as the original  
34 appointment. The task force members shall serve without  
35 compensation, but may be reimbursed for necessary expenses  
36 incurred in the performance of their duties.

37 d. The task force shall study the issue of <sup>1</sup>**["Blockchain"]**  
38 blockchain<sup>1</sup> technology including, but not limited to, the following:

39 (1) opportunities and risks associated with using <sup>1</sup>**["Blockchain"]**  
40 blockchain<sup>1</sup> and distributed ledger technology;

41 (2) different types of <sup>1</sup>**["Blockchains"]** blockchains<sup>1</sup>, both public  
42 and private, and different consensus algorithms;

43 (3) projects and use cases currently under development in other  
44 states and nations, and how those cases could be applied in New  
45 Jersey; and

(4) how the Legislature can modify current State laws to support secure, paperless recordkeeping.

e. Not later than 180 days after the initial meeting of the task force, the task force shall issue a report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)<sup>1</sup>,<sup>1</sup> to the Legislature, and shall present its findings before the General Assembly Science, Innovation and Technology Committee <sup>1</sup>and the Senate State Government, Wagering, Tourism and Historic Preservation Committee<sup>1</sup>. The report shall include a general description of the costs and benefits of State and local government agencies utilizing <sup>1</sup>**["Blockchain"] blockchain**<sup>1</sup> technology; recommendations concerning the feasibility of implementing <sup>1</sup>**["Blockchain"] blockchain**<sup>1</sup> technology in the State and the best approach to finance the cost of implementation; any draft legislation the task force deems appropriate to implement <sup>1</sup>**["Blockchain"] blockchain**<sup>1</sup> technology; and any other information relevant to the subject of the report.

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

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

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

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Establishes NJ Blockchain Initiative Task Force.