

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## SENATE, No. 2297

with committee amendments

# STATE OF NEW JERSEY

DATED: DECEMBER 3, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2297, with committee amendments.

This bill, as amended, establishes in the Office of Information Technology the “New Jersey Blockchain Initiative Task Force” (task force). The purpose of the task force is to study if State, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping and service delivery.

The task force is to be comprised of 16 members as follows:

- (1) two members appointed by the Governor;
- (2) two members appointed by the President of the Senate;
- (3) two members appointed by the Speaker of the General Assembly;
- (4) one member appointed by the Assembly Minority Leader;
- (5) one member appointed by the Senate Minority Leader; and
- (6) the Chief Technology Officer; the Chief Innovation Officer; the Commissioner of Banking and Insurance; the Clerk of Bergen County; the Clerk of Monmouth County; the Mayor of Newark; the Mayor of Jersey City; and the Mayor of Camden, or their designees, who will serve ex-officio.

The bill requires the task force to issue a report to the Governor and the Legislature and present its findings to the General Assembly Science, Innovation and Technology Committee and the Senate State Government, Wagering, Tourism, and Historic Preservation Committee. The bill requires the report to include: a general description of the costs and benefits of State and local government agencies utilizing blockchain technology; recommendations concerning the feasibility of implementing blockchain technology and the best approach to finance the cost of implementation; any draft legislation the task force deems appropriate to implement blockchain technology; and any other information relevant to the subject of the report.

The task force is required to hold its organizational meeting no later than 90 days after the date the bill is enacted into law. The task force’s report is required to be issued no later than 180 days thereafter.

COMMITTEE AMENDMENTS:

The committee amendments: (1) add the Chief Innovation Officer as an ex officio member of the task force, thereby increasing the membership to 16 persons; and (2) provide that the two individuals to be appointed by the Governor are not required to be public members.

FISCAL IMPACT:

The Office of Legislative Services finds that the bill will result in an indeterminate, likely marginal, State expenditure increase. The Blockchain Initiative Task Force will be active for a period of 180 days, or approximately six months. Depending on the effective date of the bill, the activities of the Task Force could be divided between two fiscal years.

The task force will incur negligible costs, as its members will serve without compensation and will only receive reimbursement for expenses incurred in the performance of their duties.

The Office of Information Technology is required to assist the task force in the performance of its duties and provide the task force with relevant studies, data, or other materials in its possession and will supply administrative staff to support the task force.

The task force is entitled to the assistance and services of the employees of any State board, commission, or agency as necessary for stenographic and clerical assistance.