ASSEMBLY, No. 3074

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by: Assemblywoman ANNETTE QUIJANO District 20 (Union)

SYNOPSIS

Requires that election infrastructure vendors disclose financial ties for approval as vendor by Secretary of State; requires report of known or suspected security incidents involving election systems to Division of Elections.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning election infrastructure vendors and amending 2 P.L.1973, c.82 and supplementing Chapter 53A of Title 19 of the 3 Revised Statutes.

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BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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- 1. Section 1 of P.L.1973, c.82 (C.19:53A-1) is amended to read as follows:
- 1. As used in this act, unless otherwise specified:
- "Automatic tabulating equipment" includes apparatus which automatically examines and counts votes recorded on ballot cards, and tabulates the results.
 - b. "Ballot card" means a tabulating card on which votes may be recorded.
 - "Ballot labels" means the pages, cards, or other material containing the names of offices and candidates and the statements of measures to be voted on, which are placed on the voting device.
- d. "Counting center" means one or more locations selected by each of the county boards of election for the automatic counting of ballots.
 - e. "Election infrastructure" means storage facilities, polling places, and centralized vote tabulation locations used to support the administration of elections for public office, as well as related information and communications technology, including electronic voting systems, voter registration databases, voting machines, electronic mail and other communications systems, and other systems used to manage the election process and to report and display election results on behalf of a county board of elections or the New Jersey Division of Elections in the Department of State.
 - f. "Election infrastructure vendor" means and includes any individual, firm, joint venture, partnership, corporation, or company proposing to assist or assisting the State or a political subdivision of the State by providing, maintaining, and supporting election infrastructure.
- [e.] g. "Electronic voting system" means a system in which votes are recorded on ballot cards, and such votes are subsequently counted and tabulated by automatic tabulating equipment at one or more counting centers.
- 40 [f.] h. "Voting device" means an apparatus which the voter 41 uses to record his votes on a tabulating card.
- [g.] \underline{i} . "County boards of elections" shall mean the county 42 43 board of elections appointed in the various counties or the person 44 or board in charge of elections in the various counties as provided 45 in Title 19 of the New Jersey Revised Statutes.
- 46 (cf: P.L.1973, c.82, s.1)

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

A3074 QUIJANO

- 2. (New section) No service provided by an election a. infrastructure vendor shall be used in an election in this State unless the election infrastructure vendor discloses any owners or shareholders with a five percent or greater interest or share in the company, in any subsidiary companies, or in the vendor's parent company, and has been approved by the Secretary of State. An election infrastructure vendor shall have a continuing duty to report to the Secretary of State and obtain approval whenever another owner or shareholder attains a five percent or greater interest. An election infrastructure vendor approved by the Secretary of State shall not be required to suspend its activities in the State while seeking continuing approval.
 - b. An election infrastructure vendor approved by the Secretary of State to provide election services in this State shall report any known or suspected security incidents involving election systems to the Division of Elections in the Department of State no later than 10 days after the vendor first knows or suspects that the incident occurred.
 - c. An election infrastructure vendor that fails to seek approval or fails to report an incident shall be subject to a civil penalty of not more than \$10,000 for the first offense and not more than \$20,000 for the second or subsequent offense, to be collected in a civil action by a summary proceeding under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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3. This act shall take effect immediately.

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STATEMENT

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This bill requires election infrastructure vendors to disclose any financial ties for approval by the Secretary of State.

Currently, voting system vendors must meet a number of requirements prior to approval and certification of voting systems in However, the vendors are not required to disclose financial and investment ties. In addition, vendors of other election services are not required to disclose financial and investment ties.

The bill defines election infrastructure to mean storage facilities, polling places, and centralized vote tabulation locations used to support the administration of elections for public office, as well as related information and communications technology, including electronic voting systems, voter registration databases, voting machines, electronic mail and other communications systems, and other systems used to manage the election process and to report and display election results on behalf of a county board of elections or the New Jersey Division of Elections in the Department of State. This bill also defines election infrastructure vendor to mean and include any individual, firm, joint venture, partnership, corporation,

or company proposing to assist or assisting the State or a political subdivision of the State by providing, maintaining, and supporting election infrastructure.

This bill would require all election infrastructure vendors to disclose any owners or shareholders with a five percent or greater interest or share in the company, in any subsidiary companies, or in the vendor's parent company. This bill would also require approved election infrastructure vendors to obtain additional approval with the Secretary of State any time ownership stake in the vendor changes above the five percent or greater interest or share An election infrastructure vendor will not suspend business in the State while seeking this additional approval. Failure to disclose ownership stake changes that are five percent or greater would result in a civil penalty for the vendor. For the first offense, the vendor would be subject to a fine not less than \$10,000. For the second and subsequent offense, the vendor would be subject to a fine not less than \$20,000.

This bill is a response to the recent elections security issues. Several states have taken steps to address potential security risks. In Maryland, the state moved to require voting system vendors to disclose its investment ties following the revelation that a former First Deputy Prime Minister of Russia, with close ties to Russian President Vladimir Putin, owned the firm that financed the buyout of Maryland's voting system vendor. In June of 2019, North Carolina's State Board of Elections voted unanimously for each voting system vendor seeking certification in the state to disclose any owners or shareholders with a five percent or greater interest or share in the company, in any subsidiary companies or in the vendor's parent company.

This bill draws on the actions of these states and expands the vendors to include all election infrastructure vendors to ensure the security of the elections of the State of New Jersey. This bill also requires election infrastructure vendors to report any known or suspected security incidents involving election systems to the Division of Elections in the Department of State no later than 10 days after the vendor first knows or suspects that the incident

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