

SENATE, No. 252

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

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

Introduced Pending Technical Review by Legislative Counsel.



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.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 1 of P.L.1973, c.82 (C.19:53A-1) is amended to read
9 as follows:

10 1. As used in this act, unless otherwise specified:

11 a. "Automatic tabulating equipment" includes apparatus which
12 automatically examines and counts votes recorded on ballot cards,
13 and tabulates the results.

14 b. "Ballot card" means a tabulating card on which votes may
15 be recorded.

16 c. "Ballot labels" means the pages, cards, or other material
17 containing the names of offices and candidates and the statements
18 of measures to be voted on, which are placed on the voting device.

19 d. "Counting center" means one or more locations selected by
20 each of the county boards of election for the automatic counting of
21 ballots.

22 e. "Election infrastructure" means storage facilities, polling
23 places, and centralized vote tabulation locations used to support the
24 administration of elections for public office, as well as related
25 information and communications technology, including electronic
26 voting systems, voter registration databases, voting machines,
27 electronic mail and other communications systems, and other
28 systems used to manage the election process and to report and
29 display election results on behalf of a county board of elections or
30 the New Jersey Division of Elections in the Department of State.

31 f. "Election infrastructure vendor" means and includes any
32 individual, firm, joint venture, partnership, corporation, or company
33 proposing to assist or assisting the State or a political subdivision of
34 the State by providing, maintaining, and supporting election
35 infrastructure.

36 **[e.]** g. "Electronic voting system" means a system in which
37 votes are recorded on ballot cards, and such votes are subsequently
38 counted and tabulated by automatic tabulating equipment at one or
39 more counting centers.

40 **[f.]** h. "Voting device" means an apparatus which the voter
41 uses to record his votes on a tabulating card.

42 **[g.]** i. "County boards of elections" shall mean the county
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.

Matter underlined thus is new matter.

2. (New section) a. No service provided by an election 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.).

26 3. This act shall take effect immediately.

STATEMENT

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

33 Currently, voting system vendors must meet a number of
34 requirements prior to approval and certification of voting systems in
35 the State. However, the vendors are not required to disclose
36 financial and investment ties. In addition, vendors of other election
37 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,

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

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

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

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