

CHAPTER 213

AN ACT creating the New Jersey Blockchain Initiative Task Force to study whether State, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping and service delivery.

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

1. The Legislature finds and declares that:

a. The development of distributed databases and ledgers protected against revision by publicly-verifiable open source cryptographic algorithms, and protected from data loss by distributed records sharing, colloquially called “blockchain,” has reached a point where the opportunities for efficiency, cost savings, and cybersecurity deserve study.

b. Blockchain technology is a promising way to facilitate a transition to more efficient government service delivery models and economies of scale, including facilitating safe, paperless transactions, and permanent recordkeeping resistant or nearly impervious to cyber-attacks and data destruction.

c. Blockchain technology can reduce the prevalence of government's disparate computer systems, databases, and custom-built software interfaces, reducing costs associated with maintenance and implementation, streamlining the sharing of information, and allowing more regions of the State to participate in electronic government services.

d. Nations and municipalities across the world are studying and implementing government reforms that bolster trust and reduce bureaucracy through verifiable open source blockchain technology in a variety of areas, including medical records, land records, banking, and property auctions.

e. It is in the public interest to establish a New Jersey Blockchain Initiative Task Force to study whether State, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping and service delivery and to develop and submit recommendations to the Governor and the Legislature concerning the potential for implementation of a blockchain-based system.

2. a. There is established in the Office of Information Technology, the New Jersey Blockchain Initiative Task Force. The purpose of the task force shall be to study if State, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping and service delivery.

b. The task force shall consist of 16 members as follows:

- (1) two members who shall be 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 the County of Bergen; the Clerk of the County of Monmouth; the Mayor of the City of Newark, County of Essex; the Mayor of the City of Jersey City, County of Hudson; and the Mayor of the City of Camden, County of Camden, or their designees, who shall serve ex-officio.

c. Within 90 days after the effective date of this act, a majority of the task force's authorized membership shall be appointed and the task force shall hold its initial meeting. The task force shall organize upon the appointment of a majority of its authorized membership and shall elect a chair from among the members. The members of the task force,

other than those serving ex-officio, shall serve for the duration of the existence of the task force. Any vacancy shall be filled in the same manner as the original appointment. The task force members shall serve without compensation, but may be reimbursed for necessary expenses incurred in the performance of their duties.

d. The task force shall study the issue of blockchain technology including, but not limited to, the following:

(1) opportunities and risks associated with using blockchain and distributed ledger technology;

(2) different types of blockchains, both public and private, and different consensus algorithms;

(3) projects and use cases currently under development in other states and nations, and how those cases could be applied in New 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), to the Legislature, and shall present its findings before the General Assembly Science, Innovation and Technology Committee and the Senate State Government, Wagering, Tourism and Historic Preservation Committee. The report shall 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 in the State 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.

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.

Approved August 8, 2019.