

Blockchain: Disruptive Force in Business and Government

Blockchain, Smart Contracts & Digital Currencies Alert

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Blockchain technology has tremendous disruptive power. Entrepreneurs and investors have embraced the technology and developed blockchain-based initiatives in virtually all industries and sectors. Even governments have taken notice, the New Jersey state government among them. In fact, the New Jersey state legislature is considering a bill (S2297/A3613) that would create a taskforce to study whether New Jersey government at the state, county, and municipal levels might benefit from changing current recordkeeping and delivery systems to a blockchain-based system.

The bill details three significant motivators for switching to a blockchain-based system:

1. Security—blockchain technology has progressed positively to provide cybersecurity and prevent data destruction;
2. Productivity—blockchain streamlines shared information. The bill specifies that government could eliminate disparate computer systems and certain custom-built software, making government entities more efficient; and
3. Cost-efficiency—by switching to a blockchain-based system, governments could save money by becoming more efficient and going paperless.

The bill provides that the taskforce would consist of 14 members, including two appointed by the governor and Senate and Assembly leadership and one appointed by the Senate and Assembly minority leadership, as well as a chief technology officer, the Commissioner of Banking and Insurance, and various municipal and county elected officials.

The bill requires that, within 180 days after the initial meeting of the taskforce, the taskforce is to issue a report to the governor and the legislature and present its findings to the General Assembly Science, Innovation and Technology Committee, and for the report to include a general description of, among other things, the costs and benefits of state and local government agencies using blockchain technology; recommendations concerning the feasibility of implementing blockchain technology and the best approach to finance the cost of implementation; and any draft legislation the task force deems appropriate to implement blockchain technology.

Today, April 26, invited guests will testify before the committee regarding economic development opportunities arising from blockchain technology innovation in the state.