

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3288
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: OCTOBER 17, 2022

SUMMARY

- Synopsis:** Establishes Blockchain Promotion and Integration Program.
- Type of Impact:** Annual increase in State expenditures.
- Agencies Affected:** New Jersey Commission on Science, Innovation and Technology;
Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost increase	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill will result in annual indeterminate State expenditure increases from establishing and administrating the Blockchain Promotion and Integration Program. There also will be additional indeterminate State cost increases within one year of the bill’s enactment and every three years thereafter stemming from the reporting requirements of the bill.

BILL DESCRIPTION

This bill provides that the New Jersey Commission on Science, Innovation and Technology, in consultation with the New Jersey Economic Development Authority, is to establish the Blockchain Promotion and Integration Program.

The bill provides that the program is to meet certain requirements as specified in the bill.

The bill requires the commission to analyze the state of the blockchain and decentralized digital technology sectors in New Jersey.

The bill provides that, in establishing the Blockchain Promotion and Integration Program, the commission is to:

1) consult with the New Jersey Blockchain Council, and integrate its efforts with those of the council to have the greatest impact on small businesses in New Jersey; and

2) partner with groups that represent small business in New Jersey to connect businesses with the resources of the program and to better serve the business community.

The bill also provides that, within one year of its enactment, and every third year thereafter, the commission must report to the Governor and the Legislature on the state of blockchain and decentralized digital technology in New Jersey and make recommendations on how the State can better achieve integration of the technology with businesses in New Jersey.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill will result in annual indeterminate State expenditure increases from establishing and administering the program. The extent of these expenditure increases will depend on the implementation decisions made by the New Jersey Commission on Science, Innovation and Technology and the Economic Development Authority as the bill seems to give discretion to these entities in the administration of the program. For instance, one aim of the program is to increase public awareness of the uses and benefits of blockchain and decentralized digital technologies, but the bill does not specify the manner by which this is to occur. Moreover, the State will incur an indeterminate amount of cost increases from the financial, technical, and other assistance and support that the program is to provide to businesses in the State. The magnitude of these increases will depend on the level of support provided by the State and whether existing personnel can carry out these functions or if new personnel will be required.

There also will be additional indeterminate State cost increases within one year of the bill's enactment and every three years thereafter associated with the requirement that the New Jersey Commission on Science, Innovation and Technology submit a report to the Governor and the Legislature concerning the state of blockchain and decentralized digital technology in the State and make recommendations on how the State can better achieve integration of the technology with businesses in New Jersey.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).