

[First Reprint]

SENATE, No. 1756

STATE OF NEW JERSEY
220th LEGISLATURE

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Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

“Digital Asset and Blockchain Technology Act.”

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on March 14, 2022, with amendments.



(Sponsorship Updated As Of: 2/28/2022)

S1756 POU, ZWICKER

2

1 AN ACT concerning digital assets and blockchain technology,
2 amending P.L.2005, c.199, and supplementing Title 17 of the
3 Revised Statutes and chapter 6 of Title 54A of the New Jersey
4 Statutes.

5

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

8

9 1. This act shall be known and may be cited as the “Digital
10 Asset and Blockchain Technology Act.”

11

12 2. ¹As used in this act:¹

13 “Agent” means a separate business entity from the principal that
14 the principal authorizes, through a written agreement or otherwise,
15 to sell its instruments or, in the case of funds transmission, to sell
16 its send and receive transfer services.

17 “Control” means the ownership of, or the power to vote, 25
18 percent or more of the outstanding voting interest of a licensee or
19 controlling person. For purposes of determining the percentage of a
20 licensee controlled by any person, there shall be aggregated with
21 the person’s interest the interest of any other person controlled by
22 that person or by any spouse, parent, or child of that person.

23 “Controlling person” means any person in control of a licensee.

24 “Department” means the Department of Banking and Insurance.

25 “Digital asset” means a representation of economic, proprietary,
26 or access rights that is stored in a machine-readable format, has a
27 transaction history that is recorded in a distributed, digital ledger or
28 digital data structure in which consensus is achieved through a
29 mathematically verifiable process, and includes digital consumer
30 assets and virtual currency. “Digital asset” shall not include
31 securities, whether in digital form or otherwise, as defined pursuant
32 to subsection m. of section 2 of P.L.1967, c.93 (C.49:3-49), or as
33 defined pursuant to paragraph (1) of subsection (a) in the federal
34 “Securities Act of 1933,” 15 U.S.C. s.77b(a)(1), or paragraph (10)
35 of subsection (a) of the federal “Securities Exchange Act of 1934,”
36 15 U.S.C. s.78c(a)(10).

37 “Digital asset business” means a business that engages in the
38 activities listed in subsection b. of section 3 of this act.

39 “Digital consumer asset” means a digital asset that is used or
40 bought primarily for consumptive, personal, or household purposes
41 and includes any other digital asset that does not fall within the
42 term virtual currency.

43 “Issuing” means being the person who has authority over the
44 initial creation and dissemination of a digital asset.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted March 14, 2022.

1 “Key individual ” means any individual ultimately responsible
2 for establishing or directing policies and procedures of the licensee,
3 such as the licensee’s president, chairperson of the executive
4 committee, senior officer responsible for the business of the
5 licensee in the State, chief financial officer, an executive manager,
6 director, trustee and any other person who performs similar
7 functions.

8 “Licensee” means a person licensed under this act or an applicant
9 for licensure under this act.

10 “Nationwide Multistate Licensing System” means the licensing
11 system owned and operated by the State Regulatory Registry LLC,
12 a wholly-owned subsidiary of the Conference of State Bank
13 Supervisors, which functions as a system of record for non-
14 depository, financial services licensing or registration in
15 participating state agencies, including the District of Columbia and
16 the United States Territories of Puerto Rico, the US Virgin Islands,
17 and Guam, where it is the official system for companies and
18 individuals seeking to apply for, amend, renew, and surrender
19 license authorities.

20 “Resident” means a person that is: domiciled in New Jersey;
21 physically located in New Jersey for more than 183 days of the
22 previous 365 days; or a limited partnership, limited liability
23 partnership, limited liability company, or corporation formed or
24 incorporated in New Jersey.

25 “Responsible individual” means an individual who has
26 managerial authority with respect to a licensee’s digital asset
27 business activity with or on behalf of a resident.

28 “Transmission” means to engage in the business of receiving
29 monetary value for transmission to a location inside or outside of
30 the United States by any means, including, but not limited to, wire,
31 facsimile, or electronic transfer.

32 “Virtual currency” means a digital asset that is used as a medium
33 of exchange, unit of account, or store of value, and is not
34 recognized as legal tender by the United States government.

35

36 3. a. A person shall not engage in a digital asset business
37 activity, or hold itself out as being able to engage in a digital asset
38 business activity, with or on behalf of a resident unless the person is
39 licensed in this State by the department, or has filed a pending
40 license with the department.

41 b. The department may license a person to carry on one or
42 more of the following digital asset business activities:

43 (1) receiving a digital asset for transmission or transmitting a
44 digital asset, except where the transaction is undertaken for non-
45 financial purposes and does not involve the transfer of more than a
46 nominal amount of a digital asset;

47 (2) storing, holding, or maintaining custody of a digital asset on
48 behalf of others, exempting all custodians otherwise regulated as a

1 bank, trust, broker-dealer, or credit union in any state or by the
2 United States, or money transmitter licensed in this State;

3 (3) buying and selling digital assets as a customer business;

4 (4) performing exchange services of digital assets as a customer
5 business;

6 (5) issuing a digital asset; or

7 (6) borrowing or lending of, or facilitating the borrowing or
8 lending of, customer digital assets.

9 c. A person who violates this section shall be liable for a
10 penalty of \$500 per day, from the first day the department issues a
11 notice of failure to apply a license until a license application is filed
12 with the department.

13

14 4. a. An application for a license under this act shall be
15 submitted through the Nationwide Multistate Licensing System made
16 in the form and medium to be prescribed by the department by
17 regulation, utilizing the Nationwide Multistate Licensing System. The
18 department shall require each application to be accompanied by a
19 nonrefundable fee.

20 b. An applicant shall provide the following information relevant
21 to the applicant's proposed digital asset business activity:

22 (1) the legal name of the applicant, each current or proposed
23 business address of the applicant, and any fictitious or trade name the
24 applicant uses or plans to use in conducting its digital asset business
25 activity with or on behalf of a resident;

26 (2) the legal name, any former or fictitious name, and the
27 residential and business address of each ¹**【executive officer】** key
28 individual¹ and responsible individual of the applicant, and each
29 controlling person of the applicant;

30 (3) a concise description of the current and former business of the
31 applicant for the five years before the application is submitted or if the
32 business has operated for less than five years, for the time the business
33 has operated, including its products and services and the digital asset
34 business services that the applicant seeks to provide in this State;

35 (4) the name, address, and telephone number of a person who
36 manages each server the applicant expects to use in conducting its
37 digital asset business activity with or on behalf of a resident;

38 (5) a list of all other states in which the applicant is licensed to
39 engage in the digital asset business and any license revocation, license
40 suspension, or other disciplinary action taken against the licensee in
41 another state and any license applications rejected by another state;

42 (6) a list of any criminal conviction, deferred prosecution
43 agreement, and pending criminal proceeding in any jurisdiction against
44 the applicant, any ¹**【executive officer】** key individual¹, responsible
45 individual, and controlling person of the applicant, and each person
46 over which the applicant has control;

47 (7) a list of any litigation, arbitration, or administrative proceeding
48 in any jurisdiction in which the applicant, or ¹**【an executive officer】** a

- 1 key individual¹, responsible individual, or controlling person of the
2 applicant has been a party to for the five years before the application is
3 submitted, determined to be material in accordance with generally
4 accepted accounting principles and, to the extent the applicant would
5 be required to disclose the litigation, arbitration, or administrative
6 proceeding in the applicant's audited financial statements, reports to
7 equity owners, and similar statements or reports;
- 8 (8) a list of any bankruptcy or receivership proceeding in any
9 jurisdiction for the 10 years prior to the application's submission in
10 which the applicant, any ¹**[executive officer]** key individual¹,
11 responsible individual, or controlling person of the applicant, or person
12 over which the applicant has control, was a debtor;
- 13 (9) the United States Postal Service address and electronic mail
14 address to which communications from the department may be sent;
- 15 (10) the name, United States Postal Service address, and electronic
16 mail address of the registered agent of the applicant in this State, if
17 applicable;
- 18 (11) a copy of any certificate of coverage for each liability,
19 casualty, business-interruption, or cyber-security insurance policy
20 maintained by the applicant for itself or the applicant's users;
- 21 (12) a description of the structure or organization of the applicant,
22 including any parent or subsidiary of the applicant, and whether any
23 parent or subsidiary is publicly traded;
- 24 (13) if applicable, the date on which and the state in which the
25 applicant is formed, and a copy of a current certificate of good
26 standing issued by that state;
- 27 (14) policies and procedures to be adopted by the applicant to
28 meet any obligations required by anti-money laundering and anti-terror
29 financing laws;
- 30 (15) a copy of the applicant's audited financial statements for the
31 most recent fiscal year and, if available, for the two-year period next
32 preceding the submission of the application;
- 33 (16) a copy of the applicant's unconsolidated financial statements
34 for the current fiscal year, whether audited or not, and if available, for
35 the two-year period next preceding the submission of the application;
- 36 (17) if a corporation has control of the applicant and the
37 corporation's equity interests are publicly traded in the United States, a
38 copy of the audited financial statement of the corporation for the most
39 recent fiscal year or most recent report of the corporation filed under
40 section 13 of the "Securities Exchange Act of 1934," 15 U.S.C. s.78m;
- 41 (18) if a corporation has control of the applicant and the
42 corporation's equity interests are publicly traded outside the United
43 States, a copy of the audited financial statement of the corporation for
44 the most recent documentation similar to that required in paragraph
45 (17) of this subsection, filed with the foreign regulator in the domicile
46 of the corporation;
- 47 (19) if available, for each ¹**[executive officer]** key individual¹,
48 responsible individual, or controlling person of the applicant, for the

- 1 three years before the application is submitted, the employment
2 history, and the history of any enforcement action against the
3 individual or legal proceeding to which the individual was a party;
- 4 (20) a sample form of receipt for transactions that involve money
5 received for the digital asset business;
- 6 (21) disclosure of who maintains control, ownership or access to
7 any private key related to a digital assets consumer's account and
8 information where the private key is held and the manner in which the
9 private key is held; and
- 10 (22) a list of all agents authorized to represent or conduct business
11 on behalf of the digital asset business.
- 12 c. At the time of application and within 45 days after the end of
13 each calendar quarter, each digital asset business shall file with the
14 department in writing a list of all agents that have been added or
15 terminated by the licensee, if any. The list shall include the name and
16 business address of each location.
- 17 d. The department may conduct a criminal history records check
18 of the applicant, any controlling persons, ¹**【executive officers】** key
19 individuals¹, and responsible individuals of the applicant and require
20 the applicant to submit the fingerprints of those persons as part of the
21 application. The department is authorized to exchange fingerprint data
22 with and receive criminal history record information from the State
23 Bureau of Identification in the Division of State Police and the Federal
24 Bureau of Investigation consistent with applicable State and federal
25 laws, rules and regulations, for the purposes of facilitating
26 determinations concerning licensure eligibility for the applicant, any
27 controlling persons, ¹**【executive officers】** key individuals¹, and
28 responsible individuals of the applicant. The applicant shall bear the
29 cost for the criminal history record background check, including all
30 costs of administering and processing the check. The Division of State
31 Police shall promptly notify the department in the event any person
32 who was the subject of a criminal history record background check
33 pursuant to this section, is arrested for a crime or offense in this State
34 after the date the background check was performed, whether the
35 person is a prospective new licensee, or subsequently, a current license
36 holder.
- 37 e. No license shall be issued by the department to an individual
38 who has, within the five years preceding the submission of an
39 application for a license, been convicted of embezzlement, forgery,
40 fraud, or theft.
- 41
- 42 5. a. The department shall grant or deny any digital asset
43 business license application within 120 days of completed
44 application.
- 45 b. The department may refuse an application for a digital asset
46 business license or license reciprocity application if:
- 47 (1) the application is incomplete in a material respect;

- 1 (2) the application includes false, misleading, or inaccurate
2 information;
- 3 (3) any applicant, controlling person, key individual, or
4 responsible individual of an applicant has engaged in dishonest or
5 unethical practices in a digital asset business or in the securities
6 commodities, banking, insurance, or investment advisory business;
7 or
- 8 (4) Any material aspect of the license application as represented
9 by the application requirements contained in section 4 of this act.
- 10 c. A license issued pursuant to this act shall not be
11 transferrable or assignable.
12
- 13 6. a. A licensee may apply for an annual renewal of a license by:
14 (1) paying a renewal fee in an amount determined by the
15 department pursuant to regulation;
- 16 (2) submitting to the department through the Nationwide
17 Multistate Licensing System the renewal report required pursuant to
18 subsection b. of this section.
- 19 b. A license renewal report required pursuant to this section shall
20 be submitted in a form and medium prescribed by the department by
21 regulation. The report shall contain an update of all information
22 required at initial licensing and a description of any:
- 23 (1) material change in the financial condition of the licensee;
- 24 (2) material litigation involving the licensee or ¹an executive
25 officer] a key individual¹, responsible individual, or controlling
26 person of the licensee;
- 27 (3) license suspension or revocation proceeding commenced, or
28 other action taken, involving a license to conduct digital asset business
29 activity issued by another state on which reciprocal licensing is based;
- 30 (4) federal or state action involving the licensee;
- 31 (5) material change in the business of the licensee; and
- 32 (6) changes to the ¹executive officers] key individuals¹ of the
33 licensee.
- 34 c. If a license is suspended for failure to file an annual renewal,
35 the license shall be reinstated if the licensee files a renewal report and
36 pays a fee, in an amount determined by the department pursuant to
37 regulation.
38
- 39 7. a. The department may suspend or revoke a digital asset
40 business license upon finding that:
- 41 (1) the department has been provided with false, misleading, or
42 inaccurate information by or on behalf of the licensee;
- 43 (2) the clients of a licensee have been provided with false,
44 misleading, or inaccurate information by or on behalf of the
45 licensee;
- 46 (3) any controlling person, responsible individual, key
47 individual, or agent of a licensee has engaged in dishonest or

1 unethical practice in a digital asset business or in the securities,
2 commodities, banking, insurance, or investment advisory business;

3 (4) the licensee fails to provide documents requested by the
4 department;

5 (5) the licensee fails to renew its license; or

6 (6) the licensee fails safety and soundness as prescribed by the
7 department.

8 c. The department may provide a warning notice to a licensee
9 if the department suspects that a condition permitting suspension or
10 revocation has occurred.

11 d. Any warning notice, suspension, or revocation issued by the
12 department shall state the reasons for which it is given.

13 e. The department may issue general guidance to industry
14 participants on how to best protect the interests of clients.

15 f. (1) Whenever it appears to the department that any person
16 has violated, is violating or is about to violate any of the provisions
17 of this act, or any regulation adopted pursuant to this act, or any
18 licensee or any owner, director, officer, member, partner,
19 shareholder, trustee, employee or agent of a licensee has committed
20 any fraud, engaged in dishonest activities or made any
21 misrepresentation, the department may bring a civil suit in a court
22 of competent jurisdiction to enjoin the violation or potential
23 violation, seek civil penalties pursuant to paragraph (2) of this
24 subsection, or both.

25 (2) Any person who violates any provision of this act shall be
26 liable, in a civil action brought by the department in a court of
27 competent jurisdiction, for a penalty of not more than \$10,000 for
28 the first violation, and \$20,000 for the second and each subsequent
29 offense. The penalty shall be paid to the department to be used in
30 accordance with this act and shall be collected pursuant to the
31 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
32 10 et seq.). The court shall also award court costs and reasonable
33 attorneys' fees to the department.

34 g. Each licensee shall maintain and enforce confidential,
35 written compliance policies, including policies with respect to anti-
36 fraud, anti-money laundering, cyber security, privacy and
37 information security, which shall be reviewed and approved by the
38 licensee's board of directors or an equivalent governing body.

39

40 8. Any denial, suspension, or revocation of a license, or
41 warning notice issued by the department shall prominently indicate
42 that a right of appeal is available. A licensee or prospective
43 licensee which is aggrieved by a decision of the department may
44 appeal the decision by filing a request for a hearing before the
45 Office of Administrative Law.

46

47 9. a. (1) A licensee shall provide to the department in a
48 reasonable amount of time any document relating to the operations

1 of the licensee upon receiving a written request from the
2 department.

3 (2) Any notice requiring the production of documents pursuant
4 to this section shall include the reasons for which it is given.

5 b. A licensee shall give written notice to the department within
6 five days if there are any changes in the identities of the licensee's
7 ¹[executive officers] key individuals¹, responsible individuals, or
8 controlling persons.

9 c. A licensee shall maintain a record of all client transactions
10 for a period of not less than six years from the date the transaction
11 occurred.

12

13 10. a. The terms and conditions of a digital asset business
14 involving a consumer's account shall be disclosed as part of
15 establishing a relationship with a customer and prior to entering into
16 an initial transaction with the customer at the time the consumer
17 contracts for a digital asset business service. A disclosure shall be
18 full and complete, contain no material misrepresentations, be in
19 readily understandable language and may include, as appropriate
20 and to the extent applicable:

21 (1) a schedule of fees and charges the licensee may assess, the
22 manner by which fees and charges will be calculated if they are not
23 set in advance and disclosed, and the timing of the fees and charges;

24 (2) whether a consumer's account is protected by the Federal
25 Deposit Insurance Corporation;

26 (3) whether there is support for forked networks of each digital
27 asset;

28 (4) that investment in digital assets is volatile and subject to
29 market loss;

30 (5) that investment in digital assets may result in total loss of
31 value;

32 (6) that legal, legislative and regulatory changes may impair the
33 value of digital assets;

34 (7) that consumers should perform research before investing in
35 digital assets;

36 (8) that transfers of digital assets are irrevocable, if applicable;

37 (9) how liability for an unauthorized, mistaken or accidental
38 transfer shall be apportioned;

39 (10) that digital assets are not legal tender in any jurisdiction;

40 (11) that digital assets may be subject to cyber theft or theft and
41 become unrecoverable;

42 (12) that losing private key information may result in permanent
43 total loss of access to digital assets;

44 (13) under what circumstances the digital asset business will in
45 the ordinary course of business disclose information concerning the
46 consumer's account to third parties; and

47 (14) any other material investment risks.

1 b. All disclosures required by this act shall be displayed and
2 individually agreed to by a consumer before any digital asset
3 transaction at an electronic kiosk. Any fee to be charged shall be
4 displayed and individually agreed to by a consumer before any
5 digital asset transaction or digital asset balance inquiry at an
6 electronic kiosk.

7 c. A licensee that has custody of digital assets for one or more
8 persons shall maintain in its custody an amount of each type of
9 digital assets sufficient to satisfy the aggregate entitlements of the
10 persons to the type of digital asset.

11 d. Each licensee shall establish and maintain written policies
12 and procedures to fairly and timely resolve customer complaints.

13 e. Each licensee shall provide, in a clear and conspicuous
14 manner, on its website or websites, and in all physical locations the
15 following disclosures:

16 (1) the licensee's mailing address, e-mail address, and telephone
17 number for the receipt of complaints;

18 (2) a statement that the complainant may also bring a complaint
19 to the attention of the department; and

20 (3) the department's mailing address, website, and telephone
21 number.

22 f. The department may audit a licensee's compliance with this
23 section.

24
25 11. Authority of department.

26 a. The department shall have the authority to conduct
27 investigations and examinations as follows:

28 (1) for purposes of initial licensing, license renewal, license
29 suspension, license conditioning, license revocation or termination, or
30 general or specific inquiry or investigation to determine compliance
31 with this act, the department may access, receive and use any books,
32 accounts, records, files, documents, information or evidence including,
33 but not limited to:

34 (a) criminal, civil and administrative history information;

35 (b) financial statements and any other records of financial
36 condition of the licensee, any control person of the licensee, and any
37 business entity exerting control over the licensee;

38 (c) personal history and experience information, including
39 independent credit reports obtained from a consumer reporting agency
40 described in section 603(p) of the "Fair Credit Reporting Act" 15
41 U.S.C. s.1681a(p); and

42 (d) any other documents, information or evidence the department
43 deems relevant to the inquiry or investigation regardless of the
44 location, possession, control or custody of the documents, information
45 or evidence; and

46 (2) for the purposes of investigating violations or complaints
47 arising under this act, or for the purposes of examination, the
48 department may review, investigate, or examine any digital asset

1 business licensee or person subject to this act as often as necessary in
2 order to carry out the purposes of this act. The commissioner may
3 direct, subpoena, or order the attendance of and examine under oath all
4 persons whose testimony may be required about digital assets, digital
5 consumer assets, virtual currency or the business or subject matter of
6 any examination or investigation, and may direct, subpoena or order
7 the person to produce books, accounts, records, files and any other
8 documents the department deems relevant to the inquiry.

9 b. A digital asset business licensee or any person subject to this
10 act shall make or compile reports or prepare other information as
11 directed by the department in order to carry out the purposes of this
12 section including accounting compilations, information lists and data
13 concerning digital asset, digital consumer asset, or virtual currency
14 transactions in a format prescribed by the commissioner or any other
15 information the department deems necessary to carry out the purposes
16 of this act.

17 c. In making an examination or investigation authorized by this
18 section, the department may control access to any documents and
19 records of the digital asset business or person under examination or
20 investigation. The commissioner may take possession of the
21 documents and records or place a person in exclusive charge of the
22 documents and records in the place where they are usually kept.
23 During the period of control, no person shall remove or attempt to
24 remove any of the documents and records except pursuant to a court
25 order or with the consent of the department. Unless the commissioner
26 has reasonable grounds to believe the documents or records of the
27 digital asset business or person have been, or are at risk of being,
28 altered or destroyed for purposes of concealing a violation of this act,
29 the digital asset business or owner of the documents and records shall
30 have access to the documents or records as necessary to conduct its
31 ordinary business affairs.

32 ¹[d. For purposes of conducting the authority of the department,
33 addition of required resources as follows: 4 examiners, 2 licensing
34 investigators and 2 enforcement investigators.]¹

35
36 12. a. Notwithstanding any other provision of law, all
37 information or reports obtained by the department from an
38 applicant, licensee or agent, whether obtained through reports,
39 applications, examinations, audits, investigations, or otherwise,
40 including, but not limited to: (1) all information contained in or
41 related to examination, investigation, operating, or condition reports
42 prepared by, or on behalf of, or for the use of the department; or (2)
43 financial statements, balance sheets, or authorized delegate
44 information, are confidential and may not be disclosed or
45 distributed outside the department by the department or any officer
46 or employee of the department. The department, however, may
47 provide for the release of information to representatives of state or
48 federal agencies and foreign countries having regulatory or

1 supervisory authority over the activities of the licensee or similar
2 licensees if those representatives, upon request of the
3 commissioner, disclose similar information respecting those
4 licensees under their regulation or supervision, or to those
5 representatives who state in writing under oath that they shall
6 maintain the confidentiality of that information.

7 b. The department may:

8 (1) disclose the fact of filing of applications with the department
9 pursuant to this act, give notice of a hearing, if any, regarding those
10 applications, and announce an action thereon;

11 (2) disclose final decisions in connection with proceedings for
12 the suspension or revocation of licenses issued pursuant to this act;

13 (3) prepare and circulate reports reflecting the assets and
14 liabilities of digital asset businesses in general, including other
15 information considered pertinent to the purpose of each report for
16 general statistical information; and

17 (4) prepare and circulate reports as provided by law.

18 c. Every official report of the department is prima facie
19 evidence of the facts therein stated in any action or proceeding
20 wherein the department is a party.

21 d. Nothing in this section shall be construed to prevent the
22 disclosure of information that is admissible in evidence in any civil
23 or criminal proceeding brought by or at the request of the
24 department or this State to enforce or prosecute violations of this
25 act or the rules, regulations or orders issued or promulgated
26 pursuant to this act.

27

28 13. Section 2 of P.L.2005, c.199 (C.17:1C-34) is amended to
29 read as follows:

30 2. For the purposes of this act:

31 "Assessment" means the assessment imposed pursuant to section
32 3 of this act for the special functions of the division as provided in
33 that section.

34 "Commissioner" means the Commissioner of Banking and
35 Insurance.

36 "Department" means the Department of Banking and Insurance.

37 "Depository institution" means any entity holding a state charter
38 for a bank, savings bank, savings and loan association or credit
39 union, irrespective of whether the entity accepts deposits.

40 "Division" means the Division of Banking in the Department of
41 Banking and Insurance.

42 **["Nationwide Mortgage Licensing System and Registry" means**
43 **the mortgage licensing system developed and maintained by the**
44 **Conference of State Bank Supervisors and the American**
45 **Association of Residential Mortgage Regulators, or their**
46 **successors, and utilized in this State pursuant to the provisions of**
47 **the "New Jersey Residential Mortgage Lending Act," sections 1**
48 **through 39 of P.L.2009, c.53 (C.17:11C-51 et seq.).】**

1 "Nationwide Multistate Licensing System" means the licensing
2 system owned and operated by the State Regulatory Registry, LLC,
3 a wholly-owned subsidiary of the Conference of State Bank
4 Supervisors, which functions as a system of record for non-
5 depository, financial services licensing or registration in
6 participating state agencies, including the District of Columbia and
7 the United States Territories of Puerto Rico, the US Virgin Islands,
8 and Guam, where it is the official system for companies and
9 individuals seeking to apply for, amend, renew, and surrender
10 license authorities.

11 "Other financial entity" means a person who is licensed or
12 registered pursuant to: the "New Jersey Consumer Finance
13 Licensing Act," sections 1 through 49 of P.L.1996, c.157
14 (C.17:11C-1 et seq.); the "New Jersey Residential Mortgage
15 Lending Act," sections 1 through 39 of P.L.2009, c.53 (C.17:11C-
16 51 et seq.), other than a financial entity with respect to the payment
17 of required fees to the Nationwide **【Mortgage】** Multistate Licensing
18 System **【and Registry】** as set forth by that nationwide system and
19 registry; "The Check Cashers Regulatory Act of 1993," P.L.1993,
20 c.383 (C.17:15A-30 et seq.); the "New Jersey Money Transmitters
21 Act," P.L.1998, c.14 (C.17:15C-1 et seq.); the "Insurance Premium
22 Finance Company Act," P.L.1968, c.221 (C.17:16D-1 et seq.); the
23 "Retail Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1
24 et seq.); the "Door-to-Door Retail Installment Sales Act of 1968,"
25 P.L.1968, c.223 (C.17:16C-61.1 et seq.); the "Home Repair
26 Financing Act," P.L.1960, c.41 (C.17:16C-62 et seq.); the "Door-to-
27 Door Home Repair Sales Act of 1968," P.L.1968, c.224 (C.17:16C-
28 95 et seq.); P.L.1979, c.16 (C.17:16G-1 et seq.); the "Foreclosure
29 Rescue Fraud Prevention Act," P.L.2011, c.146 (C.46:10B-53 et
30 al.); the "Mortgage Servicers Licensing Act," P.L.2019, c.65
31 (C.17:16F-27 et al.); the provisions of P.L.2019, c.200 (C.17:16ZZ-
32 1 et al.); or the "pawnbroking law," R.S.45:22-1 et seq; or the
33 "Digital Asset and Blockchain Technology Act"
34 P.L. , c. (C.) (pending before the Legislature as this bill).

35 "Regulated entity" means a depository institution, other financial
36 entity or person chartered, licensed or registered by the Division of
37 Banking or who should be chartered, licensed or registered.
38 (cf: P.L.2019, c.200, s.17)

39

40 14. This act shall take effect on the first day of the sixth month
41 next following enactment, except the commissioner may take any
42 anticipatory administrative action in advance as shall be necessary
43 for the implementation of this act.