

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 1297**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1297 (1R).

As amended and reported, this bill requires the Chief Administrator of the New Jersey Motor Vehicle Commission (commission) to create and issue, in addition to the printed, hard-copy driver's license or non-driver identification card issued by the commission, a digital driver's license or digital non-driver identification card to any individual who voluntarily requests such electronic documentation and who meets all requirements for the issuance of a basic driver's license, motorcycle license, probationary license, or non-driver identification card, as applicable. The commission may charge and collect a reasonable fee for the issuance of either a digital driver's license or digital non-driver identification card pursuant to current law.

When issuing a digital driver's license or digital non-driver identification card, the commission is required to ensure the security and integrity of the license and identification card to protect each holder's personal information, including protection against unauthorized access to such information. The chief administrator is to prescribe a process for the issuance of digital driver's licenses and digital non-driver identification cards to prevent and detect the alteration, duplication, counterfeiting, photographing, forging, or other modification of the digital driver's license and digital non-driver identification card.

The commission is not to revoke or withdraw an individual's access to a digital driver's license or digital non-driver identification card unless certain criteria are met, as outlined in the bill. The bill also requires digital driver's licenses, digital non-driver identification cards, and the motor vehicle records associated with such electronic documentation to comply with certain provisions of current law concerning basic driver's licenses and identification cards.

A signed application for a digital driver's license or digital non-driver identification card constitutes the applicant's informed

consent for the sharing of the applicant's personal information for the sole purpose of issuing the applicant a digital driver's license or digital non-driver identification card. The commission is to allow a person with a digital driver's license or a digital non-driver identification card, or a person applying for such driver's license or identification card, to update the person's motor vehicle record, including, but not limited to, a change of address and organ donor status. Such changes are to immediately become part of the person's official motor vehicle record. Additionally, the commission is to ensure that a digital driver's license or a digital non-driver identification card is accessible to and usable by persons with disabilities and, in consultation with the Attorney General, to provide information on its Internet website to educate the public as to the availability and use of digital driver's licenses and digital non-driver identification cards.

In addition, the bill requires that a digital driver's license or digital non-driver identification card include standard technical and administrative measures that verifiers are to use to identify and authenticate themselves to a holder's digital wallet. A digital wallet containing a New Jersey digital driver's license or digital non-driver identification card is to display to a holder which data is being requested by a verifier and the verifier's identity and then allow the holder to select which data is and is not transmitted to the verifier. The digital wallet is to keep a log of each requesting verifier, the data that was requested, and the data that was transmitted to that verifier, if any. The log is to be available exclusively to the holder, who may, at will, delete any or all of the information contained in the log. Additionally, a holder may carry a digital driver's license or digital non-driver identification card in any digital wallet of the holder's choice that complies with widely-accepted standards for security, including any appropriate encryption standards as identified by the commission or the Attorney General, as appropriate.

Under the bill, no verifier or entity contracting with the commission may collect, retain, share, or use information from a digital driver's license or digital non-driver identification card for longer than what is strictly necessary for the purpose for which that information was presented. No provider of a digital wallet or of a verification tool operating in the State is to access, collect, retain, share, or use identifiable data about a holder's digital driver's license or digital non-driver identification card, or about the use of such electronic documentation, except as required by State or federal law or regulation.

A holder of a digital driver's license or digital non-driver identification card is not required to give physical possession of the holder's electronic device to any other person or entity in order to use such electronic documentation for identity verification. No

person or entity, including any law enforcement officer, is to take physical possession of a holder's electronic device for purposes of verifying the holder's identity.

Under the bill, if a holder displays or gives physical possession of their electronic device to any other person or entity in order to use the digital driver's license or digital non-driver identification card for identity verification, the display or surrender of physical possession is not to constitute the holder's consent to a search or the holder's consent for access to any information other than that which is immediately available on such electronic documentation. Information incidentally obtained in the process of viewing a digital driver's license or digital non-driver identification card to verify the identity of the holder is not to be used to establish probable cause for a warrant to search the holder's electronic device. Any request for remote access to a digital driver's license or digital non-driver identification card for the purposes of identity verification is to comply with specific provisions as outlined in the bill. A holder's consent to grant remote access to the holder's digital driver's license or digital non-driver identification card is not to constitute consent to a search, nor is it to constitute consent for access to any information other than that which is immediately available on such electronic documentation. Information incidentally obtained in the process of remotely accessing a digital driver's license or digital non-driver identification card is not to be used to establish probable cause for a warrant to search the electronic device.

The holder of a digital driver's license or digital non-driver identification card is not required to use such electronic documentation instead of a printed, hard-copy driver's license or printed, hard-copy non-driver identification card for the purpose of identity verification. The holder's choice to obtain a digital driver's license or digital non-driver identification card does not preclude the holder's use of a printed, hard-copy driver's license or printed, hard-copy non-driver identification card under any circumstances.

The commission is required to display on the appropriate webpage on its Internet website information concerning the requirement for verifiers and digital wallet providers to report cybersecurity incidents as well as information that encourages residents to remain alert for cybersecurity incidents when using a digital driver's license or digital non-driver identification card. All verifiers and digital wallet providers are required to report any and all cybersecurity incidents to the commission in a form and manner prescribed by the commission and to the New Jersey Office of Homeland Security and Preparedness.

Under the bill, the commission or an entity designated by the commission is required to issue a report to the Governor and to the Legislature prior to the end of the second year following the bill's enactment certain information outlined in the bill.

The bill imposes certain restrictions on a verifier and provides that a verifier that violates the bill's provisions is to be subject to certain civil penalties.

The bill amends current law to provide that a driver's license may be displayed or provided in either printed, hard-copy form or as a digital driver's license and, regardless of which form, as issued by the commission. If the driver's license is displayed or provided as a digital driver's license, the driver's license is to be presented in such a manner that there is no requirement to relinquish possession of the person's electronic device. A digital copy, photograph, or image of a driver's license that is not issued by the commission as a digital driver's license and downloaded on an electronic device, pursuant to the requirements of the commission, is not to be deemed a valid electronic form of a driver's license. A judge may permit a person to provide a digital copy, photograph, or image of that person's valid driver's license, registration, and insurance card in certain circumstances. Nothing in the bill is to be construed to prohibit a municipal prosecutor, court clerk, or court administrator from viewing a digital driver's license within the scope of their official duties.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) define "attribute authentication," "chief administrator," "commission," "digital driver's license," "digital non-driver identification card," "digital wallet," "electronic device," "holder," "personal information," "person," "presentation," "selective disclosure," "verification tool," and "verifier";

(2) remove definitions for "mobile driver's license," "mobile electronic communication device," and "mobile identification card";

(3) replace references to "mobile driver's license" with "digital driver's license" and replace references to "mobile identification card" with "digital non-driver identification card" throughout the bill;

(4) require the commission to equip digital driver's licenses and digital non-driver identification cards with certain features outlined in the bill to ensure the security and integrity of such electronic documentation in order to protect a holder's personal information;

(5) prohibit the commission from revoking or withdrawing a holder's access to a digital driver's license or digital non-driver identification card unless the commission makes certain determinations;

(6) expand specific provisions of law to include digital driver's licenses, digital non-driver identification cards, and the motor vehicle records associated with such electronic documentation;

(7) provide that a signed application for a digital driver's license or digital non-driver identification card constitutes the applicant's informed consent for the sharing of the applicant's personal

information for the sole purpose of issuing the applicant such electronic documentation;

(8) provide that the commission is to ensure that a digital driver's license and a digital non-driver identification card are accessible to and usable by persons with disabilities;

(9) require the commission, in consultation with the Attorney General, to provide information on its Internet website to educate the public as to the availability and use of digital driver's licenses and digital non-driver identification cards;

(10) provide that a digital driver's license or digital non-driver identification card is to include standard technical and administrative measures that verifiers are to use to identify and authenticate themselves to a holder's digital wallet;

(11) require a digital wallet that holds a digital driver's license or digital non-driver identification card to display to a holder which data is being requested by a verifier, display to a holder the verifier's identity, and allow the holder to select which data is and is not transmitted to the verifier;

(12) require a digital wallet that holds a digital driver's license or digital non-driver identification card to keep a log of each requesting verifier, the data that was requested, and the data that was transmitted, if any;

(13) provide that the log kept by a digital wallet, as required under the bill, is to be available exclusively to the holder, who may, at will, delete any or all of the information contained in the digital wallet;

(14) permit a holder to carry a digital driver's license or digital non-driver identification card in any digital wallet of the holder's choice, provided that the digital wallet complies with widely-accepted standards for security, including appropriate encryption standards as determined by the commission or the Attorney General, as appropriate;

(15) prohibit a verifier or an entity contracting with the commission from collecting, retaining, sharing, or using information from a digital driver's license or digital non-driver identification card for longer than what is strictly necessary for the purpose for which that information was presented;

(16) prohibit a provider of a digital wallet or of a verification tool operating in the State from accessing, collecting, retaining, sharing, or using identifiable data about a holder's digital driver's license or digital non-driver identification card, or about the use of such electronic documentation, except as required by State or federal law or regulation;

(17) provide that the holder of a digital driver's license or digital non-driver identification card is not required to give physical possession of their electronic device to any other person or entity in order to use such electronic documentation for identity verification and that no person or entity, including any law enforcement officer, is to

take physical possession of a holder's electronic device for purposes of verifying the holder's identity;

(18) provide that, if a holder displays or gives physical possession of the holder's electronic device to any other person or entity in order to use a digital driver's license or digital non-driver identification card for identity verification or provides consent to grant remote access to such electronic documentation, the display, surrender, or consent to remote access is not to constitute the holder's consent to a search or access to any information other than that which is immediately available on such electronic documentation;

(19) provide that any information incidentally obtained from a digital driver's license or digital non-driver identification card by a person or entity while viewing such electronic documentation for the purposes of identity verification is not to be used to establish probable cause for a warrant to search the holder's electronic device;

(20) provide that any request for remote access to a digital driver's license or digital non-driver identification card for the purposes of identity verification is to comply with certain requirements;

(21) clarify that a holder is not required to use a digital driver's license or digital non-driver identification card instead of a printed, hard-copy license or identification card for the purpose of identity verification and that the holder's choice to obtain such electronic documentation does not preclude the holder's use of a printed, hard-copy license or identification card under any circumstances;

(22) establish certain restrictions on verifiers as outlined in the bill;

(23) prohibit a State agency or political subdivision from taking certain actions outlined in the bill;

(24) require the commission to display certain information about cybersecurity on its Internet website and to require certain persons to report all cybersecurity incidents to the commission and to the New Jersey Office of Homeland Security and Preparedness;

(25) require the commission, or a designee, to submit a report to the Governor and the Legislature describing items outlined in the bill;

(26) authorize judges to permit a person charged with violating certain provisions of the bill to provide a digital copy, photograph, or image of that person's valid driver's license, registration, and insurance card;

(27) provide that nothing in the bill is to prohibit a municipal prosecutor, court clerk, or court administrator from viewing a digital driver's license within the scope of their official duties;

(28) provide that a verifier that violates provisions of the bill is to be subject to civil penalties and authorize the Attorney General to issue guidance or directives or promulgate rules and regulations to effectuate the purposes and enforcement of the bill;

(29) permit a driver's license to be displayed to police officers or judges as a digital driver's license rather than displayed in electronic form;

(30) clarify that the rules and regulations implemented by the chief administrator are to be those that the chief administrator deems necessary after consulting with the Administrative Office of the Courts and the Attorney General;

(31) change the effective date of the bill from 72 months to 44 months; and

(32) revise the bill's title and synopsis.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.