

LEGISLATIVE FISCAL ESTIMATE
[Second Reprint]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4015
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JULY 2, 2026

SUMMARY

- Synopsis:** “New Jersey Kids Code Act”; adopts New Jersey Age-Appropriate Design Code and requires certain online service providers to implement certain measures concerning minors’ use of online service.
- Type of Impact:** Annual State expenditure and revenue increases.
- Agencies Affected:** Department of Law and Public Safety. Department of Health.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates the bill may increase annual State costs for the Department of Law and Public Safety to provide guidelines and enforce the bill’s provisions and for the Department of Health to provide certain guidelines. There may also be indeterminate annual State revenue increases from monetary penalties and damages collected from violators of the bill’s provisions.
- The OLS concludes there may be an indeterminate annual State revenue increase from monetary penalties and damages collected from violators of the bill’s provisions. The OLS, however, has no information on which to estimate the number and magnitude of future penalty assessments and payments, and thus cannot project the amount the State will collect.

BILL DESCRIPTION

The bill, designated as the New Jersey Kids Code Act and to be cited as the New Jersey Age-Appropriate Design Code, requires a covered online service provider to implement certain measures to protect minors’ online privacy.

Under the bill, a covered online service provider is required to provide a covered child or covered minor with certain prescribed safeguards to ensure their safety. The Office of the Attorney General in the Department of Law and Public Safety may adopt rules and regulations to implement the bill's provisions, and the Department of Health may adopt additional criteria for what constitutes "compulsive use."

A violation of the bill's provisions or any rules adopted thereunder will constitute an unlawful practice and violation of the New Jersey consumer fraud act, P.L.1960, c.39. A violation of the consumer fraud act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense.

In addition, the Office of the Attorney General has the authority to conduct civil investigations, bring civil actions, and enter into assurances of discontinuance. The bill provides that a covered child or covered minor that is injured by a violation of the provisions of the bill may bring a civil action against a covered online service provider and that the Office of the Attorney General or the parent of a covered child or covered minor that is injured by a violation of the provisions of the bill may bring a civil action on behalf of the covered child or covered minor and against the covered online service provider.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates the bill may increase annual State costs for the Department of Law and Public Safety to provide guidelines and enforce the bill's provisions and for the Department of Health to provide certain guidelines, and may create indeterminate annual State revenue increases from monetary penalties and damages collected from violators of the bill's provisions.

State Expenditure Increase: The OLS finds that the Office of the Attorney General in the Department of Law and Public Safety and the Department of Health would each incur a one-time expenditure increase to promulgate the guidance regarding the bill's provisions.

Further, the OLS finds that annual expenditures by the Office of the Attorney General in the Department of Law and Public Safety would increase for civil investigations, civil enforcement actions, and potential litigation. The magnitude of these costs, as well as any associated court costs, is indeterminate and would depend on the extent to which there are violations of the bill's provisions.

State Revenue Increase: The bill's provisions establish an unlawful practice and under the consumer fraud act, which is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense.

Further, the bill provides that the Office of the Attorney General has the authority as provided under the consumer fraud act to bring civil actions and enter into assurances of discontinuance. For any negligent or greater violation, a court may award a prevailing plaintiff, as appropriate: (1) \$5,000 per violation or treble damages, whichever is greater; (2) punitive damages for reckless or knowing violations; (3) injunctive relief; (4) declaratory relief; and (5) attorney's fees and litigation costs.

The OLS, however, has no information on which to estimate the number and magnitude of future penalty assessments and payments, and thus cannot project the amount the State will collect.

Section: Law and Public Safety

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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.).