FISCAL NOTE

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, Nos. 2316 and 4109

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JUNE 22, 2026

SUMMARY

Synopsis: Regulates data brokers and collection and dissemination of certain sensitive information.

Type of Impact: Annual State revenue and expenditure increases.

Agencies Affected: Department of Law and Public Safety.

Executive Estimate

Annual Fiscal Impact	
State Revenue Increase	$2.5 million

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Revenue Increase	At least $2.5 million
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) generally **concurs** with the Executive revenue estimate in the FY 2027 Governor's Budget that the new licensing system for commercial data brokers would generate about $2.5 million in fee revenues annually beginning in FY 2027. However, the OLS notes that additional indeterminate revenues over this amount will accrue to the State each year from the civil penalties established in the bill.

- The OLS also finds that annual State costs will increase by an indeterminate amount for the Division of Consumer Affairs in the Department of Law and Public Safety to establish and maintain a public registry of data brokers engaged in processing personal data of New Jersey consumers and to enforce the provisions of the bill.

BILL DESCRIPTION

This bill prohibits a controller of a commercial website or online service from selling sensitive consumer data, which prohibition will apply to all individuals or legal entities regardless of the number of consumers whose data the individual or entity controls or processes.

The bill requires data brokers to register with the Division of Consumer Affairs in the Department of Law and Public Safety and prohibits the brokering of physical or behavioral health records. Specifically, the bill requires the division to establish and maintain a public registry of data brokers doing business in New Jersey. Data brokers are required to register with the division, pay an annual registration fee of $5,500 or other amount established by regulation, and provide the division with certain information about the data broker's business. Collected registration fees will be used to implement the provisions of the bill.

Under the bill, data brokers are required to submit certain information to the division at the time of registration, and the division is required to review and update this information at least annually.

The bill establishes that data brokers that fail to submit and update information as required, or that fail to register and pay the registration fee required under the bill, will be liable for a civil penalty of $2,500 for each day the data broker is not in compliance.

A data broker, including a controller, that sells, offers for sale, licenses, or otherwise furnishes, provides, or transmits to any other individual sensitive data will be liable for a civil penalty of $50,000 for each record sold, offered for sale, licensed, or otherwise furnished, provided, or transmitted.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The FY 2027 Governor's Budget estimates that the new licensing system for commercial data brokers will generate $2.5 million in annual fee revenue.

OFFICE OF LEGISLATIVE SERVICES

The OLS generally **concurs** with the Executive estimate in the FY 2027 Governor's Budget that the new licensing system for commercial data brokers would generate about $2.5 million in fee revenues annually beginning in FY 2027. However, the OLS notes that additional indeterminate revenues over this amount will accrue to the State each year from the civil penalties established in the bill. The OLS found five other states (California, Vermont, Texas, Oregon, and Connecticut) that require the registration of data brokers, although similarities with the New Jersey bill vary considerably. For background information, California has registered approximately 575 data brokers under its data privacy law. With the registration fee for 2026 set at $6,000, California is expected to generate $3.5 million in fees annually. In New Jersey, the Executive revenue estimate of $2.5 million in revenues based on the $5,500 registration fee suggests that about 450 data brokers are projected to register under the bill, which the OLS concludes is in the realm of probable outcomes.

The OLS also finds that annual State costs will increase by an indeterminate amount for the Division of Consumer Affairs in the Department of Law and Public Safety to establish and maintain a public registry of data brokers engaged in processing personal data of New Jersey consumers and to enforce the provisions of the bill.

Section:	*Law and Public Safety*
Analyst:	*Kristin Brunner Santos* *Lead Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

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.).