LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3997

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 29, 2026

SUMMARY

Synopsis: Prohibits class action waivers in residential rental agreements for claims arising from violations of rent control laws.

Type of Impact: Annual State revenue and expenditure increases.

Agencies Affected: The Judiciary; Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Revenue Increase	Indeterminate
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will result in increased State revenues to the extent that a landlord violates the bill's provisions concerning class action waivers. In addition to penalties for consumer fraud act violations, a landlord in violation of the bill's provisions would also be liable to a penalty of $1,000 per dwelling unit.

- The OLS finds the Department of Law and Public Safety and the Judiciary will experience indeterminate cost increases from any enforcement actions and court costs stemming from the bill.

BILL DESCRIPTION

The bill prohibits class action waivers in residential rental agreements for claims arising from violations of rent control laws. In addition to a potential consumer fraud act penalties for certain violations, a landlord found to be in violation of this bill is to be liable to a penalty of $1,000 per affected dwelling unit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will result in increased State revenues to the extent that a landlord violates the bill's provisions concerning class action waivers. In addition to penalties of up to $10,000 for a first offense and up to $20,000 for any subsequent offense for consumer fraud act violations, a landlord in violation of the bill's provisions would also be liable to a penalty of $1,000 per dwelling unit.

The OLS finds the Department of Law and Public Safety and the Judiciary will experience cost increases from any enforcement actions and court costs stemming from the bill.

The OLS is unable to estimate the number of violations of the bill's provisions that will occur and, therefore, cannot estimate the revenue and expenditure increases that may result from the bill.

Section:	*Local Government*
Analyst:	*Abigail Stoyer* *Senior 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.).