

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 4728

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: OCTOBER 22, 2026

SUMMARY

- Synopsis:** Regulates deceptive use of artificial intelligence in photo advertising of certain dwellings.
- Type of Impact:** Annual State revenue and expenditure increases.
- Agencies Affected:** New Jersey Real Estate Commission in the Department of Banking and Insurance; the Judiciary.

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 associated with the collection of civil penalties in the amount of \$500 for a first offense and \$1,000 for each and subsequent offense, to the extent that a seller in a real estate transaction or landlord violates a provision of the bill concerning the use of artificial intelligence in photo advertising of certain dwellings, or a rule or regulation adopted thereto.
- The OLS anticipates that the New Jersey Real Estate Commission in the Department of Banking and Insurance and the Judiciary will experience cost increases to enforce the bill’s provisions.

BILL DESCRIPTION

The bill provides that sellers in real estate transactions, as defined in the bill to include landlords and prospective landlords, and seller’s agents are prohibited from utilizing photos in an advertisement to sell, rent, or lease a dwelling unit or dwelling site that has been, in whole or in part, created or edited with the use of generative artificial intelligence or other photo editing software intended to fundamentally alter an image. The bill also provides that photos used in

advertising a dwelling unit or dwelling site are required to reflect the actual, current state of the dwelling unit or dwelling site and not be older than five years.

A seller who violates the provisions of the bill would be subject to disciplinary action by the New Jersey Real Estate Commission. A seller in violation of the bill would be subject to a civil penalty of \$500 for the first offense and up to \$1,000 for the second and each subsequent offense. The bill requires the commission to promulgate regulations as may be necessary to effectuate the provisions of the bill within one year of the bill's effective date.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will result in increased State revenues associated with the collection of civil penalties in the amount of \$500 for a first offense and \$1,000 for each and subsequent offense, to the extent that a seller in a real estate transaction or landlord violates a provision of the bill, or a rule or regulation adopted thereto. Penalties pursuant to the bill would be collected in a civil action by a summary proceeding under the Penalty Enforcement Law of 1999. The OLS is unable to estimate the number of violations of the bill's provisions that will occur and therefore is unable to estimate the total amount of penalties that may be collected pursuant to the bill.

The OLS anticipates that the New Jersey Real Estate Commission and the Judiciary will experience indeterminate cost increases to enforce the bill's provisions.

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.).