

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2246 (Wicks) – As Amended April 23, 2026

Policy Committee:	Privacy and Consumer Protection	Vote:	13 - 0
	Judiciary		11 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes child privacy and design requirements for businesses providing online services, products, or features likely to be accessed by children. The bill replicates many provisions of the California Age-Appropriate Design Code Act (AADC) of 2022 in a new section of the Business and Professions Code, while omitting and recasting the provisions enjoined or invalidated by the Ninth Circuit in *NetChoice v. Bonta*.

Specifically, this bill:

- 1) Requires covered businesses to estimate the age of child users (using the device-based age verification system established by AB 1043 (Wicks), Chapter 675, Statutes of 2025) or apply child-level privacy protections to all users, configure default privacy settings to a high level of privacy, provide privacy disclosures in clear language suited to the age of children likely to access the service, provide an obvious signal to a child when the child is being monitored or tracked, and provide tools for children and parents to exercise privacy rights.
- 2) Prohibits covered businesses from using a child’s personal information in a way the business knows or has reason to know will cause an average child to experience significant mental suffering or distress, or discrimination on the basis of a protected characteristic; profiling a child by default; collecting, selling, sharing, or retaining personal information not necessary to provide the service; collecting or sharing precise geolocation information by default; using dark patterns to encourage children to provide personal information beyond what is reasonably expected; or using age-estimation information for any other purpose.
- 3) Authorizes the Attorney General to bring civil actions for civil penalties of \$5,000 per affected child for negligent violations and \$15,000 per affected child for intentional violations.
- 4) Provides that penalties, fees, and expenses recovered shall be deposited in the existing Consumer Privacy Fund, with the intent that they offset costs incurred by the Attorney General.
- 5) Provides that the bill does not establish a private right of action.
- 6) Authorizes the Attorney General to adopt regulations to clarify the bill’s requirements.
- 7) Includes a severability clause.

FISCAL EFFECT:

- 1) Possible costs (General Fund, Consumer Protection Fund) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing needed by DOJ to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department would incur significant workload costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur costs.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate any additional filings. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

COMMENTS:

- 1) **Purpose.** According to the author:

As new technology continues to emerge and evolve, there needs to be comprehensive guardrails that protect children and their privacy while they are interacting and consuming content online. Providing more safeguards for children and their privacy is important because its misuse can expose children to harmful material, risks to their mental and physical health, and other challenges. AB 2246 would help make technology and online products safer for children and protect them from risks and features that may be harmful to them.

- 2) **Background.** The California Age-Appropriate Design Code Act (AADC) of 2022, (AB 2273, (Wicks), Chapter 320, Statutes of 2022), codified at Civil Code Section 1798.99.28 *et seq.*, requires businesses providing online services, products, or features likely to be accessed by children to perform data protection impact assessments (DPIAs), estimate the age of users, configure default privacy settings to a high level of privacy, and observe enumerated prohibitions including a ban on using children's personal information in materially detrimental ways, profiling, collecting unnecessary information, collecting precise geolocation by default, and using dark patterns. The AADC is enforceable only by the Attorney General. NetChoice, an industry trade association, challenged the AADC shortly after enactment. In *NetChoice v. Bonta* (9th Circuit 2024) 113 F.4th 1101, the Ninth Circuit upheld a preliminary injunction against the DPIA requirement and related provisions on First Amendment grounds, finding that compelling platforms to identify and document harmful content amounts to content-specific compelled noncommercial speech subject to strict scrutiny. In *NetChoice v. Bonta* (9th Circuit 2026) 170 F.4th 744, the Ninth Circuit upheld a further injunction against the AADC's data use restriction and dark patterns prohibition on

vagueness grounds, finding that terms like “materially detrimental and “best interests of children” provide insufficient guidance to businesses about prohibited conduct. The Ninth Circuit did not enjoin the AADC’s coverage definition or age estimation requirement, and concluded that the coverage definition was likely constitutional on its face.

This bill replicates many of the AADC’s provisions in a new section of the Business and Professions Code, while excising the provisions the court enjoined. Specifically, the bill omits the DPIA requirement and the provisions requiring businesses to enforce their own published policies, and recasts the data use restriction to prohibit use of a child’s personal information in a way that will cause significant mental suffering or distress, or discrimination on the basis of a protected characteristic — a more concrete formulation than the existing AADC’s “materially detrimental” standard. The Privacy and Consumer Protection committee analysis notes that the omission of the offending provisions does not by itself render the bill constitutional, and that further challenges to the bill’s provisions are likely. To the extent the bill is challenged in court, any defense costs would be borne by the Department of Justice.

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