

February 26, 2025

California Senate Bill 763 would increase fines by a hundredfold for criminal violations of the Cartwright Act, the state's antitrust law.

The proposed legislation would also provide, for the first time, specific penalties for civil violations of the Cartwright Act in enforcement actions brought by the California Attorney General or county district attorneys.

On February 21, 2025, California Attorney General Rob Bonta and State Senator Melissa Hurtado (D-Bakersfield) jointly unveiled [Senate Bill 763](#) (

### California Antitrust Law

The Cartwright Act, California's primary antitrust statute, was enacted in 1907 to address cartelization.<sup>5</sup> It is similar to Section 1 of its federal counterpart, the Sherman Act. Both generally prohibit combinations or agreements between two or more entities in restraint of trade, such as agreements to fix prices or to limit production.<sup>6</sup>

The Cartwright Act does not have an analog to Section 2 of the Sherman Act, which governs single firm conduct, i.e., monopolization.<sup>7</sup> In 2022, the California Law Revision Commission was authorized by the state legislature to [study](#), among other things, whether "the law should be revised to outlaw monopolies by single companies as outlawed by Section 2 of the Sherman Act." A recent [staff memorandum](#) provided an initial recommendation for "adding a provision to address single firm conduct to California's existing antitrust laws." The staff also recommended several other amendments to California antitrust law, including adopting laws specific to mergers.

In the meantime, Attorney General Bonta and Senator Hurtado announced their bill, SB 763, to amend the Cartwright Act's penalties.

### SB 763's Proposed Changes to Penalties for Cartwright Act Violations

SB 763 would increase fines for criminal violations to parallel those provided for violations of Section 1 of the Sherman Act,<sup>8</sup> as well as add, for the first time, a specific provision for monetary penalties in lawsuits brought by the California Attorney General or county district attorneys for civil violations of the Cartwright Act. SB 763 also contains a provision that would



This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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