SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1776 (Aguiar-Curry) - Cartwright Act: violations

Version: August 3, 2026
Urgency: No
Hearing Date: August 10, 2026

Policy Vote: JUD. 9 - 2
Mandate: Yes
Consultant: Bob Franzoia

Bill Summary: AB 1776 would amend the Cartwright Act, California's primary antitrust law to prohibit any person from monopolizing or monopsonizing any part of trade or commerce and would require procompetitive justifications of the alleged conduct to be evaluated within the same relevant market.

Fiscal Impact: Potentially significant costs to the Department of Justice if the Attorney General (AG) brings civil actions for violations of the Cartwright Act. Monopolization is only available under the federal Sherman Act. If the AG pursues monopolization under the Cartwright Act in state court, costs could be higher. (Unfair Competition Law Fund, Attorney General Antitrust Account).

Under the Cartwright Act, which is broader than federal antitrust law in allowing actions, private persons and businesses can sue for violations. Consumers may seek injunctive relief, monetary damages and in some cases treble damages. Businesses that allege unfair competition, such as price fixing, market allocation or other anticompetitive agreements may sue along with indirect purchasers, for example, customers who purchase goods or services downstream from the price fixer.

There does not appear to be a standardized reporting of the number of Cartwright Act actions filed annually in the state or their ultimate disposition. Actions may be filed then dropped or settled or actions may be consolidated with federal antitrust actions. Additionally, little information is available on who brings an action.

Cost pressures of an unknown but potentially significant amount to the courts. Actual costs will depend on the number of new actions created by the bill and the amount of court time needed to resolve each case. Complex cases, an action is provisionally a complex case if it involves antitrust or trade regulations claims, are more time consuming. An eight-hour court day costs approximately $10,500 based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources. The FY 2026-27 Budget appropriated $70 million General Fund for this purpose (Trial Court Trust Fund, General Fund).

Background: California's primary antitrust law, the Cartwright Act, prohibits "trusts," or combinations of two or more persons, to restrain trade or commerce. Unlike the federal Sherman Antitrust Act, the Cartwright Act does not also prohibit conduct by a single company in restraint of trade, which generally occurs when one corporation has monopolistic or monopolistic market power and can impose anticompetitive measures on the market and on consumers.

In response to increasing corporate concentration across a host of industries, the Legislature enacted ACR 95 (Wicks & Cunningham), Resolution Chapter 147/2022, which tasked the California Law Revision Commission (CLRC) with studying potential reforms to the Cartwright Act, the state's antitrust law. This year, after three years of extensive work, the CLRC released its recommendations for amending the law to address anticompetitive behavior by a single firm.

A monopoly is a market with only one seller. A monopsony is a market condition where there is only one dominant buyer for a particular good or service, most often labor, giving that buyer significant power to control prices or wages

Proposed Law: This bill would prohibit one or more persons from acting, causing, taking, or directing measures, actions or events that are to unreasonably restrain trade or monopolize any part of trade or commerce. The Cartwright Act covers coordinated conspiracies, for example, collusion or price fixing, between two or more firms. Plaintiffs would be able to challenge individual firm actions such as price cuts or new-product rollouts.

The bill would prohibit anticompetitive effects in one market from being offset by purported benefits in another separate market.

The bill would require a plaintiff bringing an action under its provisions to allege, and prove at trial, market power through direct or indirect evidence.

The provisions of the bill shall not apply to any small business, meaning an independently owned and operated business, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees and average annual gross receipts of $10,000,000 or less over the three years prior to the filing of the complaint.

Staff Comments: At this time, courts do not separately track, or report in the aggregate, Cartwright Act cases. Matters brought under the Cartwright Act are generally filed under a broader Antitrust/Trade Regulations Type of Action code.

For Los Angeles County (since 2025)

- 2025 8 filings

- 2026 (thorough the present) 11 filings

A manual review showed that 8 of the 19 total filings included a Cartwright allegation.