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AB-1345 Cartwright Act: restraint of trade. (2025-2026)



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AMENDED IN ASSEMBLY APRIL 07, 2025

CALIFORNIA LEGISLATURE — 2025-2026 REGULAR SESSION

ASSEMBLY BILL NO. 1345

Introduced by Assembly Member Bauer-Kahan

February 21, 2025

An act to amend Section 1 of add Section 16720.1 to the Business and Professions Code, relating to business and professions. business.

LEGISLATIVE COUNSEL'S DIGEST

AB 1345, as amended, Bauer-Kahan. Business and Professions Code. Cartwright Act: restraint of trade.

Existing law establishes the Attorney General as the head of the Department of Justice, with charge of all legal matters in which the state is interested, except as specified. Existing law imposes various requirements on the Attorney General related to consumer protection, including, among others, the supervision of charitable trusts and the enforcement of antitrust laws. Existing law, known as the Cartwright Act, identifies certain acts that are unlawful restraints of trade and unlawful trusts. Under existing law, a violation of the Cartwright Act is punishable as a crime.

This bill would provide that is unlawful for one or more persons to act, cause, take, or direct a measure, action, or event that is either in restraint of trade, as specified, or to monopolize or monopsonize, as specified. Because the bill would expand the scope of activities punishable as a crime under the Cartwight Act, the bill would impose a state-mandated local program. The bill would make related findings and declarations.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law establishes the Business and Professions Code and prescribes general provisions for purposes of its interpretation.

This bill would make nonsubstantive changes to those provisions.

Vote: majority Appropriation: no Fiscal Committee: no Fiscal Program: no Fiscal P

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

- (a) Protecting competition includes protecting competition between businesses when they compete for workers and prohibiting anticompetitive business practices that impede workers' freedom to choose employment.
- (b) There is widespread concern about the growing consolidation in our marketplaces and that the accumulation of market power by a few dominant corporations harms our marketplace opportunities, undermines the power of workers, consumers, and small businesses, and threatens our democratic values.
- (c) Effective enforcement against anticompetitive activity requires strong definitions of monopolies and monopolization, prohibitions on unilateral anticompetitive conduct, and the ability to challenge unfair competition.
- (d) A goal of California's antitrust laws is to protect consumer welfare, which includes ensuring open and fair labor markets.
- SEC. 2. Section 16720.1 is added to the Business and Professions Code, to read:
- **16720.1.** (a) It is unlawful for one or more persons to act, cause, take, or direct a measure, action, or event that is either of the following:
 - (1) In restraint of trade or to attempt to restrain the free exercise of competition or the freedom of trade or production.
 - (2) To monopolize or monopsonize, to attempt to monopolize or monopsonize, to maintain a monopoly or monopsony, or to combine or conspire with another person to monopolize or monopsonize in any part of trade or commerce.
- (b) As used in this section, "restraint of trade" shall include, but not be limited to, any action, measure, or act included or cognizable under Section 16720, whether directed, caused, or performed by one or more persons.
- **SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SECTION 1. Section 1 of the Business and Professions Code is amended to read:

1. This act shall be known, and may be cited, as the Business and Professions Code.