GIBSON DUNN



Antitrust & Competition Update

September 15, 2025

California State Legislature Approves Increased Penalties for Antitrust Violations

The proposed law would increase penalties for companies and introduce penalties for individuals.

On September 12, 2025, the California State Legislature voted to approve SB-763, a measure that would increase the penalties faced by those found to have violated state antitrust laws.[1] This measure substantially raises potential penalties for civil and criminal violations of California's antitrust statutes and, for the first time, introduces a \$1 million penalty for individuals who violate the law.

If enacted, the bill would authorize the following financial penalties:

Penalty Target	Original Penalty	SB-763 Proposed Penalty
Company – Criminal	\$1 million	\$6 million
Company – Civil	\$250,000	\$1 million
Individual – Criminal & Civil	No penalty	\$1 million

The bill allows fines to exceed these amounts up to the "pecuniary loss" caused by a violation. The bill also authorizes the fines to be cumulative with one another and other penalties available under state law.

Importantly, the bill states that a \$1 million civil penalty "shall be assessed . . . in any civil action brought by the Attorney General or district attorney against any person, corporation, or business entity for each violation." However, the passed bill did not include originally proposed language

for increasing prison sentences for individuals found guilty of criminal violations of state antitrust law.

The increased penalties imposed by SB-763 could create heightened risk for businesses accused of antitrust violations under California law. This is consistent with California's ongoing efforts to reform the state's antitrust laws and would further increase scrutiny for businesses operating in California, as summarized in our <u>January 15, 2025</u>, <u>March 25, 2025</u>, and <u>June 23, 2025</u> Client Alerts.

SB-763 now must be signed by the Governor before it can become law. If signed, SB-763 will go into effect on January 1, 2026.

[1] SB-763, 2025-2026 Reg. Sess. (Cal. 2025).

The following Gibson Dunn lawyers prepared this update: Rachel S. Brass, Daniel G. Swanson, Caeli Higney, Julian Kleinbrodt, and Sarah Roberts.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding the proposed penalties under California law or California antitrust law more generally. Please contact the Gibson Dunn lawyer with whom you usually work, the authors, or any of the following leaders and members of the firm's Antitrust and Competition practice group in California:

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