

# California Adopts Broad Premerger Notification Requirement

A photograph of a modern building's curved glass facade, showing multiple stories with dark window frames and light-colored panels, set against a clear sky.

3 MIN READ

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Following an onslaught of amendments and proposed changes to California's Cartwright Act, California has once again made national news on the antitrust stage, this time targeting merger transactions. On February 10, 2026, Governor Gavin Newsom signed into law the California Uniform Antitrust Premerger Notification Act ("SB 25"), making California the third state to pass a broad premerger notification requirement. The law goes into effect on January 1, 2027, and expands California's existing premerger notification requirements to apply to all industries, whereas California previously only required notifications of transactions involving healthcare, retail grocery, or retail drug firms.

Washington and Colorado have similar premerger notification requirements, and Indiana is poised to also adopt such a requirement, pending passage by the full state legislature. Four other jurisdictions have similar pending legislation, including D.C., Hawaii, New York, and West Virginia.

Like Washington and Colorado, SB 25 is modeled after draft legislation prepared by the Uniform Law Commission and has similar requirements. Specifically, SB 25 requires all companies who file a federal Hart-Scott-Rodino Act Notification and Report Form (also known as an "HSR Filing") to submit that filing to the state within one business day if one of the following thresholds is met:

1. The company's principal place of business is in California; or
2. The company, or its direct or indirect subsidiaries, has annual net sales in California of the goods and services involved in the transaction in excess of approximately \$26.8 million (or 20% of the HSR Filing threshold).

Further guidance on these thresholds, as well as California's filing mechanism, is expected later this year.

In a departure from other Uniform Antitrust Premerger Notification Act states, California will require a filing fee of up to \$1,000. California will also charge a significantly larger civil penalty of up to \$25,000 per day for non-compliance with the law. SB 25 remains non-suspensory, however, meaning that there is no mandatory waiting period before a reported transaction can close.

Companies with connections to California, including sales-related connections, may face greater antitrust scrutiny of their deals moving forward. Given California's large economy, its premerger notification requirement is expected to have a far greater impact than similar requirements in other states. Companies with operations and annual sales in California greater than \$26.8 million should factor into their antitrust risk assessment and timeline a potentially higher risk of review of their deal by the Office of the California Attorney General ("AG"). The standard of review in California will not change as a result of SB 25; however, the law will allow California to review potential mergers of concern earlier in their life cycle. The law also provides California automatic and easier access to the key information about the merger, which may increase the risk profile of certain deals.

The law maintains the confidentiality of filings under SB 25, but it allows the California AG to share SB 25 filings with Washington, Colorado, and any other state that passes a Uniform Antitrust Premerger Notification Act. As a result, state AGs in Washington or Colorado may access key information about a deal, even if the merger was only reported to California.

Following the signing of SB 25, Paula Blizzard, California's Senior Assistant AG for the Antitrust Section, reportedly claimed at a panel in Silicon Valley that "California just wants to get the filings at the same time as the federal government" and that "the vast majority of mergers present no competition issues." While this may have been California legislators' intent in passing this bill, practically speaking, it may result in previously nonpublic or previously non-California-reportable deals entering into California's line of sight, potentially opening them up to state-level inquiry. Only time will tell what impact this new law may have on such transactions.

California's SB 25, when viewed in tandem with other recently passed California laws (available [here](#)), is part of a continuing trend of state activism in merger reviews when state interests are affected. California legislators and enforcers are paying close attention to businesses' transactions, practices, and conduct that may impact competition or consumers. We expect that these recent changes in California law are only the beginning of California's continued emphasis on regulating competition — we will be watching this space closely for future developments.

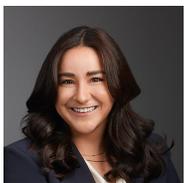


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