

February 2026

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Regulatory Update

California's Mini-HSR Law to Expand Merger Oversight

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Beginning Jan. 1, 2027, the [California Uniform Antitrust Premerger Notification Act](#) will require certain parties to file electronic copies of their federal Hart-Scott-Rodino (HSR) forms with the California attorney general.

This requirement applies to (1) any party whose principal place of business is in the state or (2) any party with annual net sales in the state of at least 20% of the HSR minimum size of transaction threshold (currently \$26.78 million worth of goods or services based on the current HSR threshold of \$133.9 million, adjusted annually). When parties file based on their principal place of business, they must also include any additional documentary materials that they filed with the HSR form. When they file based on state sales, they must provide additional documentary materials only upon request.

The filing thresholds mirror those in [Colorado](#) and [Washington](#), the two other states that have enacted premerger notification laws, and are based on model antitrust legislation by the [Uniform Law Commission](#). However, the California law differs in two key areas. First, California requires a filing fee of \$1,000 when companies file due to their principal place of business, and \$500 when they meet the state sales threshold. Additionally, the penalties for noncompliance are higher, with a \$25,000-per-day civil penalty applicable after a three-day cure period.

To date, [California has required premerger notification](#) to the state's Office of Health Care Affordability for any transaction resulting in a "material change" in control/ownership of healthcare entities when parties met certain revenue and asset thresholds. Additionally, the [office of the attorney general requires](#) premerger notification by acquiring parties that acquire more than 20 retail drug/grocery firms in a transaction. This new legislation seeks to expand California's review of mergers that implicate the state across all industries.



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