



DIVISION OF PETROLEUM MARKET OVERSIGHT



November 21, 2025

Re: Assembly Bill 325, effective January 1, 2026

Dear gasoline market colleagues:

We are sending this informational letter to flag for you that Assembly Bill 325, a new law related to the use of “common pricing algorithms,” will be effective on January 1, 2026. Section 16729(d)(3) of the California Business & Professions Code defines a common pricing algorithm to include “any methodology, including a computer, software, or other technology, used by two or more persons, that uses competitor data to recommend, align, stabilize, set, or otherwise influence a price or commercial term.”

Assembly Bill 325 adds the following language to California’s Cartwright Act:

- § 16729(a): “It shall be unlawful for a person to use or distribute a common pricing algorithm as part of a contract, combination in the form of a trust, or conspiracy to restrain trade or commerce in violation of this chapter.”
- §16729(b): “It shall be unlawful for a person to use or distribute a common pricing algorithm if the person coerces another person to set or adopt a recommended price or commercial term recommended by the common pricing algorithm for the same or similar products or services in the jurisdiction of this state.”
- § 167256.1: “It is sufficient to contain factual allegations demonstrating that the existence of a contract, combination in the form of a trust, or conspiracy to restrain trade or commerce is plausible, and the complaint shall not be required to allege facts tending to exclude the possibility of independent action.”

The full text of Assembly Bill 325 and the Business & Professions Code is available at California’s Legislative Information website (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB325). We appreciate your attention to this new law, which may impact your business and pricing practices.

Sincerely,

Industry Analysis & Investigations Branch
Division of Petroleum Market Oversight