

Tracking Trends In State-Level Regulatory Enforcement

By **Andrew Szwez, Heather Wilson and Corey Gildart** (September 23, 2026)

Approximately 40 states and U.S. territories have participated in at least one multistate litigation or action related to antitrust, data privacy, artificial intelligence or consumer protection since 2024.

For example, at the end of August, the California Senate passed the Competition and Opportunity in Markets for a Prosperous, Equitable and Transparent Economy Act, or Compete Act, sending it for signature by the governor and marking a step closer to bolstering the state's existing antitrust law.[1]

This is one recent instance of increasing state-level enforcement activity, which is focusing on areas including data privacy, antitrust and AI, as attorneys general and state representatives seek to regulate activities beyond the federal government's oversight. As states continue to act in this manner, organizations face an increased need for strengthening their litigation readiness, data governance and public affairs strategies.

In early September, California Gov. Gavin Newsom signed two pieces of legislation — S.B. 813 and A.B. 1405 — to establish California's framework for safe, transparent and accountable AI.[2] Similarly, in July, Illinois Gov. JB Pritzker signed the Illinois Artificial Intelligence Safety Measures Act, establishing controls and requirements for use and development of frontier AI models.[3]

Washington state Attorney General Nick Brown recently released a detailed data privacy report examining the harms that can result from the modern data economy, urging lawmakers to strengthen privacy protections.[4] Additionally, numerous civil rights and advocacy groups have appealed to the Maryland attorney general to urge enforcement of alleged violations of the state's new privacy law, which took effect in July.[5]

What's especially notable for organizations doing business in these states and across the U.S. is that the activity and focus of various states spans industries and is sometimes very nuanced based on type of business or business activity.

Beyond the sweeping laws that have taken effect, others are sector-specific, such as in Wisconsin, where there's been movement to more stringent antitrust enforcement as it relates to local agriculture and dairy production. In 2025, Wisconsin Attorney General Josh Kaul and several other state attorneys general joined with federal officials in strengthening competition regulation in agriculture.[6]

In the healthcare sector, Vermont passed a bill limiting private equity involvement in clinical settings. And as of early 2026, multiple states — including Arizona, California, Maryland, Washington and the District of Columbia — have joined together in bringing antitrust cases against companies that provide or use algorithmic pricing in housing rental markets.[7][8]



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Key Enforcement Categories

Zooming out from these examples, organizations should watch for potential new state-level risks in the following three areas.

Antitrust

In addition to the progress behind the Compete Act in California, numerous states — including New York and Washington — have enacted statutory tools such as additional premerger notification requirements or algorithmic pricing bans since 2024.

Separately, more than 20 states have introduced new or expanded legislation addressing noncompete agreements, premerger notification and other controls. Conduct categories, such as no-poach, horizontal coordination and monopolization, have appeared as distinct focus areas in state attorneys general actions. For example, in Washington state in March, Gov. Bob Ferguson signed a law banning all noncompetition agreements.[9]

AI

Prior to the recent laws enacted in Illinois and California, 27 AI laws were enacted across 14 states between 2023 and 2025, according to the Future of Privacy Forum. Nearly all 50 states have introduced related legislation, while a federal AI regulation has not yet materialized.

New and emerging laws span concerns related to deepfakes and synthetic content, algorithmic discrimination in automated decision-making, and AI use in employment and hiring. Attorneys general in states such as Texas and Massachusetts have used existing regulations to allege consumer protection violations against AI products, while Connecticut and others have issued guidance that existing consumer protection and antitrust laws apply to AI, even where AI-specific laws have not been enacted.[10]

In Texas, the Legislature approved a \$33 million allocation for the attorney general to engage outside counsel to litigate cases against Big Tech.[11]

Data Privacy

Nine of the states with existing comprehensive privacy regulations amended those laws in 2025 to add new provisions.

California has been among the most active in enforcement, initiating numerous litigations and penalties. Last year, California Attorney General Rob Bonta and the California Privacy Protection Agency joined the attorneys general of Colorado and Connecticut in announcing an investigative sweep to enforce compliance with the states' global privacy control requirements, which followed previous million-dollar settlements against companies in retail, entertainment and manufacturing, for failures to comply with global privacy control laws.[12][13]

These efforts continue: Oregon and New Jersey were among the states to add global privacy control requirements in early 2026, with Maryland and Minnesota adding them in July.[14]

Managing State-Level Regulatory Risks

Organizations and their legal teams can take proactive steps before matters arise and

improve their methods of response during and after any active investigations or litigation. Best practices include the following.

Establish an integrated communications strategy and stakeholder activation.

Developing a plan in the early days of pending legislation is key. Lobbying is only one part of it. Organizations need to determine who among their own constituencies cares about the issue at hand and who needs to be educated on it. How an organization approaches the issue will differ depending on the regulation or bill's effect on their particular ecosystem, as well as their institutional risk level.

Some combination of stakeholder engagement and education will be needed. Whether or not this includes a higher level of external communications through the media or other channels — such as social media or advertising — depends on a variety of internal and political factors. Ensuring these activities are timed to other legal or compliance actions is important as well.

In the current moment, impending midterm elections will be a factor to follow. There are 30 attorney general races scheduled for the midterms, and 11 of these do not have incumbents running for office.[15] In states with new candidates or a high likelihood of a swing vote, organizations will need to become familiar with the policies and priorities of the likely winners and align their public affairs strategies accordingly.

Audit compliance with data privacy and AI regulations.

Organizations that are leveraging AI or process the personal information of individuals in states with AI or privacy laws should conduct a comprehensive evaluation of their standing with the applicable requirements. This includes reviewing policies and controls, assessing website and tracking mechanics, and mapping the flow of data through AI systems and how personal data is collected, used, stored and shared.

Strengthen information governance.

The growing volume, variety and complexity of data scrutinized in merger filings, antitrust reviews and related inquiries can pose significant challenges for organizations.

Organizations that are at risk of targeted state-level enforcement activity must reduce the burden by identifying where critical information is stored and establishing defensible retention and deletion policies.

Establish discovery readiness.

Discovery exercises for state-level actions can be rigorous, sometimes matching the scope and scale of a federal review. In some instances, failure to include the right documents or meet deadlines may lead to fines or further investigation. Teams can proactively map their data sources and conduct early assessment of their position to support readiness for more substantial review in the event of an information request from the state or state-led litigation.

Additionally, organizations should be prepared to engage in dialogue with the authorities about the parameters of a document request, including the technical specifications, timelines and the burden of fulfilling the request.

Monitor legislative developments and hot spots.

After a new bill is implemented, organizations may need to stay abreast of how developments or enforcement related to the bill could affect their reputational risk. Similarly, if an organization has experienced any legal or regulatory action, a reputation repair program may be needed. This includes analyzing stakeholder reaction and overall customer sentiment on the matter and crafting an integrated communications strategy aimed at addressing any gaps.

States are actively engaging in enforcement. Organizations operating across the U.S. may encounter duplicative and concurrent inquiries, investigations or litigations. Having the ability to respond across governance, public affairs, discovery and remediation, in multiple states at once, will be key to reducing risk.

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