CONCURRENCE IN SENATE AMENDMENTS
AB 1180 (Valencia)
As Amended August 13, 2026
Majority vote

SUMMARY

Requires the Department of Financial Protection and Innovation (DFPI) to adopt regulations permitting payments required under the Digital Financial Assets Law (DFAL) to be made using stablecoin that is issued by a licensee of this division and that may be redeemed directly from the issuer.

Senate Amendments

1) Narrows the currency options for payment from digital financial assets to stablecoin.

2) Prohibits payment in stablecoin if the State Treasure's Office (STO), State Controller's Office (SCO), or Department of Financial Protection and Innovation (DFPI or Department) determine that the payments would interfere with duties of: the Treasure (per Article 2 of Chapter 4 of Part 2 of Division 3 of Title 2 of the Government Code), the Controller (per Article 2, of Chapter 5 of Part 2 of Division 3 of Title 2 of the Government Code), or the General Fund (per Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code.)

3) Clarifies that stablecoin payments shall not be allowed for any enforcement measures against a licensee.

4) Permits the DFPI to consult with the STO and the SCO when adopting any regulations as specified.

5) Extends all relative dates by one year. This is a technical change.

6) Requires costs of implementation administration to be recovered in accordance with the Digital Financial Asset Law (DFAL).

7) Removes the reporting requirement for the DFPI to provide information about the number and value of stablecoin transacted, and technical and regulatory challenges encountered.

8) NOTE: Senate amendments reference a repealed code section for the definition of stablecoin, a correction to reference code section 5901 of Title 12 of the United States Code is needed.

COMMENTS

1) Background

In response to the widespread consumer harm occurring in the under-regulated crypto market, the Legislature passed AB 39 (Valencia) Chapter 792, Statutes of 2023. This legislation created the DFAL and established a licensing program for digital asset companies serving California customers. Under the DFAL, crypto companies must obtain or have applied for a license by July 1, 2026, and adhere to new regulations covering policies and procedures, customer service standards, and financial stability. Under and urgency measure in June 2026, SB 97 was chaptered to bring parity with the federal GENUIS Act, which overseas payment stablecoin.

This bill is measured bill proposing a narrow use case in state integration of payment with digital financial asset, specifically stablecoin. Stablecoin is a type of cryptocurrency designed to maintain a stable value by pegging its value to a reserve asset like the U.S. dollar. Fittingly, the bill proposes to limit payment for licensure with stablecoin to those licensees subject to the California Digital Financial Asset Law.

2) Senate amendments

Senate amendments took place as the GENUIS Act took passage in D.C. The GENIUS Act is the federal law governing stablecoin, with explicit preemption. Narrowing payment options to stablecoin helps avoid market fluctuation with other non-pegged currencies, ensuring that the Department receives an accurate total for licensee; an essential component for budget planning and expenses. The amendments clarify that stablecoin cannot be used to pay the Department for any enforcement measures. The operative date has been pushed to July 1, 2027.

According to the Author
AB 1180 would establish a pilot program authorizing the Dept. of Financial Protection & Innovation to allow the payment of fees using digital financial assets, specifically stablecoins. This ensures that California's economy remains at the forefront of financial innovation and continues to adapt to evolving consumer preferences.

Arguments in Support
None Received. Last verified 8/24/2026.

Arguments in Opposition
None Received. Last verified 8/24/2026.

FISCAL COMMENTS

The following comments are from the analysis of the Senate Committee on Appropriations, hearing date August 13, 2026:

Unknown cost pressures, likely ranging from the high hundreds of thousands to low millions of dollars (Financial Protection Fund), to the extent DFPI adopts regulations to allow the alternative payment option proposed in this bill, as well as for contract costs with a vendor to enable DFPI to accept, hold, and transfer stablecoin.

VOTES:

ASM BANKING AND FINANCE: 9-0-0
YES: Valencia, Chen, Dixon, Fong, Krell, Michelle Rodriguez, Blanca Rubio, Schiavo, Soria

ASM APPROPRIATIONS: 14-0-1
YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa
ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 78-0-1
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Pellerin

UPDATED

VERSION: August 13, 2026

CONSULTANT: Desiree NguyenOrth / B. & F. / (916) 319-3081 FN: 0004060