

SENATE THIRD READING
SB 1078 (Laird)
As Amended August 21, 2026
Majority vote

SUMMARY

This bill allows businesses that sell gift certificates that have certificates that were printed before April 1, 2026, to continue to sell those certificates even if the certificate states that the cash-redemption threshold is \$10.

Major Provisions

- 1) Provides that businesses may continue to sell gift certificates that contain printed language stating that the cash-redemption threshold is \$10 until December 31, 2028, if the following requirements are met:
 - a) The certificates were printed before April 1, 2026.
 - b) At each point-of-sale the business displays a notice in at least 24-point font stating that the redemption value of certificates is \$15.
 - c) The business maintains records demonstrating the print date of the gift certificate.

COMMENTS

Senate Bill 22 (Laird) Chapter 207, Statutes of 2025, raised California's gift certificate cash-redemption threshold from any amount under ten dollars (\$10) to any amount under fifteen dollars (\$15), operative April 1, 2026 (Civ. Code sec. 1749.5(b)(2)). The new redemption right is self-executing: it applies to every gift certificate regardless of what is printed on the card.

Issuers that manufactured or printed card inventory before April 1, 2026, hold cards whose printed language accurately stated the law when printed but now understates the holder's statutory right for the updated cash-redemption value. No provision of existing law addresses this transition. An issuer that sells through its existing inventory, even while fully honoring the new under-\$15 right at the register, faces potential risk based on the outdated printed language. This bill was recently gutted and amended to address these concerns.

According to the Author

Senate Bill 22, which I authored last year, enhanced consumer rights by increasing the limit for cash back on gift cards from under \$10 to under \$15. While businesses are not required to disclose the cash back limit, some businesses order gift cards with a cash redemption disclosure to proactively inform their consumers. Now that the limit has increased, any previously ordered cards in inventory with a \$10 disclosure cannot be issued without a pathway for transitional compliance. Senate Bill 1078, therefore, will allow businesses acting in good faith to issue gift cards with outdated disclosures for a limited time if the consumer is accurately notified of their right to redeem the card for the updated cash limit at the point of sale.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Fiscal effects unknown.

VOTES**SENATE FLOOR: 29-9-2**

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Strickland, Valladares

ABS, ABST OR NV: Menjivar, Seyarto

ASM JUDICIARY: 9-3-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

NO: Macedo, Dixon, Sanchez

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

UPDATED

VERSION: August 21, 2026

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