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inventory, even while fully honoring the new under-$15 right at the register, faces potential risk based on the outdated printed language.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 Senate Bill 1078, therefore, will allow businesses acting in good faith to issue gift cards with outdated disclosures for a limited time if the consumer is accurately notified of their right to redeem the card for the updated cash limit at the point of sale.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
Santa Cruz Seaside Company, operator of the Santa Cruz Beach Boardwalk and sponsor of the bill, writes in support:

> SB 1078 proposes a technical revision of SB 22 (Laird, Chapter 207, Statutes of 2025), which increased California's gift card cash-redemption threshold from under $10 to under $15, effective April 1, 2026. While issuers are required to honor the new threshold regardless of what is printed on a gift card, the Boardwalk still possess inventory of approximately one million pre-printed cards containing the former under-$10 disclosure. These cards were manufactured and part of the Boardwalk's inventory prior to SB 22 taking effect. Without a transition period, the Boardwalk cannot continue using the existing inventory of cards, despite fully complying with the law and honoring the under-$15 redemption right and could face litigation based solely on outdated printed language. The alternative is discarding otherwise usable inventory, creating unnecessary waste and expense without any consumer benefit.
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> The Boardwalk uses reloadable MyBoardwalk Cards for food, games, attractions, and other purchases throughout its cashless facility. The company's existing stock of approximately one million now outdated preprinted cards represents roughly $250,000 in inventory and a two-year supply. Although the Boardwalk has purchased a limited supply of newly printed cards and fully honors the under-$15 redemption requirement at all refund locations, its remaining pre-2026 inventory still contains the former statutory language.

Arguments in Opposition
None on file.

FISCAL COMMENTS

As currently in print, this bill is keyed non-fiscal.

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

ASM PRIVACY AND CONSUMER PROTECTION: 10-0-5
YES: Bauer-Kahan, Bryan, Hoover, Irwin, Lowenthal, Ortega, Patterson, Petrie-Norris, Ward, Wicks
ABS, ABST OR NV: Macedo, DeMaio, McKinnor, Pellerin, Wilson

UPDATED

VERSION: August 21, 2026

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