
UNFINISHED BUSINESS

Bill No: SB 22
Author: Laird (D)
Amended: 9/2/25 in Assembly
Vote: 21

SENATE JUDICIARY COMMITTEE: 11-2, 4/8/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,
Weber Pierson, Wiener

NOES: Niello, Valladares

SENATE FLOOR: 27-10, 6/2/25

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

NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto,
Strickland, Valladares

NO VOTE RECORDED: Archuleta, Hurtado, Reyes

ASSEMBLY FLOOR: 48-13, 9/11/25 – Roll call not available.

SUBJECT: Gift certificates

SOURCE: Author

DIGEST: This bill provides that a gift certificate with a cash value less than \$15 must be redeemable in cash, increasing that threshold from \$10, but exempting application of the redemption right for donated gift certificates.

Assembly Amendments of 9/2/25 lower the amount to \$15, create an exemption from the statute for donated gift certificates, and clarify that electronic gift cards are considered “gift certificates.”

ANALYSIS:

Existing law:

- 1) Makes it unlawful for any person or entity to sell a gift certificate to a purchaser that contains any of the following:
 - a) An expiration date.
 - b) A service fee, including, but not limited to, a service fee for dormancy, except as provided. (Civil (Civ.) Code § 1749.5(a).)
- 2) Provides that any gift certificate sold after January 1, 1997, is redeemable in cash for its cash value, or subject to replacement with a new gift certificate at no cost to the purchaser or holder. Notwithstanding that provision, any gift certificate with a cash value of less than \$10 is redeemable in cash for its cash value. (Civ. Code § 1749.5(b).)
- 3) Provides that the above provisions do not apply to any of the following gift certificates issued on or after January 1, 1998, if the expiration date appears in capital letters in at least 10-point font on the front of the gift certificate:
 - a) Gift certificates that are distributed by the issuer to a consumer pursuant to an awards, loyalty, or promotional program without any money or other thing of value being given in exchange for the gift certificate by the consumer.
 - b) Gift certificates that are donated or sold below face value at a volume discount to employers or to nonprofit and charitable organizations for fundraising purposes if the expiration date on those gift certificates is not more than 30 days after the date of sale.
 - c) Gift certificates that are issued for perishable food products. (Civ. Code § 1749.5(d).)
- 4) Provides that a “gift certificate” includes gift cards, but does not include any gift card usable with multiple sellers of goods or services, as provided. This exemption does not apply to a gift card usable only with affiliated sellers of goods or services. (Civ. Code § 1749.45.)
- 5) Provides that if a legal obligation requires the performance of one of two acts, in the alternative, the party required to perform has the right of selection, unless it is otherwise provided by the terms of the obligation. (Civ. Code § 1448.)

This bill:

- 1) Raises the threshold for eligibility for a cash redemption to less than \$15.
- 2) Creates an exemption from the statute for a gift certificate that is donated to a nonprofit or a charitable organization, as provided, and the relevant certificate has a disclaimer indicating it is not redeemable in cash.
- 3) Clarifies that electronic gift cards are considered “gift certificates” for the relevant laws.

Background

Existing law makes it unlawful to sell a gift certificate or gift card that contains an expiration date or service fee, except as specified. A gift certificate sold after January 1, 1997, is redeemable in cash or subject to replacement with a new gift certificate. However, where the cash value is less than \$10, the gift certificate must be redeemable in cash for its cash value.

Given the concerns with the amount of unused gift certificates that consumers are unable to meaningfully use, this bill provides that the gift certificate must be redeemable in cash if the cash value is less than \$15. The author’s goal is to “put more money back in the pockets of consumers.” However, this bill also exempts from the statute gift certificates that are donated and include a relevant disclaimer, as provided. This bill also makes clear that electronic gift cards are included within the definition of “gift certificate.”

This bill is author-sponsored. It is supported by Consumer Watchdog and the Consumer Attorneys of California. All opposition has been removed from this bill.

Comments

This bill deals with consumer rights in connection with gift certificates and gift cards that have gone unused. According to a CNN report:

Almost two-thirds of American consumers have at least one unspent gift card tucked away in a drawer, pocket, wallet or purse. And at least half of those consumers lose a gift card before they use it, according to a new report from Credit Summit, an online provider of financial advisory services.

The report said there is as much as \$21 billion of unspent money tied up in unused and lost gift cards. Of those surveyed, a majority of respondents said their unredeemed cards were worth \$200 or less.¹

Current law prohibits such cards from having an expiration date and provides a means for redeeming the cards. A gift certificate is redeemable in cash for its cash value, or subject to replacement with a new gift certificate at no cost to the purchaser or holder. The general rule of law is that where a legal obligation requires the performance of one of two acts, in the alternative, the party required to perform has the right of selection, unless it is otherwise provided by the terms of the obligation. (Civ. Code § 1448.) Therefore, the issuer of the gift certificate could choose whether to provide a consumer a cash refund or simply issue a new card.²

To provide consumers more rights with respect to gift certificates with lower remaining values, SB 250 (Corbett, Chapter 640, Statutes 2007) amended that law providing that notwithstanding the existing provision, any gift certificate with a cash value of less than \$10 is redeemable in cash for its cash value. This allows consumers the ability to get the value of their cards where the remaining balance is extremely low.

That amount has not changed in the 17 years since. In fact, the original version of SB 250 sought to make the threshold \$20 but lowered it in response to opposition.

This bill makes the first change to that threshold, providing consumers the right to redeem for cash value gift certificates of less than \$15, except as provided.

According to the author:

SB 22, the Consumer Access to Stored Holdings Act or CASH Act, will raise the maximum dollar amount on a gift card a consumer can redeem for cash and ensures consumers are notified of their right to redeem. The current limit of \$9.99 was set over 15 years ago and an increase is long overdue. This increase will put more cash back in the wallets of Californians at a time when every penny truly counts.

¹ Parija Kavilanz, *Americans have a collective \$21 billion in unspent gift cards* (February 23, 2023) CNN, <https://www.cnn.com/2023/02/23/business/gift-cards-unused/index.html> [as of Mar. 31, 2025].

² See also *Marilao v. McDonald's Corp.* (S.D. Cal. 2009) 632 F. Supp. 2d 1008, 1012 (“it is the vendor who holds the right to select whether to redeem a gift card in cash for its cash value or to provide a replacement card at no cost to the purchaser or holder”).

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 9/11/25)

Consumer Attorneys of California
Consumer Watchdog

OPPOSITION: (Verified 9/11/25)

None received

ARGUMENTS IN SUPPORT: The Consumer Attorneys of California write:

The gift card industry is a multi-billion dollar industry, valued at \$899.3 billion in 2023, with expectations of reaching a value of \$2.3 trillion by 2030. There is up to \$21 billion of unspent money estimated to be sitting on unused gift cards, according to a 2023 report by Credit Summit. 47% of Americans have unused gift cards, wasted in wallets and junk drawers. Many consumers feel it is not worth the hassle to cash out less than \$10, while even more are completely unaware of their right to redeem gift certificates for cash. This leaves millions of dollars meant to be redeemed for services and goods unspent, a major loss for consumers. In an attempt to use the entirety of a gift card, a consumer will likely spend beyond the remaining amount, also leading to a loss.

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
9/11/25 12:55:06

**** END ****