

LEGAL ALERT

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CALIFORNIA GIFT CARD LAW: UPCOMING INCREASE IN CASH REDEMPTION THRESHOLD

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California amended an existing law regarding the cash redemption value of gift certificates. Under the current law, any gift certificate with a cash value of less than ten dollars (\$10) shall be redeemable in cash for its cash value. The amendment, which becomes effective April 1, 2026, raises that cash redemption threshold to fifteen dollars (\$15). The amendment also expands the definition of “gift certificate” to include “electronic gift certificates.”

That means any purchaser with a gift certificate value of \$14.99 or less in California is entitled to its cash value beginning April 1, 2026.

Subject to limited exceptions, the law applies broadly to retailers and restaurants offering gift certificates for use in California. Persons or entities fitting this description should take advance steps by updating their California policies, gift certificate terms, and training. California’s new redemption value of \$15 is one of the highest compared to other states, so existing policies may not suffice. Advance compliance is particularly important because violations can be enforced by both California district attorneys as well as private parties who can seek substantial sums. Hahn Loeser provides consumer protection compliance advice to its clients to develop proactive measures and help them avoid any alleged violations. Hahn Loeser also assists its clients in resolving alleged violations.

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