

AMENDED IN ASSEMBLY MAY 9, 1996
AMENDED IN ASSEMBLY APRIL 24, 1996
AMENDED IN ASSEMBLY APRIL 15, 1996
AMENDED IN ASSEMBLY MARCH 27, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 2466

Introduced by Assembly Member Goldsmith

February 20, 1996

An act to add ~~Division 10 (commencing with Section 23000)~~ to the ~~Financial Code Title 1.4A (commencing with Section 1749.5)~~ to Part 4 of Division 3 of the Civil Code, and to add Section 1520.5 to the Code of Civil Procedure, relating to gift certificates.

LEGISLATIVE COUNSEL'S DIGEST

AB 2466, as amended, Goldsmith. Gift certificates.

Existing law regulates the issuance and redemption of trading stamps and premium coupons, but does not regulate the issuance and redemption of gift certificates.

This bill would provide that it is unlawful for any person or entity to sell a gift certificate containing an expiration date, unless the gift certificate clearly indicates that it may be redeemed in cash for its face value, or replaced with a new gift certificate, after the expiration date, as specified. This bill would also provide that it does not apply to gift certificates distributed to a consumer for promotional purposes without

any money or other thing of value being given in exchange for the gift certificate by the consumer.

Existing law provides for escheat to the state of certain personal property that is held or owing in the ordinary course of the holder’s business, as specified.

This bill would provide that this provision does not apply to gift certificates subject to the above provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Division 10 (commencing with Section~~
2 ~~23000) is added to the Financial Code, to read:~~

3
4 ~~DIVISION 10. GIFT CERTIFICATES~~

5
6 ~~23000.~~

7 *SECTION 1. Title 1.4A (commencing with Section*
8 *1749.5) is added to Part 4 of Division 3 of the Civil Code,*
9 *to read:*

10
11 *TITLE 1.4A. GIFT CERTIFICATES*

12
13 *1749.5. (a) It is unlawful for any person or entity to*
14 *sell a gift certificate to a purchaser containing an*
15 *expiration date, unless the gift certificate clearly indicates*
16 *that it may be redeemed in cash for its face value, or*
17 *replaced with a new gift certificate, at any time after the*
18 *expiration date, at no cost to the purchaser or recipient*
19 *holder.*

20 *(b) It is unlawful for any person or entity who sells a*
21 *gift certificate with an expiration date to refuse to redeem*
22 *or replace the certificate as provided in subdivision (a).*

23 *(c) A gift certificate sold without an expiration date is*
24 *valid continuously except when refunded or replaced*
25 *with a new gift certificate.*

26 *(d) This section shall not apply to gift certificates that*
27 *are distributed to a consumer for promotional purposes*



1 without any money or other thing of value being given in
2 exchange for the gift certificate by the consumer.

3 ~~(e) Section 1520 of the Code of Civil Procedure shall~~
4 ~~not apply to gift certificates subject to this section.~~

5 *SEC. 2. Section 1520.5 is added to the Code of Civil*
6 *Procedure, to read:*

7 *1520.5. Section 1520 shall not apply to gift certificates*
8 *subject to Title 1.4A (commencing with Section 1749.5)*
9 *of Part 4 of Division 3 of the Civil Code.*

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