

Date of Hearing: March 23, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 1777 (Garcia) – As Introduced February 9, 2026

**SUBJECT:** Air pollution: indirect sources

**SUMMARY:** Authorizes the Air Resources Board (ARB) to adopt regulations to reduce or mitigate emissions from indirect sources of pollution.

**EXISTING LAW:**

- 1) The federal Clean Air Act (CAA) and its implementing regulations set National Ambient Air Quality Standard (NAAQS) for six criteria pollutants, designate air basins that do not achieve NAAQS as nonattainment, and require states with nonattainment areas to submit a State Implementation Plan (SIP) detailing how they will achieve compliance with NAAQS. (42 U.S.C. 7401 *et seq.*)
- 2) Establishes ARB as the air pollution control agency in California and requires the ARB, among other things, to control emissions from a wide array of mobile sources and coordinate with local air districts to control emissions from stationary sources in order to implement the CAA. (Health and Safety Code (HSC) 39000 *et seq.*)
- 3) Requires, subject to the powers and duties of the ARB, air districts to adopt and enforce rules and regulations to achieve and maintain the state and federal air quality standards in all areas affected by emission sources under their jurisdiction, and to enforce all applicable provisions of state and federal law. (HSC 40001)
- 4) Requires air districts to develop attainment plans detailing how they will attain and maintain state air quality standards, and submit those plans to ARB. (HSC 40910 *et seq.*)
- 5) Requires ARB to:
  - a) Review the district attainment plans to determine whether the plans will achieve and maintain state air quality standards by the earliest practicable date.
  - b) Review district rules, regulations and programs to determine whether they are sufficiently effective to achieve and maintain state air quality standards.
  - c) Review district and other local enforcement practices to determine whether reasonable action is being taken to enforce their programs, rules, and regulations.  
(HSC 41500)
- 6) Authorizes ARB, if it finds that the program or the rules and regulations of a district will not likely achieve and maintain state air quality standards, to establish a program, or rules and regulations it deems necessary to enable the district to achieve and maintain such standards, which shall have the same force and effect as a district program, rule, or regulation and shall be enforced by the district. (HSC 41504)

- 7) Authorizes ARB, if it finds that a district is not taking reasonable action to enforce the statutory provisions, rules, and regulations relating to air quality in such a manner that will likely achieve and maintain state air quality standards, to exercise any of the powers of that district to achieve and maintain such standards. (HSC 41505)
- 8) Requires ARB to adopt rules and regulations that, in conjunction with measures adopted by the air districts and the U.S. Environmental Protection Agency, will achieve and maintain NAAQS. (HSC 39602.5)
- 9) Authorizes a district to adopt and implement regulations to reduce or mitigate emissions from indirect and areawide sources of air pollution, while preserving the existing authority of counties and cities to plan or control land use. (HSC 40716)
- 10) Requires each district with moderate air pollution to include provisions to develop areawide source and indirect source control programs in its attainment plan. (HSC 40918)

**THIS BILL:**

- 1) Authorizes ARB, if necessary to carry out its duties under HSC 39602.5 to achieve and maintain NAAQS, to adopt regulations to reduce or mitigate emissions from indirect sources of pollution, and finds and declares that this provision is declaratory of, and does not constitute a change in, existing law.
- 2) Defines “indirect source” by reference to the CAA definition, i.e., “a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution...” (42 U.S.C. 7410(a)(5)(C))

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** The CAA defines indirect sources as “a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution.” For example, a warehouse or port could be an indirect source; it does not produce significant emissions itself, but it causes concentration of mobile sources in a place they may not otherwise have been. New indirect sources are reviewed to ensure they will not attract sufficient mobile sources to exceed any NAAQS.

Actions taken to reduce these emissions (indirect source rules, or ISRs) can vary significantly and be implemented flexibly. Implementing an ISR could look like installing zero-emission vehicle infrastructure, requiring mobile sources to use cleaner technology, or requiring other mitigations or fees. In California, ISRs are currently the exclusive purview of the air districts, although many of the actions required under an ISR may have significant overlap with other mobile source regulations imposed by ARB. Still, other actions considered as part of an ISR could resemble actions taken by local governments, such as carrying out projects that are part of a Sustainable Communities Strategy. In short, the exact confines and contours of what an ISR can and cannot be are not entirely clear in statute.

In 2021, the South Coast Air Quality Management (SCAQMD) adopted an ISR rules for warehouses (Rule 2305), which requires warehouses greater than 100,000 square feet to directly reduce nitrogen oxide (NOx) and diesel particulate matter (PM) emissions, or to otherwise reduce emissions and exposure of these pollutants in nearby communities.

According to SCAQMD, warehouses are a key destination for heavy-duty trucks and have other sources of emissions like cargo handling equipment, all of which contribute to local pollution, including toxic emissions, to the communities that live near them. Emissions from sources associated with warehouses account for almost as much NOx emissions as all the refineries, power plants, and other stationary sources in the South Coast Air Basin combined. Those living within a half mile of warehouses are more likely to include communities of color, have higher rates of asthma and heart attacks, and a greater environmental burden.

As part of the rule, warehouse operators need to earn a specified number of points annually. These points can be earned by completing actions from a menu that includes acquiring and using natural gas near-zero and/or zero-emission on-road trucks, zero-emission cargo handling equipment, solar panels, or zero-emission charging and fueling infrastructure and more. As alternatives to the points system, warehouse operators can prepare and implement a custom plan specific to their site or choose to pay a mitigation fee. Funds from mitigation fees will be used to incentivize the purchase of cleaner trucks and charging/fueling infrastructure in communities near the warehouse that paid the mitigation fee.

SCAQMD has also proposed, but not adopted, an ISR rule for the Ports of Los Angeles and Long Beach, as well as voluntary measures through a memorandum of understanding (MOU). In February 2025, SCAQMD published its first draft of a proposed rule (Rule 2304) that would require the two ports to develop a plan by August 2027 to build charging and fueling stations to switch thousands of pieces of diesel equipment, trucks and vessels to electricity and hydrogen.

The proposed rule aimed to ensure that the Los Angeles and Long Beach ports can achieve the clean-air goals they set for themselves back in 2017: converting 100% of their diesel cargo-handling equipment – such as tractors and giant, 60-foot cranes that move containers – to zero emissions by 2030. They also aim for all drayage trucks, which haul the ports’ containers of cargo to warehouses, to run on electricity or hydrogen by 2035.

In November 2025, SCAQMD and the ports approved an MOU to address port emissions and SCAQMD put its ISR rulemaking process on hold.

## 2) **Author’s statement:**

Assembly Bill 1777 reflects a changing legal and policy environment across the United States where the Trump Administration has taken it upon themselves to be the most environmentally destructive Administration since science first understood the health impacts of pollution.

AB 1777 reflects this changing environment and aims to add more tools for California to combat the drastic rollback by the Trump Administration’s desire to jeopardize Californians health and safety. Against all science and despite widely agreed upon facts from scientists across the world, the Trump Administration decided to reverse the

Endangerment Finding, reaching the non-scientific conclusion that greenhouse gas emissions do not affect the health of generations of Americans.

The indirect source rule around warehouses by the South Coast Air Quality Management District is already helping residents of the 50th Assembly District and the rest of the Inland Empire. The warehouse ISR is helping Californians and our goods movement sector wean off foreign oil, made more vulnerable by the irresponsible acts of the Trump administration in the Middle East.

AB 1777 codifies regulatory authority for the California Air Resources Board to focus on combating the public health catastrophe of the Trump Administration. By using Indirect Source Rules, ARB can allow flexible compliance mechanisms that allow companies to choose how to meet their obligations.

- 3) **If air districts have ISR authority, then ARB has ISR authority (if they want it).** ARB's authority to regulate indirect sources is...indirect. Under current law, if ARB finds that a district is not taking reasonable action to enforce the statutory provisions, rules, and regulations relating to air quality in such a manner that will likely achieve and maintain state air quality standards, ARB may exercise any of the powers of that district to achieve and maintain such standards. This bill elevates ARB's role in the ISR world, giving ARB explicit authority to regulate indirect sources, potentially on a statewide basis, as opposed to district by district.

4) **Prior legislation:**

AB 914 (Garcia, 2025) required ARB to adopt rules to control emissions of criteria pollutants and toxic air contaminants from indirect sources, and authorized ARB to adopt fees on indirect source to fund implementation of the rules. AB 914 passed this committee on April 28, 2025, but was not taken up for a vote on the Assembly Floor.

SB 34 (Richardson, 2025) limited SCAQMD's authority to impose new or additional emissions reduction requirements on sources of air pollution associated with operation of the Ports of Long Beach and Los Angeles until 2031. SB 34 passed this committee on July 7, 2025, but was later vetoed by the Governor, who commented:

With the current federal Administration directly undermining our state and local air and climate pollution reduction strategies, it is imperative that we maintain the tools we have and encourage cooperative action at all levels to avoid the worst health and climate impacts. To that end, I am encouraged by the productive discussions between the SCAQMD and the Ports of Los Angeles and Long Beach to identify and advance prudent air quality improvement measures and the SCAQMD's recent unanimous direction to staff to further their efforts to reach a Cooperative Agreement. This locally driven and collaborative approach toward reducing air and climate pollution is the type of consensus that should be supported and encouraged. This bill interferes with this approach, the progress made, and the ongoing good faith efforts made by the SCAQMD and the Ports of Los Angeles and Long Beach.

SB 1028 (Padilla, 2007) enacted the section amended by this bill, requiring ARB to adopt rules and regulations governing motor vehicle emissions that are necessary, cost-effective,

and technologically feasible that, together with other measures, will achieve federal ambient air quality standards.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

350 Humboldt

Alliance of Nurses for Healthy Environments

American Lung Association in California

Bay Area Air Quality Management District

Breast Cancer Prevention Partners

California Environmental Voters

CalSTART

Center for Biological Diversity

Center for Community Action and Environmental Justice

Center for Environmental Health

Central California Asthma Collaborative

Central California Environmental Justice Network

Central Coast Alliance United for a Sustainable Economy

CleanEarth4Kids.org

Climate Action California

Coalition for Clean Air

Communities for a Better Environment

E2

Earthjustice

Environmental Defense Fund

Environmental Protection Information Center (EPIC)

Facts Families Advocating for Chemical and Toxics Safety

Friends Committee on Legislation of California

Greenlining Institute

Leadership Counsel for Justice and Accountability

National Association of Pediatric Nurse Practitioners - San Francisco Bay Area Chapter

Natural Resources Defense Council

Nurse Heroes for Zero

Ocean Conservancy

Orange County Chapter of National Association of Pediatric Nurse Practitioners

Pacific Environment

Pesticide Action and Agroecology Network

Plug in America

Prevention Institute

Regional Asthma Management and Prevention (RAMP)

Resource Renewal Institute

San Bernardino County Medical Society

San Francisco Bay Physicians for Social Responsibility

Sierra Club California

Society of Latinx Nurses

St. John's Community Health

Streets for All

The Climate Center  
Union of Concerned Scientists

### **Opposition**

American Council of Engineering Companies  
American Trucking Association  
Associated General Contractors  
Association of Equipment Manufacturers  
BOMA California  
California Advanced Biofuels Alliance  
California Alliance for Jobs  
California Association of Port Authorities  
California Association of Realtors  
California Automotive Wholesalers' Association  
California Building Industry Association  
California Business Properties Association  
California Business Roundtable  
California Chamber of Commerce  
California Citrus Mutual  
California Construction and Industrial Materials Association  
California Cotton Ginners & Growers Association  
California Family Beer Distributors  
California Forestry Association  
California Fuels and Convenience Alliance  
California Grocers Association  
California Hotel & Lodging Association  
California Manufacturers & Technology Association  
California Moving and Storage Association  
California New Car Dealers Association  
California Railroads  
California Renewable Transportation Alliance  
California Retailers Association  
California Self Storage Association  
California State Council of Laborers  
California Strawberry Commission  
California Tow Truck Association  
California Trucking Association  
California Walnut Commission  
California Waste Haulers Council  
Can Manufacturers Institute  
Clean Energy  
Downtown San Diego Partnership  
Family Business Association of California  
Hexagon Agility  
Industrial Environmental Association  
International Longshore & Warehouse Union Local 13  
International Longshore & Warehouse Union Local 63  
International Longshore & Warehouse Union Local 94

International Warehouse Logistics Association  
Los Angeles Area Chamber of Commerce  
Los Angeles County Business Federation (BIZ-FED)  
NAIOP of California  
NAIOP SoCal  
Orange County Business Council  
Pacific Merchant Shipping Association  
Port of Long Beach  
Rebuild SoCal Partnership  
Resource Recovery Coalition of California  
San Diego Regional Chamber of Commerce  
Southern California Leadership Council  
Specialty Equipment Market Association (SEMA)  
Supply Chain Council  
The Transport Project  
Transportation California  
Western Growers Association  
Western Propane Gas Association  
Western States Petroleum Association  
Western States Trucking Association  
Western Tree Nut Association

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /