
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2046 (Ransom) - Vehicles: pollution control devices

Version: February 17, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: E.Q. 7 - 0, TRANS. 12 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would deem fuel retrofit systems for gasoline to E85 for light- or medium-duty gasoline-fueled vehicles certified by the United States Environmental Protection Agency (EPA) as compliant with state requirements, as specified.

Fiscal Impact:

- The California Air Resources Board (CARB) estimates ongoing costs of \$828,000 annually (Air Pollution Control Fund [APCF]) to review alternative fuel retrofit system applications to see if they include vehicles that could qualify for exemption under Vehicle Code (VC) Section 27156 (i), verify alternative retrofit system as EPA certified, coordinate with the Bureau of Automotive Repair, conduct and support aftermarket parts and fuels enforcement, and field complaints, among other things.
- To the extent that more E85 conversion kits are made available in the state and a subset of drivers transition from using conventional gasoline to E85 fuel, the state may see a reduction in motor vehicle fuel excise tax revenue (Motor Vehicle Fuel Account (MVFA) in the Transportation Tax Fund). This potential reduction is because the state tax on alcohol fuel containing no more than 15% gasoline (like E85) is nine cents per gallon, whereas the state excise tax on gasoline and diesel suppliers is 61.2 cents per gallon. Funds from the MVFA are primarily used to construct and maintain public roads and mass transit systems.

Background: According to ARB, E85 is an alternative fuel for automobiles containing 85% ethanol and 15% gasoline. An E85 conversion kit allows a gasoline-powered vehicle to run on fuel containing up to 85% ethanol. There are different categories of kits on the market that require different levels of alteration to the vehicle. The more basic kits include ethanol sensors and utilize the vehicle's engine control unit, cost approximately \$800, and can be installed at home. If the consumer does not have the expertise to install their own kit, they may pay an installer for labor, which may range from \$200 to \$450.

Burning ethanol emits fewer greenhouse gases than burning gasoline. Additionally, the process of making ethanol does not rely on refining processes and the feedstocks are primarily domestically grown. Therefore, ethanol is not as sensitive to imports and global market volatility.

E85 Conversion Kit Certification. Two government agencies currently certify E85 kits: U.S. EPA and ARB. U.S. EPA updated its rule governing vehicle fuel conversion kits in April 2011. ARB approved revisions to the state's Alternative Fuel Conversion regulation in September 2013. The ARB revisions provided for streamlining of the conversion approval process for 2004 model year vehicles while the certification procedures for pre-2004 vehicles remained unchanged.

The agencies' certification processes differ. ARB considered adopting the U.S. EPA process but ultimately rejected it as insufficient. Proponents of this bill argue that ARB's certification process is overly rigorous. ARB has received only a few applications and there are currently no ARB-approved E85 conversion kits. There are currently only a small number of E85 conversion kits certified by U.S. EPA.

Proposed Law: This bill would:

1. Exempt an alternative fuel retrofit system for a light-duty or medium-duty gasoline-fueled vehicle that converts the vehicle to a dual-fueled vehicle that can utilize gasoline or E85 fuel from various air pollution-related requirements, if the alternative fuel retrofit system has been certified by the EPA.
2. Require that CARB not require state certification, executive order approval, or any additional testing or demonstration for an alternative fuel retrofit device as described above.
3. State that a person who installs an alternative fuel retrofit device, as described above, would not be deemed to have installed an unlawful emissions-related device solely on the basis that it has not been approved by CARB.
4. State that, notwithstanding any other law, a person or entity that sells, dispenses, transports, or offers for sale E85 fuel would not be subject to civil, administrative, or criminal liability for supplying E85 fuel to a vehicle equipped with an alternative fuel retrofit device, as described above.

Related Legislation:

AB 30 (Alvarez, Chapter 247, Statutes of 2025) allows gasoline with up to 15% ethanol by volume (E15) to be sold in California, as specified.

SB 301 (Portantino and Newman, 2023) would have required CARB to establish the Zero-Emission Aftermarket Conversion Project which would have provided a rebate of up to \$4,000 per vehicle for qualifying vehicle conversions. The bill was vetoed by the Governor.

SB 660 (Newman, 2017) would have created the Aftermarket Parts Account for the purpose of hiring additional staff to approve aftermarket parts. The bill died in the Assembly Transportation Committee.

AB 558 (Quirk-Silva, 2017) would have allowed the Joint Legislative Committee on Climate Change Policies to recommend that CARB provide education and support to local governments on ensuring the use of E85 flexible fuel vehicles, among other subjects. The bill would also have required CARB to develop a summary on the distribution of E85 and flexible fuel vehicle registrations and develop policy recommendations to maximize the use of E85 in flexible fuel vehicles. The bill was vetoed by the governor.

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