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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### **SB 1069 (Grayson) - Motor vehicle pollution control devices: aftermarket parts: approval process**

**Version:** April 20, 2026

**Urgency:** No

**Hearing Date:** April 27, 2026

**Policy Vote:** E.Q. 6 - 0

**Mandate:** No

**Consultant:** Ashley Ames

**Bill Summary:** This bill would make changes to the existing process for the California Air Resources Board (CARB) to issue an executive order exempting certain aftermarket vehicle parts from existing regulations, and would require CARB to report to the Legislature on its implementation of the process.

#### **Fiscal Impact:**

- CARB estimates ongoing costs of about \$7.4 million annually (Air Pollution Control Fund [APCF] and Motor Vehicle Account [MVA]) for 28 positions to make required regulatory changes that clarify the application process and timeline, review applications within required timeframes, provide reporting and program review, conduct enforcement, track fee payments and refunds, and make other changes required in order to implement the provisions of this bill.

**Background:** Vehicles are one of the primary sources of air pollution nationally. As such, the Federal Clean Air Act authorizes the U.S. EPA to establish and regulate emissions standards for mobile sources.

California, due to its preexisting vehicle-emission standards and severe motor vehicle air pollution problems, has historically been authorized under the FCAA to implement separate mobile emission standards from the federal government. Other states may choose to follow either the national standard or the stricter California standards.

State law assigns CARB with primary responsibility for control of mobile-source air pollution, including adoption of rules for reducing vehicle emissions, the specification of vehicular fuel composition, emissions control devices, and engine standards.

Recent actions by the U.S. EPA have precluded CARB from being able to enforce a number of vehicle emission standards that would be more stringent than required under the FCAA. Regardless, a number of existing regulations previously received U.S. EPA FCAA waivers for CARB to hold certain processes to higher standards, some of which make use of an "Executive Order" process, described below.

*Executive Orders and Aftermarket Parts.* Due to the air pollution caused by vehicles, CARB requires vehicle manufacturers to develop engine and emission equipment systems that reduce the specific pollutants that cause California's severe air quality problem. These emission control systems are also required to be proven durable and reliable.

To ensure that these systems operate as designed, it is prohibited to make modifications to vehicles that increase emissions. If, however, a manufacturer and CARB prove that an aftermarket part or modification does not increase vehicle emissions, it may be installed. The certification process culminates in CARB issuing what is called an Executive Order (EO), which allows the part to be sold, and installed on vehicles, in California.

All aftermarket parts sold in California belong to one of the following four groups:

- a) *Replacement Parts*. Replacement parts include things like carburetors, distributors, fuel injection systems, and fuel tanks. Typically these are parts on a vehicle that wear out with use and must be replaced during the lifetime of the vehicle. When a replacement part does not meet the original factory specifications it requires an Executive Order to be legal for street use.
- b) *Legal Add-On or Modified Parts (Executive Order Parts)*. These parts alter a vehicle from its original equipment manufacturer configuration and are typically added on for safety or performance enhancement. Safety devices include antitheft devices; performance enhancers include air intake systems that cool an engine to increase horsepower or superchargers that increase air pressure in the engine allowing it to burn more fuel to increase power.
- c) *Competition or Racing Use Only Parts*. These parts may only be sold and installed on vehicles that are exclusively used for competition off public highways and roads. These parts replace or otherwise interfere with the operation of an emission control device, such as a catalytic converter or oxygen sensor.
- d) *Catalytic Converters*. Catalytic converters, as their name implies, catalyze (i.e., cause or accelerate) the conversion of toxic gases created during the combustion of fuel into less harmful ones. Catalytic converters can decrease the performance of an engine so some people chose to replace the catalytic converter that comes installed on a car with a more expensive one that reduces performance less.

Getting more aftermarket parts approved by CARB has been a long-standing request of the industry, and steps have been taken to attempt to address how long it takes. According to information provided by the author, nearly 10 years ago in 2017, SB 660 (Newman) would have provided a legislative basis for enabling industry to fund additional staff at CARB to better address the workload for EO applications. Ultimately, this legislation was set aside and instead, the Administration and the Legislature secured additional staff through the state budget process to accelerate the issuance of EOs, resulting in six additional staff in the Emissions Certification & Compliance Division at CARB.

Recognizing that the new CARB positions required financial support, industry again worked with the Legislature, CARB, and stakeholders to provide a mechanism for funding these new positions. Consequently, additional budget action was taken to allow CARB to impose a reasonable fee on EO applications to help offset some of the costs of the staffing needed to improve processing times. In 2021, during the CARB hearing

adopting the new fee on EO applications, CARB committed to reviewing the impact of the fee, and to reevaluating the processing times for EOs. However, subsequent budget constraints meant that some of the positions committed to processing EO applications were removed. In late-2025, CARB began a stakeholder engagement process to attempt to honor these 2021 commitments.

Despite the EO process seeming relatively straightforward, there is tremendous variation between parts, applications, and even applicable regulations. Each of these affects the scope of prospective changes that SB 1069 would result in.

CARB's efforts to reduce vehicle emissions are effectuated through many regulations. Some of those make use of the EO process for evaluating aftermarket parts, including those for aftermarket catalytic converters, aftermarket diesel particulate filters for heavy duty diesel engines, auxiliary gasoline fuel tanks, medium- and heavy-duty hybrid conversion systems, off-vehicle charge capable conversion systems, aftermarket critical emission control parts on highway motorcycles, alternative fuel retrofit systems, and various alternative-fuel conversion systems. By making changes to the EO process, many regulations would likely need to be amended.

Consider an aftermarket catalytic converter intended for light-duty trucks. It could affect emissions differently between makes (e.g. a Ford F-150 vs a Chevrolet Silverado), models (e.g. a Ford F-150 vs A Ford F-250), or interactions with other parts. It could be manufactured by a third-party company of any size or capability (e.g. a sophisticated operations that has been making catalytic converters for decades vs a small start-up making its first). It could, because of the chemistry of the device itself, vary in effectiveness across conditions (e.g. at different operating temperatures, during different duty cycles, or using different fuels).

For CARB to be able to attest that the part will still comply with California's air pollution laws, it may be that many of these variables must be tested. Further, it may be that the manufacturer responsible for demonstrating the device's performance may be more or less able to provide that information, especially in a timely and reliable manner.

**Proposed Law:** This bill would:

1. Require CARB to determine, within 30 days of the receipt of an application for the issuance of an executive order pursuant to subdivision (h) of Section 27156 of the Vehicle Code or Section 38395 of the Vehicle Code to exempt an add-on or modified part based on an evaluation conducted in accordance with subdivision (e) or (j) of Section 2222 of Title 13 of the California Code of Regulations, or an add-on or modified part for an off-road recreational vehicle based on an evaluation conducted in accordance with subdivision (e) of Section 2474 of Title 13 of the California Code of Regulations, and any associated fees adopted CARB pursuant to Section 43019.1, whether the application is complete.
  - a. Provide that an application is complete if it includes all of the requested information for the application, with no missing sections or blanks, and the required signatures.

2. Require CARB, if CARB determines that the application is incomplete, to submit a response to the applicant detailing the reasons why the application is incomplete; or
3. Require CARB, once the application is deemed complete, to either approve or deny the application within 60 days. Further:
  - a. Require CARB, If the application is denied, to must detail the reasons why the application was denied. Further:
    - i. The applicant may resubmit an amended application within 30 days of denial, and CARB must either approve or deny the resubmission within 30 days.
4. Require CARB to refund fifty percent of any fees collected to the applicant if the above timelines are not met.
5. Require CARB to, on or before March 1, 2028 and biennially thereafter until 2034, report to the Legislature (as specified) on the review and issuance timelines for executive orders exempting aftermarket parts.

**Related Legislation:**

AB 2046 (Ransom, 2026) would exempt systems that enable dual-fueling of vehicles from the EO process.

AB 2188 (Ta, 2024) would have exempted aftermarket catalytic converters approved by the U.S. EPA from the EO process. AB 2188 was never heard in the Assembly Transportation Committee.

SB 660 (Newman, 2017) would have created the After Market Parts Account within the Air Pollution Control Fund, in which moneys may be voluntarily deposited by private parties for the purpose of hiring additional staff for implementing subdivision (h) of Section 27156 of the Vehicle Code. SB 660 was never heard in the Assembly Transportation Committee.

SB 839 (Committee on Budget and Fiscal Review, Chapter 340, Statutes of 2016) included a provision authorizing ARB to enter into agreements with private entities to expedite the processing of aftermarket and performance parts sold on specific motor vehicles.

SB 835 (Committee on Budget and Fiscal Review, Chapter 344, Statutes of 2016) removed the provision relating to aftermarket parts that was enacted in SB 839.

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