

THIRD READING

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Bill No: SB 1069  
Author: Grayson (D), et al.  
Amended: 5/14/26  
Vote: 21

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SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-0, 4/8/26  
AYES: Blakespear, Valladares, Allen, Gonzalez, Hurtado, Menjivar  
NO VOTE RECORDED: Dahle

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26  
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

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**SUBJECT:** Motor vehicle pollution control devices: aftermarket parts: approval process

**SOURCE:** Specialty Equipment Market Association

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**DIGEST:** This bill makes changes to the existing process for the California Air Resources Board (CARB) to issue an executive order exempting an aftermarket vehicle part from existing regulations, and this bill requires CARB to report to the Legislature on the implementation of the process.

**ANALYSIS:**

Existing federal law sets, via The Federal Clean Air Act (FCAA) and its implementing regulations, National Ambient Air Quality Standards (NAAQS) for six criteria pollutants, designates air basins that do not achieve NAAQS as nonattainment, allows only California to set vehicular emissions standards stricter than the federal government, and allows other states to adopt either the federal or California vehicular emissions standards. (42 United States Code (U.S.C.) §7401 et seq.)

Existing state law:

- 1) Establishes the California Air Resources Board (CARB) as the air pollution control agency in California and requires the CARB, among other things, to control emissions from a wide array of mobile sources. (Health and Safety Code (HSC) §39500 et seq.)
- 2) Requires the CARB to promulgate and enforce rules and regulations necessary for the proper execution of its statutory mandates. (HSC §39601 et seq.)
- 3) Establishes the Air Pollution Control Fund in the State Treasury for CARB to carry out its duties and functions, upon appropriation by the Legislature. (HSC §43015)
- 4) Establishes the Motor Vehicle Inspection Program, commonly known as the smog check program, to help the state meet federal air quality standards. (HSC §44000 et seq.)
- 5) Prohibits a person from installing, selling, offering for sale, or advertising any device, apparatus, or mechanism intended for use with, or as a part of, a required motor vehicle pollution control device or system that alters or modifies the original design or performance of the motor vehicle pollution control device or system. (Vehicle Code (VEH) §27156)
- 6) Allows, to a vehicle, an alteration, modification, or modifying device, apparatus, or mechanism if CARB finds by resolution that it does not (i) reduce the effectiveness of a required motor vehicle pollution control device, and (ii) result in emissions from the modified or altered vehicle that are above levels that comply with existing state or federal standards for that model-year of the vehicle being modified or converted. (VEH §27156)

This bill:

- 1) Requires CARB to determine, within 30 days of the receipt of an application for the issuance of an executive order to exempt an aftermarket part whether the application is complete, as defined. Further:
  - a) If the application is not complete, CARB must submit a response to the applicant detailing why; or
  - b) Once the application is deemed complete, CARB must either approve or deny the application within 60 days. Further:
    - i) If the application is denied, CARB must detail the reasons why the application was denied. Further:

- a) The applicant may resubmit an amended application within 30 days of denial, and CARB must either approve or deny the resubmission within 30 days.
- 2) Requires CARB to refund fifty percent of any fees collected to the applicant if the above timelines are not met.
- 3) Requires 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.

## Background

- 1) *Vehicles and air pollution.* 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. Environmental Protection Agency (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.

- 2) *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:

- *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.
- *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.
- *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.
- *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.

## Comments

- 1) *Purpose of Bill.* According to the author, “California law prohibits the tampering with, and the sale, installation, or advertising of, emissions-related devices (aftermarket parts) unless the California Air Resources Board (CARB) determines the device complies with the state’s emissions standards (VC § 27156). As such, the CARB Executive Order (EO) process is the only legal pathway for many emissions-related aftermarket parts to be legally sold or installed on vehicles in California. Because the small and medium-sized businesses that develop, manufacture, and sell these parts depend on the issuance of a CARB EO, the time it takes CARB to process and issue an EO directly affects these businesses and the consumers that rely on these parts.

“Despite the creation of additional employment positions, a revised regulatory structure/application process, and the establishment of fees, processing times for EOs have not improved and continue to be a point of uncertainty for manufacturers which can create a sense of competitive disadvantage. Manufacturers depend on timely and predictable EO reviews to lawfully bring emissions-compliant products to market. Yet prolonged and inconsistent review timelines continue to delay market entry, increase costs, and create uncertainty for businesses operating within the aftermarket sector. When processing times are opaque or can vary significantly, businesses may shift investment away from California or toward unregulated markets, undermining the goal of ensuring products are compliant with state emissions standards.

“In an effort to address this issue, SB 1069 would give CARB 30-days, upon receipt of an application for the issuance of an executive order to exempt an aftermarket part and any associated fees, to determine whether the application is complete. Once an application is deemed to be complete, CARB would then have 60-days to approve or deny it. The measure would further require CARB to approve or deny an amended application within 30 days of the denial of the original application. If CARB does not approve or deny an application within those timelines, it would be required to refund the applicant 50% of any fee collected for the application. The bill would also require the state board to submit a report to the Legislature on review and issuance timelines for executive orders issued to exempt aftermarket parts on or before March 1, 2028, and biennially thereafter until March 1, 2034.”

- 2) *Longstanding problem.* 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.

- 3) *More than meets the eye.* 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.

- 4) *So what's the fix?* The sponsors of this measure, the Specialty Equipment Market Association (SEMA), do the testing for roughly 80% of the parts that seek EOs in California. They claim that a typical timeline for testing to conclude is often 6-12 months, but it can take as long as 24 months in some cases. Especially for companies that are relying on selling their parts in California, these additional months of testing come with added financial hardship.

However, at the same time, given the realities of California's air quality challenges and limited regulatory tools, the importance of ensuring aftermarket parts do not worsen the state's air is exceedingly clear. Cutting corners by hampering CARB's ability to fully evaluate aftermarket parts is undesirable as well. It must be remembered, these are aftermarket parts, and so their addition to the vehicle is not, for most drivers in most applications, essential.

This bill represents an attempt to hold CARB to a set timeline, while still providing flexibilities in the event of an application being incomplete (and thus impossible accurately review). If CARB is held to too aggressive of timelines, the process runs the risk of either inadequately evaluation products or—out of an abundance of caution—more applications being rejected. If CARB continues running the EO process as they do today, some aftermarket parts may take many months to be tested, delaying manufacturers' ability to sell their product in California (versus only the other 49 states).

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- Ongoing costs likely in the millions of dollars annually (Air Pollution Control Fund [APCF] and Motor Vehicle Account [MVA]) for CARB 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.

**SUPPORT:** (Verified 5/15/2026)

Specialty Equipment Market Association (Source)

Advanced Flow Engineering, INC.

Banks Power

Edelbrock, LLC

Enthusiast Auto Care

Greddy Performance Products INC.

Hellion, INC.

Hp Tuners LLC

Jackson Racing

Jegs Automotive, LLC

Magnaflow

Magnuson Superchargers

Mdr Industries

Pedal Commander

Techart North America LLC

Vmp Performance

**OPPOSITION:** (Verified 5/15/26)

None received

Prepared by: Heather Walters / E.Q. / (916) 651-4108

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