

registration fees, boat registration fees, and special license identification fees.

This bill:

- 1) Makes findings and declarations regarding the value and importance of competition and transparency in California's zero-emission vehicles (ZEV) fleet.
- 2) Establishes transparency requirements for ZEV incentives, including requiring the original equipment manufacturer (OEM) to provide the manufacturer's suggested retail price (MSRP) for all ZEVs that may be funded by California ZEV incentives; a final purchase order for each vehicle that contains specified information; and any data needed to effectively track vehicle pricing behavior, as specified, to the administering agency quarterly.
- 3) Requires all medium- and heavy-duty vehicle incentive programs that receive funding from GGRF, the California Clean Fuel Reward (funded through the Low-Carbon Fuel Standard), or the Clean Transportation Program to comply with the above transparency requirements.
- 4) Requires CARB to, in coordination with the CEC, every 6 months, compile and make available publicly the above data, as specified.
- 5) Establishes penalties for noncompliance, including immediate suspension of eligibility for state incentive programs, recovery of previously dispersed funds found to be based on false data or through anticompetitive pricing or sales behavior, and allowing CARB to coordinate with the Attorney General to investigate.
- 6) Directs CARB to annually reevaluate the cap on the purchase of unredeemed state vouchers under the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) with the goal of increasing the cap (to a maximum of 90% of the total purchase price) to maximize the benefits of ZEVs deployed, and to increase the cap on vehicles that provide a direct and meaningful benefit, as determined by CARB, to disadvantaged communities, as specified.
- 7) Requires CARB, on or before January 1, 2028, in coordination with the Governor's Office of Business and Economic Development (GO-Biz) and the Infrastructure and Economic Development Bank (IBank) to explore alternative financing opportunities to encourage the deployment of medium- and heavy-duty ZEVs, and report those findings to the Legislature, as specified.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, "California is a leader in the deployment of clean medium and heavy-duty vehicles, both to meet our clean transportation goals and mitigate the detrimental public health impacts that pollutants such as PM2.5 and NOX have on our most vulnerable communities. To deploy these vehicles as quickly as possible, the state has invested in programs such as California's Clean Truck and Bus Voucher Incentive Project (HVIP), which delivered more than \$1 billion in funding to fleets statewide since its inception, supporting more than 11,600 clean vehicles statewide.

"Though these incentives were structured to reduce the cost of transitioning to cleaner transportation, recent research from the International Council on Clean Transportation found that the average price of electric trucks in the US has increased by 32% even as battery costs have declined and electric truck prices in the European Union have fallen by 27% over the same period. The rise in the sticker price of these trucks indicates that more needs to be done to ensure our state's incentives to transition to cleaner fleets are transparent and competitive.

"SB 1213 maintains California's leadership in the deployment of clean medium and heavy-duty vehicles (MHDV) by placing price transparency requirements on incentive programs. In addition, it increases the cap on the number of vehicles that can be covered through vouchers, and directs the state to explore alternative financing models by 2028. These alternative funding models are intended to help bring in more private capital to the space as well, decreasing the ultimate need for state funding, and moving the market to a time when financing for a zero-emission truck will be as affordable and easy to get as any other loan."

- 2) *California's transportation emissions.* The transportation sector has long relied on liquid petroleum fuels as the primary energy source for internal combustion engine (ICE) vehicles, including cars, trucks, locomotives, marine equipment, and aircraft. Combustion of fossil fuels in vehicles emits significant amounts of greenhouse gases (GHGs), criteria pollutants, and toxic air contaminants. In 2019, the transportation sector accounted for approximately 50% of statewide GHG emissions and thus was by far the single largest source of carbon pollution in the state. In addition, the transportation sector is also a significant contributor of statewide oxides of nitrogen (NOx) emissions and fine particulate matter emissions, including toxic diesel particulate matter.

- 3) *The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project.* HVIP accelerates the deployment of zero-emission and plug-in hybrid trucks and buses, and trucks equipped with electric power take off systems, in California. HVIP stimulates deployment of advanced clean commercial vehicles, with the goal of improving community health with immediate air pollution emission reductions, as well as reducing GHG emissions to help meet State climate goals, and yielding substantial economic benefits. In addition, HVIP provides increased incentives for small fleets domiciled in disadvantaged communities and meeting other requirements.
- 4) *Truck Availability Analysis.* After the Clean Truck Partnership was established but still under the Biden presidency, a separate dispute was unfolding. Based on consistent feedback CARB had been receiving in developing and amending regulations involving heavy-duty trucks, an investigation was launched into how OEMs were responding to said regulations. A report published by CARB in September of 2024 found that certain provisions intended to allow flexibility in OEMs' compliance were instead being used to mislead dealers.¹ Specifically, CARB found that, "Through discussions with manufacturers, dealers, and fleets, it appears numerous manufacturers have begun to inform their customers they will be applying future requirements to purchase ZEVs before they can acquire combustion vehicles to each of their dealer or upfitters regardless of the types of vehicles they sell as ZEVs." CARB emphasized that this was not required in the regulations, and that flexibility was in fact provided to avoid such situations.

Moreover, CARB reported investigations into pricing discrepancies between ZEV and ICE trucks between California and Europe. Despite largely the same major manufacturers operating in both jurisdictions, CARB found that ZEV heavy-duty tractors cost on average \$88,828 more in California versus Europe (or \$51,784 when accounting for all other incremental price differences).² Furthermore, in the 2021-2022 range CARB assessed, they found that California's ZEV trucks increased by \$86,512 at the same time that Europe's ZEV trucks decreased by \$12,641. Ultimately, CARB stated that, "There appear to be no clear reasons for this disparity between regions."³

- 5) *Meeting program goals.* The provisions specified in this bill aim to provide certain policy tools to currently administered air quality incentive programs to ensure program goals will be achieved. For example, requiring greater transparency on clean medium- and heavy-duty vehicle prices is intended to

¹ https://ww2.arb.ca.gov/sites/default/files/2024-09/240925_actmemo_ADA_0.pdf

² Ibid

³ Ibid

provide additional clarity on prices to ensure program participants are paying a fair market rate for clean vehicles. Additionally, requiring CARB to reevaluate the HVIP program annually for unredeemed state vouchers will potentially allow the Board to maximize the number of vouchers that can be distributed to incentivize purchasing clean medium- and heavy-duty vehicles.

- 6) *Double referred.* This bill was double referred to the Senate Environmental Quality Committee where it passed on a 7-0 vote on April 15, 2026.

RELATED/PREVIOUS LEGISLATION:

SB 1230 (Limón, Chapter 371, Statutes of 2022) – Harmonized the CCFR with other programs like HVIP and the Clean Vehicle Rebate Project (CVRP) by creating a single unified education and application portal. It aimed to transform these various incentives into standardized point-of-sale rebates to make them more accessible to low- and moderate-income Californians.

SB 726 (Gonzalez, 2021) – Sought to reassess and recast CTP funding priorities to emphasize equity and reduce air pollution in overburdened communities. *SB 726 died on the Assembly floor.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 15, 2026.)

SUPPORT:

Apenn Action
California Environmental Voters
Coalition for Clean Air
Federation of American Scientists
Natural Resources Defense Council
Natural Resources Defense Council (NRDC)
Sierra Club

OPPOSITION:

None received

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