Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION
Lori D. Wilson, Chair
SB 1213 (Reyes) – As Amended May 14, 2026

SENATE VOTE: 33-0

SUBJECT: Zero- and near-zero-emission medium- and heavy-duty vehicles: incentives: transparency

SUMMARY: Makes the inclusion of any medium- and heavy-duty vehicle in specified incentive programs that the California Air Resources Board (CARB) and the California Energy Commission (CEC) administer conditioned on the original equipment manufacturer (OEM) complying with certain transparency requirements around vehicle pricing. Specifically, **this bill**:

1) Makes findings and declarations regarding the value and importance of competition and transparency in California's zero emission vehicle (ZEV) fleet.

2) Establishes transparency requirements for ZEV incentives, including requiring the 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 the Greenhouse Gas Reduction Fund (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 Clean Truck and Bus Voucher Incentive Project (HVIP) with the goal of increasing the cap 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 (DACs).

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.

EXISTING LAW:

1) Establishes the CARB as the air pollution control agency in California and requires CARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality. (Health and Safety Code (HSC) 39500)

2) Establishes the GGRF in the State Treasury, requires all monies, except for fines and penalties, collected pursuant to a market-based mechanism be deposited in the fund. (Government Code 16428.8)

3) Establishes the Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program that CARB in conjunction with the CEC to fund development, demonstration, precommercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies through a number of incentive programs. (HSC 39719.2)

4) Establishes the Alternative and Renewable Fuels and Vehicle Technology Program (known as the Clean Transportation Program, or CTP), administered by the CEC, to develop and deploy technologies and alternative and renewable fuels to help attain the state's climate change policies, and provides funding for the CTP from miscellaneous vehicle-related charges including vehicle registration fees, boat registration fees, and special license identification fees. **(**HSC 44272)

FISCAL EFFECT: According to the Senate Appropriations Committee:

- CARB estimates ongoing costs of about $4.1 million in the first year and $2.8 million annually thereafter (Greenhouse Gas Reduction Fund [GGRF] and Cost of Implementation Account [COIA]) to include transparency requirements for programs that receive GGRF funding, annually reevaluate fleet cap for vouchers in California's Clean Truck and Bus Voucher Incentive Project (HVIP), coordinate with the Governor's Office of Business and Economic Development (GO-Biz) and the Infrastructure and Economic Development Bank (IBank), and report to the Legislature, among other things.

- Go-Biz estimates ongoing costs of approximately $78,000 annually (General Fund or special fund) to coordinate across agencies, perform research, collaborate with private sector stakeholders to ensure opportunities address market needs would be accessible, and to support other ad hoc report needs.

- The IBank anticipates that consulting with CARB and GO-Biz on possible alternative funding opportunities for a report would result in minor and absorbable costs. However, if the IBank is expected to perform more extensive work and research on the report, the IBank would anticipate costs of approximately $68,000 (General Fund or special fund).

- The CEC anticipates any costs would be minor and absorbable.

COMMENTS: *Greenhouse gas emissions goals.* The Legislature has set several goals to reduce greenhouse gas (GHG) emissions and address climate change. The Global Warming Solutions Act of 2006, AB 32 (Nuñez), Chapter 488, Statutes of 2006 and subsequent companion

legislation SB 32 (Pavley), Chapter 249, Statutes of 2016, requires California to reduce statewide GHG emissions to 40% below the 1990 level by 2030. AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022 establishes the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045. CARB is responsible for developing a Scoping Plan to detail how the state will achieve its GHG emissions reduction targets mandated by law.

Mobile source emissions. Mobile sources of air pollution are vehicles or equipment that can be moved from place to place and emit pollutants as they operate. These sources include on-road vehicles like cars, trucks, and buses, as well as non-road vehicles such as aircraft, construction equipment, and marine vessels. Mobile sources and the fossil fuels that power them are the largest contributors to the formation of ozone, GHG emissions, fine particulate matter ($PM_{2.5}$), and toxic diesel particulate matter (DPM). Statewide, more than 21 million out of over 39 million Californians live in areas that exceed the federal ozone standards; within these areas, there are many low-income and disadvantaged communities that are exposed to not only ozone, but also particulate and toxic, pollutant levels significantly higher than the federal standards which have immediate and detrimental health effects. In California, mobile sources are responsible for approximately 80% of smog-forming nitrogen oxide (NO_x) emissions. They also represent about 50% of GHG emissions when including emissions from fuel production, and more than 95% of toxic DPM emissions.

The National Ambient Air Quality Standard (NAAQS). The Clean Air Act of 1970 instructs the U.S. Environmental Protection Agency (US EPA) to set primary NAAQS to protect public health, and secondary NAAQS to protect plants, forests, crops and materials from damage due to exposure to six criteria air pollutants. These pollutants include: particulate matter, ozone, nitrogen oxides, sulfur oxides, carbon monoxide, and lead.

Federal law (42 United States Code 7409 and 7410) requires that all states attain the NAAQS and develop State Implementation Plans (SIP) for nonattainment areas to attain the NAAQS, and attainment areas to maintain attainment. Failure of a state to reach attainment of the NAAQS by the target date can trigger penalties, including withholding of federal highway funds.

State law (HSC 39602), requires CARB to develop SIP emission reduction strategies for cars, trucks, and other mobile sources to meet the requirements in the Clean Air Act. Local air districts are primarily responsible for controlling emissions from stationary sources such as factories and power plants. CARB coordinates closely with local air districts in the development of attainment plans which are then incorporated into the SIP.

Clean 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 greenhouse gas 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.

The Clean Truck Partnership. California occupies a unique position as the state with both the most ambitious vehicle emission standards and the state with the largest vehicle fleet. This has been particularly fraught in recent years, as actions taken by the federal government have

repeatedly and significantly eroded California's longstanding authority to set and enforce stricter-than-required vehicle emission standards.

Truck manufacturers and CARB signed the Clean Truck Partnership in July 2023 to align state and federal emissions standards while ensuring manufacturers continue advancing zero-emission vehicle technology. In the agreement, the manufacturers pledged to meet California's Advanced Clean Trucks and Omnibus regulations regardless of federal legal outcomes, and to refrain from challenging California's authority to set stricter emissions rules. In turn, CARB agreed to revise certain heavy-duty engine standards and provide manufacturers with regulatory flexibility and longer lead times to comply with emissions rules.

However, after the Partnership was established, the federal administration changed and subsequently intervened. Under the current administration, the U.S. Department of Justice advised manufacturers that federal law preempted the Clean Truck Partnership and the Federal Trade Commission asserted that the Clean Truck Partnership ran afoul of antitrust laws.

In August of 2025, plaintiffs Daimler Truck North America, International Motors, PACCAR, and Volvo Group North America filed a lawsuit against CARB alleging that California was attempting to require compliance with heavy-duty truck emissions standards that Congress recently preempted under the federal Clean Air Act. In October of 2025, CARB filed a suit against the above plaintiffs, alleging that they violated the terms of the Clean Truck Partnership, and sought to compel companies to either uphold their commitments or compensate the state accordingly. In November of 2025, a federal judge temporarily blocked California from enforcing the Clean Truck Partnership while the case proceeds.

Truck Availability Analysis. After the Clean Truck Partnership was established but still under the Biden administration, a separate dispute was unfolding. Based on consistent feedback CARB had been receiving in developing and amending regulations involving heavy-duty trucks, CARB directed staff to analyze how OEMs were responding to said regulations. A report CARB published in September of 2024 found that certain provisions intended to allow flexibility in OEMs' compliance were instead being used to mislead dealers. 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.

In addition, CARB investigations into pricing discrepancies between ZEV and ICE trucks in California and Europe 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). Furthermore, in the 2021-2022 range CARB assessed, they found that California's ZEV trucks increased by $86,512 while Europe's ZEV trucks decreased by $12,641. Ultimately, CARB stated that, "There appear to be no clear reasons for this disparity between regions."

Committee comments. For manufacturers who have no issue with meeting the proposed transparency requirements, there will be no change to the status quo under this bill. If a manufacturer were engaging in anticompetitive practices revealed through the transparency requirements, this bill would help instead direct state monies to manufacturers not participating in such activities. Ensuring that the manufacturers California directly supports through purchase

incentives are the same manufacturers most willing to share pricing data may help reduce the price of zero-emission medium- and heavy-duty and help to develop the market even without a full suite of regulatory tools.

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."

Arguments in support. The Natural Resources Defense Council, the sponsors of this bill, state: "Recent research from the International Council on Clean Transportation (ICCT) sheds light on a troubling trend: The median price of class 8 battery-electric tractor trucks in the United States has increased 27 percent since 2020, even as battery costs have dropped. In contrast, in the European Union, similar tractor trucks fell in price by 32 percent over the same period. Despite significant declines in battery costs and rapid growth in zero-emission truck deployment globally, prices for certain battery-electric Class 8 trucks in the United States have risen sharply in recent years. In contrast, comparable vehicles in other markets with greater transparency and competitive pressure have seen substantial price declines.

"SB 1213 addresses this problem directly and constructively. By requiring greater disclosure of truck pricing information for vehicles receiving public incentives, the bill would give state agencies the tools they need to hold manufacturers accountable to selling electric trucks in California for the prices they offer abroad and ensure our state incentive dollars go as far as possible to provide air pollution relief for communities most impacted by diesel pollution."

Arguments in opposition. A coalition of industry groups, including Volvo, state, "We appreciate the author's efforts to promote transparency and accountability regarding the expenditure of public funds. We agree that taxpayer-funded incentive programs should be subject to appropriate oversight and performance measurement. However, our principal concern with SB 1213 as currently drafted is not the underlying data collection — HVIP already requires manufacturers

and dealers to report MSRP, transaction prices, and related program data as a condition of participation. Our concern centers on Section 43216(b)'s requirement that CARB publicly post this pricing data every six months on its website, broken out by vehicle model and model year. While the bill specifies that this disclosure be aggregated and anonymized at the buyer level, public posting of model-level transaction pricing creates significant competitive exposure and the potential for market distortions that could deter HVIP participation and undermine program effectiveness."

"We understand the Legislature's interest in confirming that public incentives are not artificially propping up commercial vehicle prices. This is a legitimate oversight objective, and we share it. The existing HVIP data — collected from manufacturers and dealers as part of current program administration — is well-suited to inform that analysis. The question is not whether this data should be used for oversight, but rather how the results of that analysis should be shared. We believe the appropriate path is a CARB analytical report to the Legislature that provides high-level findings on pricing trends and program performance, not a publicly posted database of pricing data by vehicle model and model year that could expose competitively sensitive commercial information and create unintended market distortions."

Double referral. This bill is double referred to the Assembly Natural Resources Committee and will be heard by that Committee as it relates to issues under its jurisdiction.

Previous and related 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 of 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.

REGISTERED SUPPORT / OPPOSITION:

Support

Natural Resources Defense Council (sponsor)
American Lung Association
Apen Action
California Environmental Voters
California Interfaith Power & Light
California Nurses for Environmental Health & Justice
Center for Biological Diversity
Center for Community Action and Environmental Justice
Central California Asthma Collaborative
Ceres
Climate Action California
Coalition for Clean Air
Communities for a Better Environment
E2

Earthjustice
Federation of American Scientists
Green Latinos
Greenlining Institute
Humble Robotics
Little Manila Rising
Los Angeles Business Council
Los Angeles Cleantech Incubator
Medical Advocates for Healthy Air
Neighbors for Clean Air
Port of Long Beach
Physicians for Social Responsibility - San Francisco Bay
Regional Asthma Management and Prevention
Sierra Club California
Smart Freight Centre
The Climate Center
Union of Concerned Scientists

Opposition
None on file

Oppose Unless Amended

California Council for Environmental and Economic Balance
Daimler Truck North America
Hexagon Purus
Hyundai Translead
TEC Equipment
Volvo

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