Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1213 (Reyes) – As Amended July 1, 2026

Policy Committee:	Transportation	Vote:	16 - 0
	Natural Resources		12 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the California Air Resources Board (ARB) and the California Energy Commission (CEC) to condition the inclusion of any medium- or heavy-duty vehicle model in specified incentive programs on the original equipment manufacturer (OEM) complying with certain transparency requirements around vehicle pricing.

More specifically, this bill, among other things:

1) Requires, beginning January 1, 2027, ARB and CEC to condition the inclusion of any medium- or heavy-duty vehicle model in any incentive program that receives funding from the Greenhouse Gas Reduction Fund (GGRF), including the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), and in any program that receives funding through the California Clean Fuel Reward (CCFR), through the Low-Carbon Fuel Standard (LCFS) regulations or through the Clean Transportation Program (CTP) on the receipt of specified pricing data.

2) Requires ARB to annually reevaluate the cap on the purchase of unredeemed state vouchers issued through HVIP with the goal of increasing the cap to the extent feasible to maximize the benefits of zero-emission vehicles deployed; requires that an increase to the voucher cap be provided on the purchase of electric medium- and heavy-duty vehicles that provide a direct and meaningful benefit to disadvantaged communities; requires ARB to establish criteria for determining the eligibility of an applicant and the required nexus between vehicle operation and community benefit; and requires ARB to periodically reevaluate whether or not taxes should be included when determining the maximum share of vehicle cost incentivized through HVIP.

3) Requires, beginning January 1, 2027, the state agency administering any medium- or heavy-duty vehicle incentive program that receives funding from the programs listed in item 1, above, to condition the inclusion of any medium- or heavy-duty vehicle model in that program upon specified transparency requirements; provides that failure to comply with reporting requirements shall result in the immediate suspension of a vehicle model's eligibility for state incentive programs; authorizes ARB to recover previously dispersed incentive funds found to be dispersed based on false data that was knowingly provided or through anticompetitive pricing or sales behavior; and authorizes ARB to coordinate with the Attorney General to investigate any violations of this bill.

4) Requires ARB, in coordination with the CEC, every six months, to compile and make the data provided pursuant to item 3, above, publicly available on its website, as specified.

5) Requires, on or before January 1, 2028, ARB, in coordination with the Governor's Office of Business and Economic Development (GO-Biz) and the California Infrastructure and Economic Development Bank (IBank), to explore alternative financing opportunities to encourage the deployment of zero-emission medium- and heavy-duty vehicles and report its findings to the Legislature, as specified.

6) Provides that the provisions of this bill are severable.

FISCAL EFFECT:

1) ARB estimates costs of about $3.8 million in the first year and $2.5 million annually thereafter (GGRF and Cost of Implementation Account) for about 12 positions and contract funding to annually reevaluate the cap on the purchase of unredeemed state vouchers issued through HVIP and associated requirements (see item 3, above); include transparency requirements for programs that receive GGRF funding (like HVIP, the Sustainable Heavy-Duty Initiatives for Future Technology program, the Innovative Small e-Fleet pilot program, the Zero-Emission School Bus and Infrastructure Program, and others); make necessary implementation manual revisions to include new data to be collected; conduct public engagement and coordinate with stakeholders; coordinate with third-party administrators to collect additional information from OEMs and, in cases where manufacturer suggested retail prices (MSRPs) are unavailable, identify and collect surrogate information; evaluate and anonymize data from OEMs and update vehicle model eligibility on an ongoing basis; and coordinate with GO-Biz and IBank on reporting requirements.

2) GO-Biz estimates a one-time cost of approximately $78,000 annually (General Fund or special fund) to coordinate across agencies, perform research, collaborate with private sector stakeholders; and support other ad hoc report needs.

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

4) CEC anticipates any costs would be minor and absorbable.

COMMENTS:

1) **Purpose.** According to the author:

> SB 1213 maintains California's leadership in the deployment of clean medium and heavy-duty vehicles 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 as 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) **Background.** While trucks represent only 6% of the vehicles on California's roads, they account for more than 35% of the state's transportation-generated nitrogen oxide emissions and a quarter of the state's on-road greenhouse gas emissions. The state funds numerous incentive programs to increase the deployment of zero-emission medium- and heavy-duty vehicles, including:

   - HVIP – funded by cap-and-invest revenues through GGRF – offers point-of-sale incentives for eligible zero-emission vehicles on a first-come, first-served basis. The program surpassed $1 billion in voucher redemptions this year, supporting more than 2,000 fleets and enabling the deployment of over 11,000 clean vehicles.

   - In May of this year, the Newsom administration announced applications are open for the CCFR rebate program for electric medium- and heavy-duty trucks, with $250 million available this year and over $1 billion in total rebate funding expected through 2030.

   - CEC's CTP leverages public and private investments to accelerate the development of clean, efficient, low-carbon technologies to reduce greenhouse gas emissions and petroleum dependence. CTP provides about $95 million annually, totaling $286 million for fiscal years 2026–27 through 2028–29.

   Writing in support of this bill, a coalition of organizations argues the heavy-duty electric truck sector operates without transparent pricing benchmarks or publicly accessible MSRPs. The coalition writes, "Transactions are heavily siloed, and essential cost data is frequently bound by non-disclosure agreements. This information asymmetry creates artificial market friction that harms community health goals and business operations alike." Supporters generally assert clear price signals ensure public subsidies reduce acquisition costs, rather than inflating manufacturer profits.

   Writing in an oppose-unless-amended position, a coalition of OEMs (such as Volvo and Daimler Truck) requests several amendments, including replacing the public pricing database requirement with an ARB analytical report to the Legislature every other year on HVIP pricing trends and program performance; ensuring any publicly available summary is sufficiently aggregated to protect the confidentiality of manufacturer and dealer transaction information; and focusing the public accountability framework on vehicle deployment outcomes, emissions reductions, and program performance — metrics that demonstrate the value of HVIP investment without compromising market integrity.

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