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HEALTH AND SAFETY CODE - HSC

DIVISION 26. AIR RESOURCES [39000 - 44475.3] (*Division 26 repealed and added by Stats. 1975, Ch. 957.)*

PART 5. VEHICULAR AIR POLLUTION CONTROL [43000 - 44299.91] (*Part 5 added by Stats. 1975, Ch. 957.)*

CHAPTER 8.5. Clean Car Incentive Program Requirements [44258 - 44258.7] (*Heading of Chapter 8.5 amended by Stats. 2022, Ch. 371, Sec. 2.)*

44258. For purposes of this chapter, the following terms have the following meanings:

(a) "Car sharing" means a model of vehicle rental where users can rent vehicles for short periods of time and users are members that have been preapproved to drive.

(b) "Disadvantaged community" means a community identified by the California Environmental Protection Agency pursuant to Section 39711.

(c) "Near-zero-emission vehicle" means a vehicle that utilizes zero-emission technologies, enables technologies that provide a pathway to zero-emissions operations, or incorporates other technologies that significantly reduce criteria pollutants, toxic air contaminants, and greenhouse gas emissions, as defined by the state board in consultation with the State Energy Resources Conservation and Development Commission consistent with meeting the state's mid- and long-term air quality standards and climate goals.

(d) "Zero-emission vehicle" means a vehicle that produces no emissions of criteria pollutants, toxic air contaminants, and greenhouse gases when stationary or operating, as determined by the state board.

(*Added by Stats. 2014, Ch. 530, Sec. 3. (SB 1275) Effective January 1, 2015.*)

44258.4. (a) Any moneys utilized pursuant to this chapter from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, shall be consistent with the appropriations processes and criteria established by the Greenhouse Gas Reduction Fund Investment Plan and Communities Revitalization Act (Chapter 4.1 (commencing with Section 39710) of Part 2).

(b) The Charge Ahead California Initiative is hereby established and shall be administered by the state board. The goals of this initiative are to place in service at least 1,000,000 zero-emission and near-zero-emission vehicles by January 1, 2023, to establish a self-sustaining California market for zero-emission and near-zero-emission vehicles in which zero-emission and near-zero-emission vehicles are a viable mainstream option for individual vehicle purchasers, businesses, and public fleets, to increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers.

(c) The state board, in consultation with the State Energy Resources Conservation and Development Commission, districts, and the public, shall do all of the following:

(1) (A) Include, commencing with the funding plan for the 2016–17 fiscal year of the Air Quality Improvement Program (Article 3 (commencing with Section 44274) of Chapter 8.9), a funding plan that includes the immediate fiscal year and a forecast of estimated funding needs for the subsequent two fiscal years commensurate with meeting the goals of this chapter. Funding needs may be described as a range that identifies the projected high and low funding levels needed for the two-year forecast period to contribute to technology advancement, market readiness, and consumer acceptance of zero- and near-zero-emission vehicle technologies. The funding plan shall include a market and technology assessment for each funded zero- and near-zero-emission vehicle technology to inform the appropriate funding level, incentive type, and incentive amount. The forecast shall include an assessment of when a self-sustaining market is expected and how existing incentives may be modified to recognize expected changes in future market conditions.

(B) Projects included in the forecast may include, but are not limited to, any of the following:

(i) The Clean Vehicle Rebate Project, established pursuant to Section 44274.

(ii) Light-duty zero-emission and near-zero-emission vehicle deployment projects eligible under the Alternative and Renewable Fuel and Vehicle Technology Program, established pursuant to Article 2 (commencing with Section 44272) of Chapter 8.9.

(iii) Programs adopted pursuant to paragraph (4).

(2) Update the plan required pursuant to paragraph (1) at least every three years through January 1, 2023.

(3) No later than June 30, 2015, adopt revisions to the criteria and other requirements for the Clean Vehicle Rebate Project, established pursuant to Section 44274, to ensure the following:

(A) Rebate levels can be phased down in increments based on cumulative sales levels as determined by the state board.

(B) Eligibility is limited based on income.

(C) Consideration of the conversion to prequalification and point-of-sale rebates or other methods to increase participation rates.

(4) (A) Establish programs that further increase access to and direct benefits for disadvantaged, low-income, and moderate-income communities and consumers from electric transportation, including, but not limited to, any of the following:

(i) Financing mechanisms, including, but not limited to, a loan or loan-loss reserve credit enhancement program to increase consumer access to zero-emission and near-zero-emission vehicle financing and leasing options that can help lower expenditures on transportation and prequalification or point-of-sale rebates or other methods to increase participation rates among low- and moderate-income consumers.

(ii) Car sharing programs that serve disadvantaged communities and utilize zero-emission and near-zero-emission vehicles.

(iii) Deployment of charging infrastructure in multiunit dwellings in disadvantaged communities to remove barriers to zero-emission and near-zero-emission vehicle adoption by those who do not live in detached homes. This clause does not preclude the Public Utilities Commission from acting within the scope of its jurisdiction.

(iv) Additional incentives for zero-emission, near-zero-emission, or high-efficiency replacement vehicles or a mobility option available to participants in the enhanced fleet modernization program, established pursuant to Article 11 (commencing with Section 44124) of Chapter 5.

(B) Programs implemented pursuant to this paragraph shall provide adequate outreach to disadvantaged, low-income, and moderate-income communities and consumers, including partnering with community-based organizations.

(5) (A) Require agricultural vanpool programs, including, but not limited to, the agricultural worker vanpools pilot project implemented by the state board pursuant to this chapter, to serve disadvantaged communities, as defined in Section 39711, and low-income communities, as defined in Section 39713, and allocate a minimum of 25 percent of the moneys appropriated by the Legislature for agricultural vanpool programs to those programs servicing low-income communities.

(B) For the purposes of this paragraph, hybrid vehicle technology shall remain an eligible vehicle technology until the state board determines that a more cost-effective and cleaner alternative becomes commercially available.

(Amended by Stats. 2018, Ch. 364, Sec. 1. (AB 2006) Effective January 1, 2019.)

44258.5. (a) For the purposes of this section, the following terms mean the following:

(1) "Local publicly owned electric utility" has the same meaning as defined in Section 224.3 of the Public Utilities Code.

(2) "Retail seller" has the same meaning as set forth in subdivision (j) of Section 399.12 of the Public Utilities Code.

(3) "Transportation electrification" has the same meaning as set forth in Section 237.5 of the Public Utilities Code.

(b) The state board shall identify and adopt appropriate policies, rules, or regulations to remove regulatory disincentives preventing retail sellers and local publicly owned electric utilities from facilitating the achievement of greenhouse gas emission reductions in other sectors through increased investments in transportation electrification. Policies to be considered shall include, but are not limited to, an allocation of greenhouse gas emissions allowances to retail sellers and local publicly owned electric utilities, or other regulatory mechanisms, to account for increased greenhouse gas emissions in the electric sector from transportation electrification.

(Amended by Stats. 2016, Ch. 677, Sec. 1. (SB 1393) Effective January 1, 2017.)

44258.7. (a) For purposes of this section, the following definitions apply:

(1) "Mobility option" has the same meaning as defined in Section 44124.

(2) "Zero-emission or near-zero-emission vehicle incentive program" means a program to provide incentives to an individual for the purchase of a light-duty zero-emission or near-zero-emission vehicle.

(b) This section applies to zero-emission and near-zero-emission vehicle incentive programs that receive funding from, or are administered by, the state board, as applicable, including, but not limited to, all of the following:

(1) The Clean Cars 4 All Program established pursuant to Section 44124.5.

(2) The Clean Vehicle Rebate Project established as a part of the Air Quality Improvement Program (Article 3 (commencing with Section 44274) of Chapter 8.9).

(3) The Clean Vehicle Assistance Program established as a part of the Air Quality Improvement Program (Article 3 (commencing with Section 44274) of Chapter 8.9).

(c) (1) The state board shall create a single unified education and application portal that enables an applicant for any of the programs subject to this section to access information about the program and to submit one application for all of the programs.

(2) The development of the education and application portal described in paragraph (1) is contingent upon an appropriation by the Legislature for that purpose, and shall be completed no more than two years following an appropriation by the Legislature for that purpose.

(3) When the education and application portal informs an applicant about the incentives that the applicant prequalifies for under programs subject to this section, the state board shall ensure that the portal also informs the applicant about other incentives that may be available to them, such as the California Clean Fuel Reward program and relevant local or regional incentives.

(d) (1) On or before July 1, 2024, the state board shall, where the state board finds it feasible, adopt revisions to the requirements of zero-emission and near-zero-emission vehicle incentive programs subject to this section to ensure an opportunity to become prequalified for an incentive is provided in order to ensure that the incentive is guaranteed to the applicant before the applicant purchases a vehicle, mobility option, or other item or service for which the incentive is provided, in line with current best practices that permit applicants to apply incentive moneys toward the purchase at the point of sale.

(2) If the state board finds it infeasible to adopt the revisions described in paragraph (1) to the requirements, the state board shall prepare, on or before July 1, 2024, a report describing the rationale for those findings. The state board shall post the report on its internet website and provide notice of the report to the relevant policy and fiscal committees of the Legislature. The report shall include, but is not limited to, all of the following:

(A) A description of why the proposed revision is infeasible.

(B) Any complementary or overlapping efforts to achieve the policy goals that are underway at the state board.

(C) Where appropriate, an identification of any necessary statutory changes that would enable the proposed revisions.

(Added by Stats. 2022, Ch. 371, Sec. 3. (SB 1230) Effective January 1, 2023.)