



## **AB 2796 (Alvarez): Equitable Access to Zero Emissions Vehicle Fund**

### **Bill Summary**

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The legislature has adopted several bills over the last 10 years to improve access to zero emission vehicles and reduce pollution in disadvantaged communities. A variety of transportation equity programs have received inconsistent and declining funding from the state's general fund and the Greenhouse Gas Reduction Fund (GGRF).

This bill will establish the Equitable Access to Zero-Emission Vehicles Fund and would make moneys in the fund available, upon appropriation by the Legislature for a new vehicle rebate program for disadvantaged communities.

### **Background**

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California has adopted ambitious nation leading policies for expediting the development of zero-emission vehicles, fuels, and infrastructure to help meet the state's climate, public health, equity, and environmental goals. Our policies and goals have been supported through grant funding, incentives, and other financial mechanisms. The programs must continue to support California's households and businesses. This is especially true for low-income individuals, disadvantaged communities, and small businesses.

While 25 percent of the new car sales in California are ZEVs, the electric revolution has yet to penetrate our underserved communities. California ZIP codes with the largest percentages of Latino and Black residents have extremely low proportions of electric cars — many with no electric cars at all. The top 4 ZEV models delivered for sale in California according to the California Air Resources Board were all Tesla models. After providing in excess of 400,000 rebates California is now struggling to provide consistent and necessary support to provide equitable access to zero emission vehicles for residents of low-income and disadvantaged communities.

To address the 2024-25 projected budget shortfall, the budget proposes a delay of \$600 million GGRF from

2024-25 to 2027-28 across various programs including Clean Cars 4 All and other transportation equity programs.

Funding sources outside of the General Fund and GGRF may be necessary to achieve our Zero Emission Vehicle and Equity goals.

In 2016-2017, CARB, the California Attorney General's Office, the United States Department of Justice and U.S. EPA entered into a series of settlements with Volkswagen (VW) to resolve federal and California claims for VW's use of illegal defeat devices on its diesel vehicles. VW is required to invest \$800 million in California over 10 years subject to approval by CARB.

### **Conclusion**

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Predictable, and flexible funding is necessary to ensure market confidence, help meet state goals, and allow for equitable fleet planning and turnover as vehicles are retired.

This is especially true in supporting low-income individuals, disadvantaged communities, and small businesses.

Long-term, consistent, predictable, and flexible investments in ZEVs, and zero-emission charging and refueling infrastructure are necessary to meet the ambition and requirements of Chapter 249, Statutes of 2016 (SB 32), reduce GHGs, and transition to a 100 percent clean energy future in a manner that is equitable and responsive to the climate crisis impacts occurring today, such as wildfires and droughts.

Both private and public funding will be needed to further deploy infrastructure for electric and hydrogen vehicles for 2030, 2035, and beyond.



AB 2796 creates the Equitable Access to Zero-Emissions Vehicle fund and will direct CARB to evaluate and consider all available revenue sources outside of the General Fund including not limited to ZEV credit values and vehicle manufacturer penalties and settlement funds for the purpose of supporting ZEV deployment in disadvantaged communities.

## **Support**

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TBD

## **For More Information**

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