



CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED
TRANSPORTATION FINANCING AUTHORITY

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March 18, 2026

**California Alternative Energy and
Advanced Transportation Financing Authority**

Sales and Use Tax Exclusion Program

Notice of Emergency Regulations

The California Alternative Energy and Advanced Transportation Financing Authority (“Authority” or “CAEATFA”) organized and operating pursuant to Division 16 (commencing with Section 26000) of the California Public Resources Code proposes to adopt the proposed emergency regulations after considering all comments, objections, and recommendations regarding the proposed action.

The proposed regulations will amend Sections 10031, 10032, 10033, 10035, and 10036 of Article 2 of Division 13 of Title 4 of the California Code of Regulations for the Sales and Use Tax Exclusion (STE) Program. The proposed amendments address a workforce statutory requirement of SB 86 (McNerney, Chapter 211, Statutes of 2025), incorporate lessons learned from changes implemented in previous years, adjust and clarify program policies, make compliance adjustments in response to stakeholder needs, streamline program administration and introduce greater flexibility to address program needs, make fee-related adjustments, make clarifying or technical changes, and update and revise section references.

The proposed regulations were publicly noticed, considered, and approved by the CAEATFA Board at a public meeting held on Tuesday, March 17, 2026, at 10:30 am.

Government Code Section 11346.1(a)(2) requires that at least five working days prior to submission of the proposed emergency regulations action to the Office of Administrative Law (“OAL”), the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency

regulations to OAL, OAL shall allow interested parties five (5) calendar days to submit comments on the proposed emergency regulations as set forth in Government Code Section 11349.6. Upon filing, OAL will have ten (10) calendar days within which to review and make a decision on the proposed emergency rulemaking package. If approved, OAL will file the regulations with the Secretary of State, and the emergency regulations will become effective for one hundred and eighty (180) days. Within the 180-day effective period, CAEATFA will proceed with regular rulemaking action, including a public comment period. The emergency regulations will remain in effect during this rulemaking action.

You may review the proposed regulatory action and the Finding of Emergency on [CAEATFA's STE website](#).

If you prefer to receive a hard copy of the proposed emergency regulations, please contact Xee Moua at (916) 653-3303 or xee.moua@treasurer.ca.gov, and a copy will be provided at no cost.

If you have any questions regarding this proposed emergency action, please contact Xee Moua at (916) 653-3303 or xee.moua@treasurer.ca.gov.