



Policy Alert: California EV Mandate Targeted for Repeal

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Action: The Senate passed a [joint resolution of disapproval](#) to repeal California’s EV mandate, sending it to the President for signature. The measure, supported by the Administration, would rescind the Biden Administration’s [waiver](#) allowing California to mandate that a certain share of new car sales meet zero-emission standards. However, the law is likely to be challenged in court as exceeding Congress’ authority under the Congressional Review Act.

Key Insights

- California’s [Advanced Clean Cars II](#) regulation was first approved in 2022, requiring that 35% of new car sales be zero-emission by 2026. By 2035, the mandate for new zero-emission sales would ramp up to 100%, effectively phasing out the sale of traditional internal combustion engine (ICE) vehicles. While [over a dozen states](#) have adopted the California mandate, in recent months, several have [reversed or delayed adoption](#) citing the increased economic uncertainty facing automakers.
- The Administration’s Executive Order on [Unleashing American Energy](#) intended to eliminate the mandate; the new law once signed will provide a definite repeal. The House [advanced the measure](#) in April with support from both parties while the Senate voted along party lines.
- However, the Government Accountability Office [determined in March](#) that Clean Air Act waivers for California did not constitute “rules” under the [Congressional Review](#)

Act (CRA), following precedent. The Senate Parliamentarian [affirmed this determination](#) in early March. Senate Majority Leader John Thune (R-SD) criticized this decision and accused her of deferring to GAO, characterizing it as “[unprecedented interference.](#)”

- These determinations potentially leave the bill open to legal challenges.
- US sales of EVs, both total sales and as a share of new vehicle sales, have [grown in recent years](#). However, US automakers [rallied in support](#) of repealing the mandate, citing that the standards undermine consumer choice, affordability, and run contrary to current market conditions facing the industry.
- China continues to [dominate](#) EV manufacturing globally, producing cheaper vehicles on average than American and European automakers [amidst ongoing trade disputes](#) with both the United States and Europe.

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