

**PROPOSED REGULATION OF THE
STATE ENVIRONMENTAL COMMISSION**

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**The following document is the initial draft regulation proposed
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STATE ENVIRONMENTAL COMMISSION**

P2024-09

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EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: Assembly Bill 184 of the 82nd Legislative Session (2023)

A PERMANENT REGULATION relating to agency administration of the State’s Clean Trucks and Buses Incentive Program.

CLEAN TRUCKS AND BUSES INCENTIVE PROGRAM

General Provisions

Section 1. *Chapter 445B of the Nevada Administrative Code is hereby amended by adding thereto the provisions set forth as sections 2 to 39, inclusive of this regulation.*

Sec. 2. *Definitions. The words and terms defined in sections 3 to 18, have the meanings ascribed to them in Assembly Bill 184 of the 82nd legislative session. The words and terms defined in sections 19 to 29 have the meanings ascribed to them in those sections.*

Sec. 3. *“Clean truck or bus” defined. “Clean truck or bus” means a medium-duty or heavy-duty vehicle that:*

- 1. Is powered by electricity that is stored in a battery or produced by a hydrogen fuel cell;
and*
- 2. Produces zero exhaust emissions.*

Sec. 4. *“Clean Trucks and Buses Incentive Program” defined. “Clean Trucks and Buses Incentive Program” or “Program” means the Clean Trucks and Buses Incentive Program, created by Assembly Bill 184 of the 82nd legislative session.*

Sec. 5. *“Contractor” defined. “Contractor” means:*

- 1. An original equipment manufacturer;*
- 2. An upfit manufacturer; or*

3. *A vehicle dealership that sells clean trucks or buses and that has an agreement with an original equipment manufacturer or upfit manufacturer to sell eligible clean trucks or buses using incentives from the Clean Trucks and Buses Incentive Program.*

Sec. 6. *“Division” defined. “Division” means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.*

Sec. 7. *“Eligible entity” defined. “Eligible entity” or “entity” means:*

1. *A local government, which includes, without limitation, any county, city, district, agency, regional transportation commission, school district or other political subdivision of this State;*
2. *A state agency that operates a medium-duty or heavy-duty vehicle or a fleet of medium-duty or heavy-duty vehicles;*
3. *A nonprofit organization;*
4. *A commercial entity that owns a medium-duty or heavy-duty vehicle or a fleet of medium-duty or heavy-duty vehicles; or*
5. *An independent truck operator.*

Sec. 8. *“Gross vehicle weight rating” defined. “Gross vehicle weight rating” means the maximum weight specified by the manufacturer of a vehicle at which a vehicle can be operated safely.*

Sec. 9. *“Historically underserved community” defined. “Historically underserved community” has the meaning ascribed to it in NRS 445B.834.*

Sec. 10. *“Independent truck operator” defined. “Independent truck operator” means a person who is the owner or operator of a medium-duty or heavy-duty vehicle that is hired as a third-party contractor to transport goods for a commercial entity.*

Sec. 11. *“Medium-duty or heavy-duty vehicle” defined. “Medium-duty or heavy-duty vehicle” means any medium-duty vehicle or heavy-duty vehicle that:*

1. *Has a gross vehicle weight rating of more than 8,500 pounds; or*

2. *Is classified as having a gross vehicle weight rating class established by the United States Environmental Protection Agency of 2b or higher.*

Sec. 12. *“Original equipment manufacturer” and “OEM” defined. “Original equipment manufacturer” or “OEM” means a company that builds or assembles the completed drivetrain and chassis of a medium-duty or heavy-duty vehicle.*

Sec. 13. *“Repowered vehicle” defined. “Repowered vehicle” means a medium-duty or heavy-duty vehicle that was previously powered by diesel or gasoline which has been upfitted or retrofitted by an upfit manufacturer to be powered by a battery electric or hydrogen fuel cell powertrain.*

Sec. 14. *“Upfit manufacturer” defined. “Upfit manufacturer” means a company that installs equipment on the rolling chassis of a medium-duty or heavy-duty vehicle that was purchased from an original equipment manufacturer to switch the power source of the vehicle from diesel or gasoline to a battery electric or a fuel cell electric powertrain in order to create a repowered vehicle.*

Sec. 15. *“LGBTQ” defined. “LGBTQ” means lesbian, gay, bisexual, transgender, queer or intersex or of any other nonheterosexual or noncisgender orientation or gender identity or expression..*

Sec. 16. *“LGBTQ-owned business” defined. “LGBTQ-owned business” means a business that:*

1. *Is owned by a natural person who identifies as LGBTQ; or*
2. *Has at least 51 percent of its ownership interest held by one or more natural persons who identify as LGBTQ.*

Sec. 17. *“Minority group” defined. “Minority group” means:*

1. *A racial or ethnic minority group; or*
2. *A group of persons with disabilities.*

Sec. 18. *“Minority-owned business” defined. “Minority-owned business” means a business that:*

- 1. Is owned by a natural person who is a member of a minority group; or*
- 2. Has at least 51 percent of its ownership interest held by one or more natural persons who is a member of a minority group.*

Sec. 19. *“Class 2b vehicles” defined. “Class 2b vehicles” means vehicles with a gross vehicle weight rating ranging from 8,501 to 10,000 pounds.*

Sec. 20. *“Class 3 vehicles” defined. “Class 3 vehicles” means vehicles with a gross vehicle weight rating ranging from 10,001 to 14,000 pounds.*

Sec. 21. *“Class 4 vehicles” defined. “Class 4 vehicles” means vehicles with a gross vehicle weight rating ranging from 14,001 to 16,000 pounds.*

Sec. 22. *“Class 5 vehicles” defined. “Class 5 vehicles” means vehicles with a gross vehicle weight rating ranging from 16,001 to 19,500 pounds.*

Sec. 23. *“Class 6 vehicles” defined. “Class 6 vehicles” means vehicles with a gross vehicle weight rating ranging from 19,501 to 26,000 pounds.*

Sec. 24. *“Class 7 vehicles” defined. “Class 7 vehicles” means vehicles with a gross vehicle weight rating ranging from 26,001 to 33,000 pounds.*

Sec. 25. *“Class 8 vehicles” defined. “Class 8 vehicles” means vehicles with a gross vehicle weight rating ranging from 33,001 pounds and over.*

Sec. 26. *“Incremental Cost” defined. “Incremental Cost” means the difference in cost between the Manufacturer’s Suggested Retail Price of the new Eligible Vehicle and a comparable new diesel or gas vehicle that would be purchased to perform the same function.*

Sec. 27. *“Purchaser” defined. “Purchaser” means an eligible entity that intends to purchase an eligible vehicle from a contractor.*

Sec. 28. “Disadvantaged small business” defined. “Disadvantaged small business” means a business conducted for profit which employs fewer than 150 full-time or part-time employees and identifies as, including, but not limited to, a disadvantaged minority-owned, veteran-owned, LGBTQ-owned or woman-owned business or disadvantaged business owned by a resident of an Indian reservation or Indian colon.

Sec. 29. “Small business” defined. “Small business” has the definition assigned to it in NRS 233B.0382.

Program Administration

Sec. 30. Eligible Vehicles.

1. Eligible vehicles include:

(c) any clean truck or bus approved by the Division that is either:

(1) a Class 2b-8 zero emission battery electric or hydrogen fuel cell vehicle that is model year 2024 or newer.

(2) A diesel- or gas-powered Class 2b-8 vehicle that has been repowered to a battery electric or hydrogen fuel cell powertrain prior to purchase.

2. Eligible vehicles may be required to have a warranty in accordance with federal requirements.

Sec. 31. Requirements for Repowered Vehicles.

1. To be an eligible Repowered vehicle, the previous diesel or gas engine must have been at least six engine model years old when compared to the current model year and must have been replaced with a new battery electric or hydrogen fuel cell powertrain.

2. The incentive for a Repowered vehicle is the same as the incentive for a new zero emission vehicle in the same gross vehicle weight class.

Sec. 32. Eligible Contractors.

1. A Contractor may be eligible to sell vehicles under this program if they are any of the following types of entities:

(a) A truck or bus dealership that sells medium- and/or heavy-duty vehicles in partnership with OEMs, and sells approved eligible vehicles to eligible entities or vehicle owner-operators,

(b) An OEM that builds and sells approved eligible vehicles directly to eligible entities or vehicle owner-operators,

(c) A truck or bus upfit manufacturer that has a written agreement with a medium- or heavy-duty OEM, and upfits, retrofits, or performs final equipment installations on the repowered vehicle and sells the approved eligible vehicle to an eligible entity,

(d) A retrofit kit company that produces and installs the kits on existing vehicles, such as a battery electric vehicle kit on an existing diesel- or gas-powered vehicle, and sells the approved eligible vehicle to an eligible entity.

Sec. 33. Contractor Application.

1. Contractors that wish to sell Clean trucks and buses under this Program must submit a contractor application to the Division. The contractor application will require information including, without limitation:

(a) The contractor's organization;

(b) Eligibility information; and

(c) If the contractor is not an OEM, documentation that demonstrates that the contractor has an agreement with the OEM that allows the contractor to market and sell that brand's vehicle.

Sec. 34. Eligible Entities. *Eligible entities are required to own and operate vehicles purchased with program funds for a minimum of three years after voucher redemption. This requirement applies to both new vehicles and repowered vehicles. The vehicles must be continuously registered and domiciled in Nevada for the entire duration the eligible entity owns and operates the vehicle following voucher redemption.*

Sec. 35. Purchaser Application.

1. Eligible entities must complete and submit a purchaser application to the Division prior to purchasing a discounted eligible vehicle through a Contractor.

2. Purchaser applications must be submitted through the Division's preferred delivery method.

3. Contractors may submit a purchaser application, completed by an eligible entity, on behalf of the eligible entity so long as written consent is obtained.

4. The application shall at least request the following information:

(a) the vehicle type, Manufacturer's Suggested Retail Price, make, model, year, fuel type, and gross vehicle weight rating for both the new clean truck or bus and a comparable new diesel/gas truck or bus,

(b) Which base incentive and bonuses the purchaser is eligible to receive,

(c) Which incentives and bonuses the purchaser is requesting,

(d) the price before and after the total incentive,

(e) domicile address(es),

(f) approved contractor selling the eligible vehicle,

(g) details of existing vehicle(s) to be scrapped (if applicable),

(h) Copy of current vehicle registration,

(i) Proof or declaration of the purchaser's eligibility.

- 5. The Division will review and approve purchaser applications in the order in which applications come in. Applications submitted between January 1 and February 28 will be reviewed by the Division starting on March 1. Applications submitted between March 1 and May 31 will be reviewed starting on June 1. Applications submitted between June 1 and August 31 will be reviewed by the Division starting on September 1. Applications submitted between September 1 and December 31 will be reviewed by the Division starting on January 1.*
- 6. As part of application approval, the Division may require the purchaser to sign a Vehicle Purchaser Participation Agreement which lists the requirements of the program, including scrappage and reporting.*

Sec. 36. Voucher Issuance and Redemption.

- 1. Upon approving a purchaser application, the Division shall reserve the amount of the incentive and issue the approved contractor a voucher for that amount.*
- 2. A voucher is valid for redemption for a period of 1 year from the date of issuance.*
- 3. The approved contractor may submit a request to the Division for an extension of the voucher for an additional period of 1 year.*
- 4. The approved contractor must reduce the price of the eligible vehicle by the full amount of the voucher and must not charge any additional fees for participating in the Program, including, without limitation, any fees associated with processing the voucher.*
- 5. To redeem the voucher, the Contractor and Purchaser must finalize purchase of vehicles and scrappage of old vehicles (if applicable) and send verification of sale to the Division.*
- 6. Required documents to verify sale and redeem voucher must include at least:
 - (a) a final invoice signed by the purchaser that includes the final purchase price less the incentive amount;*
 - (b) the VIN of the new, replacement vehicle;*
 - (c) the new, replacement vehicle's license plate number;*
 - (d) date of which new, replacement vehicle was placed into service;*
 - (e) date of old vehicle scrappage if applicable;*
 - (f) State of Nevada DMV registration of old and new vehicle;*
 - (g) Photo evidence of the new, replacement vehicle;*
 - (h) Photo evidence of the old, replaced vehicle before and after scrappage (if applicable);*
 - (i) new, replacement vehicle base price;*
 - (j) voucher discount amount; any*
 - (k) any applicable taxes and fees.**
- 7. After receipt of all final verification needed from the contractors and purchasers, the Division shall reimburse the contractor for the voucher amount through wire transfer.*

Sec. 37. Incentive amounts.

- 1. The Division will set the incentive amounts and follow the eligibility guidelines established in this Section as allowable by federal law and guidance pertaining to the source of federal funding.*
- 2. In accordance with applicable federal share requirements, the total incentive amount may not exceed 80% of the total cost of an eligible vehicle.*
- 3. To receive an incentive for the purchase of an eligible clean truck or bus, an entity must:*
 - (a) Own or operate a diesel-powered or gasoline-powered medium-duty or heavy-duty vehicle or a fleet of medium-duty or heavy-duty vehicles; and*
 - (b) Be domiciled in the State of Nevada.*
- 4. The base incentive that is available to an eligible entity from the Program for a clean truck or bus is based on the gross vehicle weight rating class established by the United States Environmental Protection Agency as follows:*
 - (a) For a gross vehicle weight rating class of 2b, \$20,000;*
 - (b) For a gross vehicle weight rating class of 3, \$50,000;*
 - (c) For a gross vehicle weight rating class of 4, \$65,000;*
 - (d) For a gross vehicle weight rating class of 5, \$75,000;*
 - (e) For a gross vehicle weight rating class of 6, \$90,000;*
 - (f) For a gross vehicle weight rating class of 7, \$135,000; and*
 - (g) For a gross vehicle weight rating class of 8, \$175,000.*
- 5. If an eligible entity demonstrates that the entity meets one of the following criteria, the base incentives may be increased, so long as the increase is consistent with any federal law and guidance pertaining to the source of federal funding, as follows: If an eligible entity demonstrates that the entity meets one of the following criteria, the base incentives may be increased as follows:*
 - (a) For a disadvantaged small business, including, without limitation, a disadvantaged minority-owned, veteran-owned, LGBTQ-owned or woman-owned business or disadvantaged business owned by a resident of an Indian reservation or Indian colony, a 5 percent increase to the base incentive.*
 - (b) For a small business, a 20 percent increase to the base incentive.*
 - (c) For an independent truck operator, a 33 percent increase to the base incentive. An independent truck operator may not also apply to receive the small business increase to the base incentive.*
 - (d) For a regional transportation commission, a 10 percent increase to the base incentive.*
 - (e) For a school district, charter school or university school for profoundly gifted pupils:*
 - (1) A 10 percent increase to the base incentive; or*
 - (2) If the school district, charter school or university school for profoundly gifted pupils is located in a historically underserved community, a 20 percent increase to the base incentive.*
 - (f) For a tribal government, a 20 percent increase to the base incentive.*
- 6. An eligible entity:*
 - (a) May not receive more than 2 increases to the base incentive;*
 - (b) Except as otherwise provided in subparagraph (c) , may not receive more than 10 incentives in one year; and*

(c) That is a school district or regional transportation commission in a county whose population is 700,000 or more may not receive more than 15 incentives in a year.

7. Purchasers shall self-certify and select the applicable incentive increases when applying. The Division may ask entities to verify their eligibility for increases to the base incentive.

8. If the incremental cost of an eligible clean truck or bus is less than the incentive which an entity is eligible to receive, the Division may reduce the value of the voucher to the incremental cost of purchasing the clean truck or bus instead of a comparable diesel- or gas-powered medium- or heavy-duty vehicle.

Sec. 38. Reporting Requirements.

1. Purchasers must submit to the Division one yearly report no earlier than September 1 and no later than September 31 of that year for three consecutive calendar years following the purchase of the eligible vehicle.

2. Purchasers must fill out a report indicating at least:

(a) the vehicle mileage,

(b) fuel use,

(c) VIN,

(d) travel route information, and

(e) domicile location for each vehicle purchased.

3. The Division may request additional information as part of a purchaser's annual reporting if needed to satisfy any applicable federal reporting requirements.

Sec. 39. Scrappage requirements.

1. The Division may require that vehicles purchased with program funding must be accompanied by corresponding scrappage of a fully operational vehicle.

2. The Division may establish scrappage requirements for contractors and/or purchasers pertaining to:

(a) Scrappage scheduling;

(b) Processes and methods for rendering the old, replaced vehicle inoperable and available for recycle; and

(c) documentation and photos of scrapped vehicle and new, replacement vehicle.

3. Unless otherwise needed to satisfy any applicable federal requirements associated with the voucher's funding source, the Division reserves the right to waive scrappage requirements if the purchaser cannot reasonably meet them.

4. The Division may allow for the donation or sale of an old, replaced vehicle to another entity, who will then scrap an older vehicle of equivalent size, so long as it can be demonstrated that doing so will achieve greater emission reductions.

5. The Division may identify, verify, and specify participating vehicle dismantlers for the purposes of the Program, and require that scrappage be performed by them.

6. If scrappage is a required step in the voucher redemption process for a project, failure to comply with all scrappage requirements may result in non-payment of the voucher incentive to the contractor.