

Assembly Bill No. 184—Assemblymen Watts,
C.H. Miller, Yeager, Kasama; and Marzola

Joint Sponsors: Senators D. Harris and Pazina

CHAPTER.....

AN ACT relating to air pollution; creating the Account for Clean Trucks and Buses; creating the Clean Trucks and Buses Incentive Program; establishing various requirements for the Program; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the State Environmental Commission to prescribe standards for exhaust emissions, fuel evaporative emissions and visible emissions of smoke from mobile internal combustion engines. (NRS 445B.760) Existing law also requires the Commission to establish, by regulation, a program for the regulation of smoke and other emissions by inspection of heavy-duty motor vehicles that are powered by diesel fuel or motor vehicle fuel. (NRS 445B.780) This bill establishes a voucher incentive program called the Clean Trucks and Buses Incentive Program in which the Division of Environmental Protection of the State Department of Conservation and Natural Resources will, within the limits of money available for such purposes, issue vouchers to approved contractors to redeem with the Division for offering certain price incentives to certain entities for the sale of eligible zero-emission medium-duty and heavy-duty vehicles.

Sections 2-15 of this bill define various terms related to the Clean Trucks and Buses Incentive Program.

Section 16 of this bill creates the Account for Clean Trucks and Buses, which is administered by the Division to carry out the Clean Trucks and Buses Incentive Program. **Section 16** requires the Department of Transportation to enter into an agreement with the Division to: (1) enable the Division to administer 35 percent of the apportionment of federal money to this State for the federal Carbon Reduction Program, 23 U.S.C. § 175, beginning in January 2024, unless federal guidance on the federal Carbon Reduction Program determines that such federal money may not be used for the Clean Trucks and Buses Incentive Program; (2) coordinate with the Division to ensure that the use of the money is consistent with all requirements of federal law; and (3) ensure that any necessary waivers for the Clean Trucks and Buses Incentive Program are obtained from the federal government.

Section 17 of this bill creates the Clean Trucks and Buses Incentive Program and sets forth the base incentives and, unless otherwise inconsistent with federal law or guidance, incentive increases that are available to eligible entities for the purchase of a clean truck or bus. To be eligible for an incentive from the Program, **section 17** requires that an entity: (1) own or operate a diesel-powered or gasoline-powered medium-duty or heavy-vehicle or a fleet of medium-duty or heavy-duty vehicles; and (2) be domiciled in this State.

Section 20.5 of this bill requires the Commission to adopt regulations to carry out the Program, which must include requirements for: (1) the Division to approve a clean truck or bus or repowered vehicle as eligible for purchase using an incentive from the Program; (2) a contractor to submit an application to be approved to sell eligible clean trucks or buses using an incentive from the Program; and (3) an eligible entity to work with an approved contractor to submit an application to



receive an incentive from the Program and be awarded such an incentive from the Program.

Section 21 of this bill requires the Division to review applications on a quarterly basis. Upon approval of an application, **section 21** requires the Division to reserve the amount of the incentive from the Program offered to the entity in the Account for Clean Trucks and Buses and, with certain exceptions, issue the approved contractor a voucher for that amount, which is valid for 1 year and may be extended for an additional 1 year upon the request of the approved contractor. Once the clean truck or bus has been purchased, delivered and placed into operation by the entity, **section 21** authorizes the contractor to redeem the voucher with the Division.

Section 22 of this bill requires an entity that receives an incentive for the purchase of a clean truck or bus from the Clean Trucks and Buses Incentive Program to submit written reports to the Division in accordance with regulations adopted by the Commission. **Section 22** further requires the Division to submit an annual summary of these reports to the Director of the Legislative Counsel Bureau.

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

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 445B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 22, inclusive, of this act.

Sec. 2. *As used in sections 2 to 22, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 15, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“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” or “Program” means the Clean Trucks and Buses Incentive Program created by section 17 of this act.*

Sec. 5. *“Commission” means the State Environmental Commission.*

Sec. 6. *“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. 7. *“Division” means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.*

Sec. 8. *“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. 9. *“Gross vehicle weight rating” means the maximum weight specified by the manufacturer of a vehicle at which a vehicle can be operated safely.*

Sec. 10. *“Historically underserved community” has the meaning ascribed to it in NRS 445B.834.*

Sec. 11. *“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. 12. *“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. 13. *“Original equipment manufacturer” means a company that builds or assembles the completed drivetrain and chassis of a medium-duty or heavy-duty vehicle.*

Sec. 14. *“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 fuel cell electric powertrain.*

Sec. 15. *“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. 16. *1. The Account for Clean Trucks and Buses is hereby created in the State Treasury to be administered by the Division.*

2. The interest and income earned on the money in the Account must, after deducting any applicable charges, be credited to the Account. All claims against the Account must be paid as other claims against the State are paid.

3. Except as otherwise provided in subsection 7, any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.

4. All money that is deposited or paid into the Account must be used by the Division to carry out the Clean Trucks and Buses Incentive Program created pursuant to section 17 of this act.

5. Beginning in fiscal year 2024, and for the duration of the time in which apportionments are made to the State of Nevada by the Federal Government pursuant to the federal Carbon Reduction Program, 23 U.S.C. § 175, and available for such purposes, the Department of Transportation shall:

(a) Enter into an agreement with the Division under which:

(1) Except as otherwise provided in subparagraph 2, the Division will administer 35 percent of the federal money apportioned to this State pursuant to the federal Carbon Reduction Program, 23 U.S.C. § 175, and the Department of Transportation will make such federal money available for use by the Division to carry out the provisions of sections 2 to 22, inclusive, of this act, including, without limitation, to the extent authorized by federal law, for the costs of administering the Clean Trucks and Buses Incentive Program and staffing costs.

(2) If federal guidance on the federal Carbon Reduction Program, 23 U.S.C. § 175, determines that federal money apportioned pursuant to the federal Carbon Reduction Program cannot be used to carry out the provisions of sections 2 to 22, inclusive, of this act, the agreement must provide for the federal money to revert to the Department of Transportation for eligible uses of such federal money.

(b) Coordinate with the Division to ensure all requirements of federal law are met in developing the Clean Trucks and Buses Incentive Program created by section 17 of this act and administering any federal money apportioned under federal law.



(c) Assist the Division to request and obtain any waivers from the Federal Highway Administration that are necessary to comply with federal law and any conditions for any federal money.

6. The Division may apply for and accept gifts, grants, donations, bequests and any other source of money available under federal law, including, without limitation, the Clean Heavy-Duty Vehicle Program, 42 U.S.C. § 7432 or the Greenhouse Gas Reduction Fund, 42 U.S.C. § 7434, and from private sources for deposit in the Account to carry out the provisions of the Clean Trucks and Buses Incentive Program created by section 17 of this act.

7. Any money deposited in the Account pursuant to the federal Carbon Reduction Program, 23 U.S.C. § 175, that is scheduled to expire in 1 year or less must revert to the Department of Transportation for other eligible uses of such federal money.

Sec. 17. 1. The Clean Trucks and Buses Incentive Program is hereby created for the purpose of awarding incentives to eligible entities for the purchase of eligible clean trucks and buses from approved contractors. Except as otherwise provided in subsection 2, the Division shall administer the Program in accordance with the provisions of sections 2 to 22, inclusive, of this act.

2. In accordance with subsection 5 of section 16 of this act, the Department of Transportation shall oversee the use of federal money for the Clean Trucks and Buses Incentive Program, ensure all requirements of federal law are met for such federal money and administer payments of federal money to the Division to carry out the Program.

3. In administering the Clean Trucks and Buses Incentive Program, the Division shall establish, in accordance with the regulations adopted by the Commission pursuant to section 20.5 of this act:

(a) The clean trucks and buses that are eligible for purchase using an incentive from the Program;

(b) The contractors that are approved to sell eligible clean trucks and buses;

(c) A process for reviewing applications submitted by an approved contractor to determine which entities will receive an incentive in accordance with the requirements set forth in this section; and

(d) A process for issuing vouchers to approved contractors who have sold an eligible clean truck or bus to an eligible entity to redeem the incentive offered to the entity.



4. 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 this State.

5. 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.

6. If an eligible entity demonstrates that the entity meets one of the following criteria, the base incentives set forth in subsection 4 may be increased if the increase is consistent with any federal law and guidance on the federal Carbon Reduction Program, 23 U.S.C. § 175, 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.

7. An eligible entity:



(a) *May not receive more than 2 increases to the base incentive pursuant to subsection 6;*

(b) *Except as otherwise provided in paragraph (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.*

8. *As used in this section:*

(a) *“LGBTQ” means lesbian, gay, bisexual, transgender, queer or intersex or of any other nonheterosexual or noncisgender orientation or gender identity or expression.*

(b) *“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.*

(c) *“Minority group” means:*

(1) *A racial or ethnic minority group; or*

(2) *A group of persons with disabilities.*

(d) *“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.*

Secs. 18-20. (Deleted by amendment.)

Sec. 20.5. *The Commission shall adopt regulations to carry out the Clean Trucks and Buses Incentive Program in accordance with the provisions of sections 2 to 22, inclusive of this act. Any such regulations adopted by the Commission pursuant to this section must be consistent with all applicable requirements of federal law and must include, without limitation:*

1. *The requirements to approve a clean truck or bus as eligible for an incentive, including, without limitation:*

(a) *The process by which applications must be submitted to the Division to approve a clean truck or bus as eligible to receive an incentive;*

(b) *The contents of an application required for approval of a clean truck or bus as eligible to receive an incentive;*

(c) *Any specific requirements relating to the manufacturing and final assembly of clean trucks or buses that are necessary to meet any requirements of federal law for the use of federal money;*

(d) *Any specific requirements for repowered vehicles;*



(e) Any performance requirements for eligible vehicles to meet in order to participate in the Program; and

(f) Any other necessary requirements relating to approving a clean truck or bus, as determined by the Commission.

2. The requirements to approve a contractor to participate as an approved contractor in the Program, including, without limitation:

(a) The process by which applications must be submitted by contractors to the Division;

(b) The contents of the application required to be submitted by a contractor to participate as an approved contractor;

(c) Any activities in which an approved contractor may engage under the Program; and

(d) Any other necessary requirements relating to approving a contractor, as determined by the Commission.

3. The requirements relating to entities which are eligible to receive an incentive for the purchase of an eligible clean truck or bus, including, without limitation:

(a) The process to determine the eligibility of entities to receive an incentive;

(b) Any requirements for eligible entities;

(c) The contents of the application submitted by an entity who may be eligible for an incentive and an approved contractor for a voucher from the Program;

(d) The process by which applications for a voucher are submitted and processed by the Division;

(e) The process for awarding incentives to eligible entities; and

(f) Any other necessary requirements relating to applications for and awards of incentives, as determined by the Commission.

Sec. 21. 1. The Division shall review the applications submitted in accordance with the regulations adopted pursuant to section 20.5 of this act on a rolling basis beginning on January 1, March 1, June 1 and September 1 of each year and, within the limits of money available from the Account for Clean Trucks and Buses for that quarter, grant applications for incentives. If an eligible entity meets the requirements for an incentive but does not receive an incentive after submitting an application, the entity must be waitlisted and granted priority to receive an incentive during the next application cycle.

2. Upon approving an application, the Division shall reserve the amount of the incentive in the Account for Clean Trucks and Buses and, except as otherwise provided in subsection 4, issue the approved contractor a voucher for that amount, which, except as



otherwise provided in this subsection, is valid for a period of 1 year from the date of issuance. The approved contractor may redeem the voucher by submitting proof to the Division that the clean truck or bus has been purchased, delivered and placed into operation by the entity who received the incentive. The approved contractor may submit a request to the Division for an extension of the voucher for an additional period of 1 year.

3. The approved contractor must reduce the price of the clean truck or bus by the full amount of the voucher issued to the approved contractor and must not charge any additional fees for selling the clean truck or bus, including, without limitation, any fees associated with processing the voucher.

4. 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 shall reduce the value of the voucher to the incremental cost of purchasing the clean truck or bus instead of a comparable diesel-powered or gasoline-powered medium-duty or heavy-duty vehicle.

Sec. 22. 1. *An entity that receives an incentive for the purchase of a clean truck or bus from the Clean Trucks and Buses Incentive Program must submit written reports to the Division in accordance with the regulations adopted by the Commission pursuant to subsection 2.*

2. The Commission shall adopt regulations establishing reporting requirements in accordance with this section for recipients of an incentive from the Program. Such regulations:

(a) May not require a recipient to submit a report more than two times each year; and

(b) May not require a recipient to submit a report for more than 3 years, unless otherwise required to comply with federal law.

3. On or before December 31 of each year, the Division shall submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature or, if the Legislature is not in session to the Legislative Commission, a summary of the reports submitted to the Division pursuant to this section.

Sec. 22.5. (Deleted by amendment.)

Sec. 23. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 24. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 20.5, inclusive, 22 and 23 of this act become effective:



(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2024, for all other purposes.

3. Section 21 of this act becomes effective on the date that the permanent regulations required to be adopted by the State Environmental Commission pursuant to section 20.5 of this act are filed with the Secretary of State pursuant to NRS 233B.070.

4. Section 22.5 of this act becomes effective on July 1, 2023.

