

ASSEMBLY BILL NO. 184—ASSEMBLYMEN WATTS,
C.H. MILLER, YEAGER, KASAMA; AND MARZOLA

FEBRUARY 16, 2023

JOINT SPONSORS: SENATORS D. HARRIS AND PAZINA

Referred to Committee on Natural Resources

SUMMARY—Establishes an incentive program for the purchase of certain zero-emission medium-duty and heavy-duty vehicles. (BDR 40-588)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

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:

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

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

16 **Section 16** of this bill creates the Account for Clean Trucks and Buses, which
17 is administered by the Division to carry out the Clean Trucks and Buses Incentive
18 Program. **Section 16** requires that 35 percent of the allocation of federal money to



19 this State for the federal Carbon Reduction Program, 23 U.S.C. § 175, be deposited
20 in the Account beginning in January 2024, and continuing for as long as the Carbon
21 Reduction Program allocates money to the states that may be used for this purpose.

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

28 **Section 18** of this bill authorizes a contractor to submit an application to the
29 Division to approve a clean truck or bus or repowered vehicle as eligible for
30 purchase using an incentive from the Program.

31 **Section 19** of this bill establishes requirements for a contractor to submit an
32 application to be approved to sell eligible clean trucks or buses using an incentive
33 from the Program.

34 **Section 20** of this bill requires an entity that would like to receive an incentive
35 from the Program to: (1) agree to operate the clean truck or bus for at least 5 years
36 and domicile the clean truck or bus in this State for at least 5 years; (2) certify that
37 the clean truck or bus will travel at least 5,000 miles per year or for 1,000 hours per
38 year; and (3) certify that the clean truck or bus will be operated in this State 75
39 percent of the time that it is being operated. **Section 20** also: (1) requires an eligible
40 entity to work with an approved contractor to submit an application to receive an
41 incentive from the Program; and (2) sets forth certain criteria that must be included
42 in an application to receive an incentive from the Program, which will be used by
43 the Division to prioritize applications for an incentive.

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

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

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

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

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



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

3 1. *Is powered by electricity that is stored in a battery or*
4 *produced by a hydrogen fuel cell; and*

5 2. *Produces zero exhaust emissions.*

6 **Sec. 4.** *“Clean Trucks and Buses Incentive Program” or*
7 *“Program” means the Clean Trucks and Buses Incentive Program*
8 *created by section 17 of this act.*

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

11 **Sec. 6.** *“Contractor” means:*

12 1. *An original equipment manufacturer;*

13 2. *An upfit manufacturer; or*

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

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

21 **Sec. 8.** *“Eligible entity” or “entity” means:*

22 1. *A local government, which includes, without limitation,*
23 *any county, city, district, agency, regional transportation*
24 *commission, school district or other political subdivision of this*
25 *State;*

26 2. *A nonprofit organization;*

27 3. *A commercial entity that owns a medium-duty or heavy-*
28 *duty vehicle or a fleet of medium-duty or heavy-duty vehicles; or*

29 4. *An independent truck operator.*

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

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

35 **Sec. 11.** *“Independent truck operator” means a person who*
36 *is the owner or operator of a medium-duty or heavy-duty vehicle*
37 *that is hired as a third-party contractor to transport goods for a*
38 *commercial entity.*

39 **Sec. 12.** *“Medium-duty or heavy-duty vehicle” means any*
40 *medium-duty vehicle or heavy-duty vehicle that:*

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

43 2. *Is classified as having a gross vehicle weight rating class*
44 *established by the Federal Highway Administration of the United*
45 *States Department of Transportation of 2b or higher.*



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

4 **Sec. 14.** *“Repowered vehicle” means a medium-duty or*
5 *heavy-duty vehicle that was previously powered by diesel or*
6 *gasoline which has been upfitted or retrofitted by an upfit*
7 *manufacturer to be powered by a battery electric or fuel cell*
8 *electric powertrain.*

9 **Sec. 15.** *“Upfit manufacturer” means a company that*
10 *installs equipment on the rolling chassis of a medium-duty or*
11 *heavy-duty vehicle that was purchased from an original equipment*
12 *manufacturer to switch the power source of the vehicle from diesel*
13 *or gasoline to a battery electric or a fuel cell electric powertrain in*
14 *order to create a repowered vehicle.*

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

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

22 3. *Any money remaining in the Account at the end of a fiscal*
23 *year does not revert to the State General Fund remaining, and the*
24 *balance in the Account must be carried forward to the next fiscal*
25 *year.*

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

29 5. *Beginning in fiscal year 2024, and for the duration of the*
30 *time in which such allocations are made by the Federal*
31 *Government and available for such purposes, the Department of*
32 *Transportation shall deposit 35 percent of the federal money*
33 *allocated to this State pursuant to the federal Carbon Reduction*
34 *Program, 23 U.S.C. § 175, into the Account for use by the Division*
35 *to carry out the provisions of sections 2 to 22, inclusive, of this act,*
36 *including, without limitation, to the extent authorized by federal*
37 *law, for the costs of administering the Clean Trucks and Buses*
38 *Incentive Program and staffing costs.*

39 6. *The Division may apply for and accept gifts, grants,*
40 *donations, bequests and any other source of money available*
41 *under federal law, including, without limitation, the Clean Heavy-*
42 *Duty Vehicle Program, 42 U.S.C. § 7432, the Greenhouse Gas*
43 *Reduction Fund, 42 U.S.C. § 7434 or the Diesel Emissions*
44 *Reduction Act, 42 U.S.C. §§ 16131-16139, inclusive, and from*
45 *private sources for deposit in the Account to carry out the*



1 *provisions of the Clean Trucks and Buses Incentive Program*
2 *created by section 17 of this act.*

3 **Sec. 17.** 1. *The Clean Trucks and Buses Incentive Program*
4 *is hereby created for the purpose of awarding incentives to eligible*
5 *entities for the purchase of eligible clean trucks and buses from*
6 *approved contractors. The Division shall administer the Program*
7 *in accordance with the provisions of sections 2 to 22, inclusive, of*
8 *this act.*

9 2. *In administering the Clean Trucks and Buses Incentive*
10 *Program, the Division shall establish:*

11 (a) *The clean trucks and buses that are eligible for purchase*
12 *using an incentive from the Program pursuant to section 18 of this*
13 *act;*

14 (b) *The contractors that are approved to sell eligible clean*
15 *trucks and buses pursuant to section 19 of this act;*

16 (c) *A process for reviewing applications submitted by an*
17 *approved contractor to determine which entities will receive an*
18 *incentive in accordance with the requirements set forth in this*
19 *section and section 20 of this act; and*

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

23 3. *To receive an incentive for the purchase of an eligible*
24 *clean truck or bus, an entity must:*

25 (a) *Own or operate a diesel-powered or gasoline-powered*
26 *medium-duty or heavy-duty vehicle or a fleet of medium-duty or*
27 *heavy-duty vehicles; and*

28 (b) *Be domiciled in this State.*

29 4. *The base incentive that is available to an eligible entity*
30 *from the Program for a clean truck or bus is based on the gross*
31 *vehicle weight rating class established by the Federal Highway*
32 *Administration of the United States Department of Transportation*
33 *as follows:*

34 (a) *For a gross vehicle weight rating class of 2b, \$20,000;*

35 (b) *For a gross vehicle weight rating class of 3, \$50,000;*

36 (c) *For a gross vehicle weight rating class of 4, \$65,000;*

37 (d) *For a gross vehicle weight rating class of 5, \$75,000;*

38 (e) *For a gross vehicle weight rating class of 6, \$90,000;*

39 (f) *For a gross vehicle weight rating class of 7, \$135,000; and*

40 (g) *For a gross vehicle weight rating class of 8, \$175,000.*

41 5. *If an eligible entity demonstrates that the entity meets one*
42 *of the following criteria, the base incentives set forth in subsection*
43 *4 may be increased as follows:*

44 (a) *For a minority-owned or veteran-owned business, a 5*
45 *percent increase to the base incentive.*



1 (b) For a small business, a 20 percent increase to the base
2 incentive.

3 (c) For an independent truck operator, a 33 percent increase
4 to the base incentive. An independent truck operator may not also
5 apply to receive the small business increase to the base incentive.

6 (d) For a regional transportation commission, a 10 percent
7 increase to the base incentive.

8 (e) For a school district, charter school or university school for
9 profoundly gifted pupils:

10 (1) A 10 percent increase to the base incentive; or

11 (2) If the school district, charter school or university school
12 for profoundly gifted pupils is located in a historically underserved
13 community, a 20 percent increase to the base incentive.

14 6. An eligible entity:

15 (a) May not receive more than 2 increases to the base incentive
16 pursuant to subsection 5;

17 (b) Except as otherwise provided in paragraph (c), may not
18 receive more than 5 incentives in one year; and

19 (c) That is a school district or regional transportation
20 commission in a county whose population is 700,000 or more may
21 not receive more than 10 incentives in a year.

22 7. The Commission may adopt any regulations necessary to
23 carry out the Program in accordance with the provisions of
24 sections 2 to 22, inclusive, of this act.

25 **Sec. 18.** 1. A contractor may submit an application, in the
26 form required by the Division, for approval of the eligibility of a
27 clean truck or bus to be purchased by an entity who receives an
28 incentive from the Program.

29 2. Except as otherwise provided in subsection 4, to be eligible
30 for the Program:

31 (a) A clean truck or bus must have a model year that is not
32 more than 1 year older than the calendar year in which the clean
33 truck or bus is being purchased; and

34 (b) The final assembly of the clean truck or bus must have
35 been in the United States.

36 3. An application for approval of a clean truck or bus
37 submitted to the Division pursuant to this section must include,
38 without limitation:

39 (a) The make and model of the clean truck or bus;

40 (b) The model year of the clean truck or bus;

41 (c) The fuel type used by the clean truck or bus;

42 (d) The manufacturer's gross vehicle weight rating of the
43 clean truck or bus;

44 (e) The energy and environmental attributes of the clean truck
45 or bus;



1 (f) *The manufacturer's suggested retail price for the clean*
2 *truck or bus, which must be the price of the clean truck or bus*
3 *before taxes and must include, without limitation, evidence of the*
4 *price of the clean truck or bus;*

5 (g) *The price before taxes to purchase a comparable diesel-*
6 *powered or gasoline-powered medium-duty or heavy-duty vehicle*
7 *instead of the clean truck or bus which must include, without*
8 *limitation, evidence of the price of the comparable diesel-powered*
9 *or gasoline-powered medium-duty or heavy-duty vehicle;*

10 (h) *The incremental cost of the clean truck or bus in*
11 *comparison to the comparable diesel-powered or gasoline-powered*
12 *alternative;*

13 (i) *Evidence that the final assembly of the clean truck or bus*
14 *occurred in the United States, which must include, without*
15 *limitation, the location where the final assembly occurred, the*
16 *actions performed during the final assembly and the total value of*
17 *the final assembly;*

18 (j) *An affirmation that the clean truck or bus meets any*
19 *applicable federal and state requirements; and*

20 (k) *Proof that the clean truck or bus has a guaranteed*
21 *warranty for the motor, powertrain, parts and labor.*

22 4. *An upfit manufacturer may submit an application to the*
23 *Division for the approval of a repowered vehicle as a clean truck*
24 *or bus if the repowered vehicle is:*

25 (a) *At least 8 years older than the current model year of*
26 *medium-duty and heavy-duty vehicles; and*

27 (b) *Certified with an expected operational lifespan of at least*
28 *10 years.*

29 5. *In addition to the applicable requirements of subsection 3,*
30 *the application for a repowered vehicle submitted pursuant to*
31 *subsection 4 must include, without limitation, a comparison of the*
32 *cost of purchasing a comparable diesel-powered or gasoline-*
33 *powered alternative to the repowered vehicle. The Division shall*
34 *determine the level of incentive to be offered based on the cost of*
35 *the purchase of such a comparable vehicle, but the incentive*
36 *offered for a repowered vehicle must not be more than the*
37 *incentive offered for the purchase of a new clean truck or bus.*

38 6. *For the purposes of paragraph (h) of subsection 3:*

39 (a) *The incremental cost of a clean truck or bus is the*
40 *difference in cost between the new clean truck or bus and a*
41 *comparable new diesel-powered or gasoline-powered medium-duty*
42 *or heavy-duty vehicle.*

43 (b) *The incremental cost of a repowered vehicle is the entire*
44 *cost to repower the vehicle.*



1 **Sec. 19. 1.** *A contractor may submit an application to the*
2 *Division, in the form required by the Division, for approval to*
3 *participate as an approved contractor in the Clean Trucks and*
4 *Buses Incentive Program.*

5 2. *A vehicle dealership that sells clean trucks or buses must*
6 *submit with his or her application proof that the dealership has*
7 *been authorized by an original equipment manufacturer or an*
8 *upfit manufacturer to sell a clean truck or bus using an incentive*
9 *from the Program.*

10 3. *An approved contractor may:*

11 (a) *Market the availability of incentives from the Clean Trucks*
12 *and Buses Incentive Program;*

13 (b) *Submit an application for a voucher to the Division on*
14 *behalf of an eligible entity pursuant to section 20 of this act; and*

15 (c) *Redeem a voucher with the Division after selling an eligible*
16 *clean truck or bus to an eligible entity in accordance with the*
17 *provisions of sections 20 and 21 of this act.*

18 **Sec. 20. 1.** *To receive an incentive for the purchase of an*
19 *eligible clean truck or bus pursuant to sections 2 to 22, inclusive,*
20 *of this act, an entity must:*

21 (a) *Agree to operate the clean truck or bus for at least 5 years;*

22 (b) *Agree to domicile the clean truck or bus in this State for at*
23 *least 5 years;*

24 (c) *Certify that the clean truck or bus will travel at least 5,000*
25 *miles per year or for 1,000 hours per year; and*

26 (d) *Certify that the clean truck or bus will be operated in this*
27 *State for at least 75 percent of the time that the clean truck or bus*
28 *is operated.*

29 2. *An eligible entity must work with a contractor approved*
30 *pursuant to section 19 of this act who shall submit an application*
31 *on behalf of the entity. An application submitted on behalf of an*
32 *entity must include, without limitation:*

33 (a) *Whether the entity is domiciled in this State and operates in*
34 *a historically underserved community;*

35 (b) *Whether the entity has the necessary infrastructure in*
36 *place to charge clean trucks or buses or has plans to install such*
37 *infrastructure;*

38 (c) *Whether the entity qualifies for one or more of the*
39 *increases to the base incentive described in subsection 4 of section*
40 *17 of this act;*

41 (d) *How the entity plans to meet the demands of its charging*
42 *loads, including, without limitation, any managed charging*
43 *programs or vehicle-to-grid or vehicle-to-building use;*

44 (e) *The estimated annual mileage of the clean truck or bus*
45 *that will be purchased by the entity;*



1 (f) Any long-term plans of the entity for the additional
2 electrification of the fleet of medium-duty and heavy-duty vehicles
3 of the entity, if applicable;

4 (g) Whether the entity has been waitlisted pursuant to section
5 21 of this act during the previous application cycle; and

6 (h) Any other criteria the Division determines is appropriate
7 for prioritizing applications for an incentive.

8 3. The Division may reject an application that the Division
9 determines is incomplete.

10 **Sec. 21. 1.** The Division shall review the applications
11 submitted pursuant to section 20 of this act on a rolling basis
12 beginning on January 1, March 1, June 1 and September 1 of
13 each year and, within the limits of money available from the
14 Account for Clean Trucks and Buses for that quarter, grant
15 applications for incentives. If an eligible entity meets the
16 requirements for an incentive but does not receive an incentive
17 after submitting an application, the entity must be waitlisted and
18 granted priority to receive an incentive during the next application
19 cycle.

20 2. Upon approving an application, the Division shall reserve
21 the amount of the incentive in the Account for Clean Trucks and
22 Buses and, except as otherwise provided in subsection 4, issue the
23 approved contractor a voucher for that amount, which is valid for
24 a period of 1 year from the date of issuance. The approved
25 contractor may redeem the voucher by submitting proof to the
26 Division that the clean truck or bus has been purchased, delivered
27 and placed into operation by the entity who received the incentive.

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

33 4. If the incremental cost of an eligible clean truck or bus is
34 less than the incentive which an entity is eligible to receive, the
35 Division shall reduce the value of the voucher to the incremental
36 cost of purchasing the clean truck or bus instead of a comparable
37 diesel-powered or gasoline-powered medium-duty or heavy-duty
38 vehicle.

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



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

4 (a) *Must require recipients to demonstrate that the recipient is*
5 *complying with the requirements of subsection 1 of section 20 of*
6 *this act;*

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

9 (c) *May not require a recipient to submit a report for more*
10 *than 3 years.*

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

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

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

21 2. Sections 1 to 23, inclusive, of this act become effective:

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

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



