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FIRST REPRINT

A.B. 184

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; making an appropriation; 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 money available for such purposes, issue vouchers to approved contractors to
11 redeem with the Division for offering certain price incentives to certain entities for
12 the sale of eligible zero-emission medium-duty and heavy-duty vehicles.

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

15 **Section 16** of this bill creates the Account for Clean Trucks and Buses, which
16 is administered by the Division to carry out the Clean Trucks and Buses Incentive
17 Program. **Section 16** requires the Department of Transportation to enter into an
18 agreement with the Division to: (1) enable the Division to administer 35 percent of



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19 the apportionment of federal money to this State for the federal Carbon Reduction
20 Program, 23 U.S.C. § 175, beginning in January 2024; (2) coordinate with the
21 Division to ensure that the use of the money is consistent with all requirements of
22 federal law; and (3) ensure that any necessary waivers for the Clean Trucks and
23 Buses Program are obtained from the federal government.

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

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

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

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

51 **Section 22.5** of this bill makes an appropriation to the Account for Clean
52 Trucks and Buses created by **section 16** for carrying out the Clean Trucks and
53 Buses Program.

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.*

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

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

12 2. *Produces zero exhaust emissions.*



1 **Sec. 4.** *“Clean Trucks and Buses Incentive Program” or*
2 *“Program” means the Clean Trucks and Buses Incentive Program*
3 *created by section 17 of this act.*

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

6 **Sec. 6.** *“Contractor” means:*

7 1. *An original equipment manufacturer;*

8 2. *An upfit manufacturer; or*

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

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

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

17 1. *A local government, which includes, without limitation,*
18 *any county, city, district, agency, regional transportation*
19 *commission, school district or other political subdivision of this*
20 *State;*

21 2. *A state agency that operates a medium-duty or heavy-duty*
22 *vehicle or a fleet of medium-duty or heavy-duty vehicles;*

23 3. *A nonprofit organization;*

24 4. *A commercial entity that owns a medium-duty or heavy-*
25 *duty vehicle or a fleet of medium-duty or heavy-duty vehicles; or*

26 5. *An independent truck operator.*

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

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

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

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

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

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

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



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

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

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

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

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

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

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

31 **(a)** *Enter into an agreement with the Division under which the*
32 *Division will administer 35 percent of the federal money*
33 *apportioned to this State pursuant to the federal Carbon*
34 *Reduction Program, 23 U.S.C. § 175, and the Department of*
35 *Transportation will make such federal money available for use by*
36 *the Division to carry out the provisions of sections 2 to 22,*
37 *inclusive, of this act, including, without limitation, to the extent*
38 *authorized by federal law, for the costs of administering the Clean*
39 *Trucks and Buses Incentive Program and staffing costs.*

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



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

4 6. The Division may apply for and accept gifts, grants,
5 donations, bequests and any other source of money available
6 under federal law, including, without limitation, the Clean Heavy-
7 Duty Vehicle Program, 42 U.S.C. § 7432, the Greenhouse Gas
8 Reduction Fund, 42 U.S.C. § 7434 or the Diesel Emissions
9 Reduction Act, 42 U.S.C. §§ 16131-16139, inclusive, and from
10 private sources for deposit in the Account to carry out the
11 provisions of the Clean Trucks and Buses Incentive Program
12 created by section 17 of this act.

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

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

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

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

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

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

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

40 4. To receive an incentive for the purchase of an eligible
41 clean truck or bus, an entity must:

42 (a) Own or operate a diesel-powered or gasoline-powered
43 medium-duty or heavy-duty vehicle or a fleet of medium-duty or
44 heavy-duty vehicles; and

45 (b) Be domiciled in this State.



1 5. The base incentive that is available to an eligible entity
2 from the Program for a clean truck or bus is based on the gross
3 vehicle weight rating class established by the United States
4 Environmental Protection Agency as follows:

- 5 (a) For a gross vehicle weight rating class of 2b, \$20,000;
- 6 (b) For a gross vehicle weight rating class of 3, \$50,000;
- 7 (c) For a gross vehicle weight rating class of 4, \$65,000;
- 8 (d) For a gross vehicle weight rating class of 5, \$75,000;
- 9 (e) For a gross vehicle weight rating class of 6, \$90,000;
- 10 (f) For a gross vehicle weight rating class of 7, \$135,000; and
- 11 (g) For a gross vehicle weight rating class of 8, \$175,000.

12 6. If an eligible entity demonstrates that the entity meets one
13 of the following criteria, the base incentives set forth in subsection
14 4 may be increased as follows:

15 (a) For a minority-owned, veteran-owned, LGBTQ-owned or
16 woman-owned business, a 5 percent increase to the base incentive.

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

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

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

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

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

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

30 (f) For a tribal government, a 20 percent increase to the base
31 incentive.

32 (g) For a business owned by a resident of an Indian
33 reservation or Indian colony, a 20 percent increase to the base
34 incentive.

35 7. An eligible entity:

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

38 (b) Except as otherwise provided in paragraph (c), may not
39 receive more than 10 incentives in one year; and

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

43 8. As used in this section:



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

4 (b) *“LGBTQ-owned business” means a business that:*

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

9 (c) *“Minority group” means:*

- 10 (1) *A racial or ethnic minority group; or*
11 (2) *A group of persons with disabilities.*

12 (d) *“Minority-owned business” means a business that:*

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

17 **Sec. 18.** (Deleted by amendment.)

18 **Sec. 19.** (Deleted by amendment.)

19 **Sec. 20.** (Deleted by amendment.)

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

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

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

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

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

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

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

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

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

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



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

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

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

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

10 (b) Any requirements for eligible entities;

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

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

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

18 (f) Any other necessary requirements relating to applications
19 for incentives, as determined by the Commission.

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

30 2. Upon approving an application, the Division shall reserve
31 the amount of the incentive in the Account for Clean Trucks and
32 Buses and, except as otherwise provided in subsection 4, issue the
33 approved contractor a voucher for that amount, which, except as
34 otherwise provided in this subsection, is valid for a period of 1
35 year from the date of issuance. The approved contractor may
36 redeem the voucher by submitting proof to the Division that the
37 clean truck or bus has been purchased, delivered and placed into
38 operation by the entity who received the incentive. The approved
39 contractor may submit a request to the Division for an extension
40 of the voucher for an additional period of 1 year.

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



1 4. *If the incremental cost of an eligible clean truck or bus is*
2 *less than the incentive which an entity is eligible to receive, the*
3 *Division shall reduce the value of the voucher to the incremental*
4 *cost of purchasing the clean truck or bus instead of a comparable*
5 *diesel-powered or gasoline-powered medium-duty or heavy-duty*
6 *vehicle.*

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

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

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

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

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

24 **Sec. 22.5.** There is hereby appropriated from the State General
25 Fund to the Account for Clean Trucks and Buses, created by section
26 16 of this act, the sum of \$4,000,000 for carrying out the Clean
27 Trucks and Buses Incentive Program created by section 17 of this
28 act.

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

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

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

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

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

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



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

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