

**PROPOSED REGULATION OF THE
STATE ENVIRONMENTAL COMMISSION**

LCB File No. R093-20

July 8, 2021

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

AUTHORITY: §§1-35 and 37, NRS 445B.210 and 445B.760; §36, NRS 445B.760 and 445B.835.

A REGULATION relating to air pollution; adopting certain emissions standards of the State of California; defining certain terms relating to emissions standards; establishing the types of vehicles and vehicle engines to which this regulation applies; adopting by reference certain provisions of California law relating to emissions standards; prohibiting the sale, lease and certain other actions to provide or acquire motor vehicles that do not comply with certain emission standards; prohibiting manufacturers of certain vehicles from exceeding certain fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gas emission standards; requiring manufacturers of certain motor vehicles to submit annual reports related to certain emissions of the manufacturer's fleet; requiring a manufacturer to submit certain information related to motor vehicles sold in this State upon request; providing certain authorized representatives of the State Department of Conservation and Natural Resources and the Department of Motor Vehicles may enter and inspect the premises of car dealers; requiring a car dealer or rental car agency to submit certain information upon request; setting forth various provisions relating to emissions warranties for certain motor vehicles; prohibiting the sale of certain new motor vehicles without certain emissions labels; setting forth requirements for emissions-related recall campaigns for motor vehicles; setting forth various provisions relating to the sale of zero emissions vehicles; requiring manufacturers to submit an annual report of credits generated and transferred for zero emissions vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing federal law, the United States Environmental Protection Agency may grant the State of California a waiver to adopt emissions standards other than those set forth in the Clean Air Act, 42 U.S.C. § 7521, as long as such standards are at least as protective of public health and welfare as the standards adopted by the federal government and if the E.P.A.

determines that the adoption of such standards was not arbitrary and capricious or that the standards are not necessary to “meet compelling and extraordinary circumstances.” (42 U.S.C. § 7543) Existing federal law also authorizes the remaining states to adopt emissions standards for new motor vehicles if the standards are identical to those standards adopted by California which have been granted a waiver by the E.P.A. (42 U.S.C. § 7507) The State of California has adopted emissions standards which include: (1) various emissions standards for new motor vehicles; (2) requirements for manufacturers to meet certain fleet standards for non-methane organic gas plus oxides of nitrogen and greenhouse gases; (3) requirements that a certain percentage of new motor vehicles sold be zero emissions vehicles; and (4) the establishment of a credit bank for zero emissions vehicle credits which manufacturers may trade, sell, buy or transfer. (13 C.C.R. § 1900 et seq.)

Existing state 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) Beginning with model year 2025, this regulation: (1) adopts emissions standards that are identical to those adopted by California; (2) prohibits manufacturers from exceeding the fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gases emissions standards set by California; and (3) adopts requirements for the sale of zero emission vehicles consistent with the requirements for such vehicles adopted by California to achieve emissions reductions in this State.

Sections 4-17 of this regulation define certain terms relating to emissions standards. **Section 18** of this regulation provides that if any provisions of this regulation is found invalid by a court, such provisions is severable from the remaining provisions of the regulation. **Section 19** of this regulation sets forth: (1) the motor vehicles to which this regulation applies beginning in model year 2025; and (2) certain exceptions to the requirements of this regulation. **Section 20** of this regulation adopts by reference certain provisions of California law relating to emissions standards and low and zero emission vehicles.

Section 21 of this regulation prohibits, with certain exceptions, the sale, lease, import, delivery, registering, or otherwise providing or acquiring of passenger cars, light-duty trucks, medium-duty passenger vehicles or medium-duty vehicles that are not certified to California’s emission standards for non-methane organic gas plus oxides of nitrogen and greenhouse gas. **Sections 22 and 23** of this regulation prohibit manufacturers of passenger cars, light-duty trucks and medium-duty vehicles from exceeding the fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gas emission standards established by California and adopted by reference in this regulation. **Sections 22 and 23** further provide that a manufacturer may earn and utilize credits and debits for the sale for vehicles in this State in accordance with California law which sets forth the provisions for the calculation of credits and debits based on emissions.

Sections 24 and 25 of this regulation require manufacturers to submit annual reports to the State Department of Conservation and Natural Resources detailing the non-methane organic gas plus oxides of nitrogen and greenhouse gas emissions of the manufacturer’s fleet delivered

for sale in this State. If the manufacturer is not in compliance with the fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gas emission standards, **sections 24 and 25** of this regulation further require a manufacturer to submit a fleet remediation report.

Section 26 of this regulation requires a manufacturer to submit upon request certain documents related to motor vehicles sold in this State by the manufacturer. **Section 27** of this regulation provides that an authorized representative of the Department or the Department of Motor Vehicles may enter any premises of a car dealer to inspect motor vehicles with a model year of 2025 or later.

Section 28 of this regulation provides that the Department may require a car dealer or rental car agency to submit certain information to determine compliance with the requirements of this regulation. **Section 28** requires any manufacturer, car dealer, rental car agency or any other person subject to this regulation to retain his or her records for 3 years.

Section 29 of this regulation requires manufacturers of certain motor vehicles to provide an emissions control systems warranty to purchasers of the manufacturer's vehicles that complies with the requirements of California law for such warranties. **Section 29** further requires the manufacturer to include with each vehicle, with certain exception, an emissions control systems warranty statement.

Section 30 of this regulation prohibits selling, leasing, and various other actions to provide, acquire or deliver certain types of new motor vehicles in this State, if the emissions control labels and environmental performance labels have not been affixed to the vehicle.

Section 31 of this regulation requires manufacturers of certain types of vehicles to comply with various requirements for emissions-related recall campaigns set forth in California law.

Existing California law requires vehicles to be certified as zero emissions vehicles (ZEV) by the Executive Officer of the California Air Resources Board. Manufacturers must meet a minimum credit obligation for the production and delivery of zero emissions vehicles in the state which is calculated as a percentage of the number of passenger cars and light duty trucks that the manufacturer produces and delivers in the state. (13 C.C.R. § 1962.2) **Section 32** of this regulation requires: (1) all zero emissions vehicles sold in this State to be certified as zero emissions vehicles under California law; and (2) manufacturers to comply with the minimum credit obligation for the sale of zero emissions vehicles set forth in California law.

Section 33 of this regulation authorizes manufacturers to earn early action credits for model years 2022, 2023 and 2024 for any cars produced and delivered in this State beginning on January 1, 2022. Such credits must be managed by the Department and available for use by the manufacturer in model year 2025. **Section 34** of this regulation requires manufacturers to open an account of the California ZEV Credit Bank for ZEV credits in this State. **Section 34** further

sets forth requirements for the calculation of initial ZEV credits and restrictions on the use of these credits for the 2025-2027 model years. **Section 35** of this regulation requires manufactures to submit an annual report of ZEV credits generated or transferred for each vehicle sold in this State.

Section 36 of this regulation provides that a manufacturer who fails to make its credit obligation for the sale of zero emissions vehicles in this State must make up the credit deficit by the next model year or the manufacturer may be subject to a civil penalty.

On September 27, 2019, the EPA and National Highway Traffic Safety Administration (NHTSA) issued a joint rule, “The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule Part One: One National Program,” which revoked the waiver previously issued to California by the EPA. (84 FR 51310 (Sept. 27, 2019) (codified as 49 C.F.R. part 531 and 533)) The EPA and NHTSA are currently accepting comments on a revised rule to grant a waiver to California. **Section 37** of this regulation provides that: (1) the Department shall not enforce the provisions of this regulation until the later of January 1, 2022, or the date that the waiver issued by the EPA to California pursuant to 42 U.S.C. § 7543 is reinstated or a new waiver is issued; and (2) any requirements set forth in this regulation for model years 2025 and later must be adopted and filed with the Secretary of State not later than 2 years before the model year in order for those requirements to be enforced by the Department.

Section 1. Chapter 445B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 36, inclusive, of this regulation.

Sec. 2. *The provisions of section 2 to 36, inclusive, of this regulation set forth the emissions standards for motor vehicles in this State beginning with model year 2025.*

Sec. 3. *As used in sections 2 to 36, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 4 to 17, inclusive, of this regulation, have the meaning ascribed to them in those sections.*

Sec. 4. 1. *“Auxiliary power unit” means any device that:*
(a) Provides electrical or mechanical energy to a range extended battery electric vehicle after the zero emission range has been fully depleted; and

(b) Meets the requirements of section 1962.2(c)(2) of Title 13 of the California Code of Regulations, which is adopted by reference pursuant to section 20 of this regulation.

2. The term does not include a fuel fired heater.

Sec. 5. “CARB” means the California Air Resources Board or its successor agency which is established and empowered to regulate air pollution in the state of California pursuant to section 39003 of the California Health and Safety Code, as amended or supplemented.

Sec. 6. “Department” means the State Department of Conservation and Natural Resources.

Sec. 7. “Director” means the Director of the State Department of Conservation and Natural Resources.

Sec. 8. “Greenhouse gas” means any of the following gases, either alone or in combination:

- 1. Carbon dioxide;*
- 2. Hydrofluorocarbons (HFCs);*
- 3. Methane; and*
- 4. Nitrous oxide.*

Sec. 9. “Gross vehicle weight rating” means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 10. “Light-duty truck” means:

- 1. Any motor vehicle that is:*

(a) Certified to the standards set forth in sections 1961(a)(1) or 1961.2 of Title 13 of the California Code of Regulations, which are adopted by reference pursuant to section 20 of this regulation; and

(b) Rated at 8,500 pounds gross vehicle weight or less; or

2. Any motor vehicle that is rated at 6,000 pounds gross vehicle weight or less that is:

(a) Designed primarily to transport property or is a derivative of such a vehicle; or

(b) Available with special features enabling off-street or off-highway operation and use.

Sec. 11. *“Medium-duty passenger vehicle” means any medium-duty vehicle with a gross vehicle weight rating of less than 10,000 pounds that is designed primarily for the transportation of persons. The term does not include any vehicle that:*

1. Is an “incomplete truck”, i.e., a truck that does not have a primary load carrying device or container attached;

2. Has a seating capacity of more than 12 persons;

3. Is designed for more than 9 persons in seating rearward of the driver’s seat; or

4. Is equipped with an open cargo area of 72 inches in interior length or more. A covered box that is not readily accessible from the passenger compartment will be considered an open cargo area, for purposes of this definition.

Sec. 12. *“Medium-duty vehicle” means any heavy-duty low-emission, ultra-low-emission, super-ultra-low-emission or zero-emission vehicle that:*

(a) Is certified to the standards in sections 1961(a)(1) or 1962.1 of Title 13 of the California Code of Regulations, which are adopted by reference pursuant to section 20 of this regulation; and

(b) Has a manufacturer's gross vehicle weight rating between 8,501 and 14,000 pounds.

Sec. 13. *"Neighborhood electric vehicle" means a motor vehicle that is certified to zero emission vehicle standards and meets the definition of a "low-speed vehicle" set forth in section 385.5 of the California Vehicle Code or meets the standards for a "low speed vehicle" set forth in 49 C.F.R. § 571.500, as it existed on July 1, 2000.*

Sec. 14. *"Passenger car" means any motor vehicle designed primarily for transportation of people that has a design capacity of 12 persons or less.*

Sec. 15. *"Range extended battery electric vehicle" means a vehicle that:*

- 1. Is powered predominantly by a zero emission energy storage device that is able to drive for more than 75 all-electric miles;*
- 2. Is equipped with a backup auxiliary power unit which does not operate until the energy storage device is fully depleted; and*
- 3. Meets the requirements set forth in section 1962.2(d)(5)(G) of Title 13 of the California Code of Regulations, which is adopted by reference pursuant to section 20 of this regulation.*

Sec. 16. *"Transitional zero emissions vehicle" means a vehicle that:*

- 1. Meets the requirements set forth in section 1962.2(c)(2) of Title 13 of the California Code of Regulations, which is adopted by reference pursuant to section 20 of this regulation; and*
- 2. Qualifies for an allowance in accordance with section 1962.2(c)(3)(A) or (E) of Title 13 of the California Code of Regulations, which is adopted by reference pursuant to section 20 of this regulation.*

Sec. 17. *“Zero emissions vehicle” or “ZEV” means a vehicle that produces zero exhaust emissions of any criteria pollutant, precursor pollutant or greenhouse gas under any possible operational mode or condition.*

Sec. 18. *If any provision of sections 2 to 36, inclusive, of this regulation or its application thereof to any person, thing or circumstance is held invalid by a court of competent jurisdiction, the invalidity does not affect the remaining provisions or applications thereof, and to this end the provisions of sections 2 to 36, inclusive, of this regulation are severable.*

Sec. 19. 1. *Except as otherwise provided in subsection 2, the provisions of section 2 to 36, inclusive, of this regulation apply to all 2025 and later model year:*

(a) Motor vehicles offered for sale or lease in this State or sold or leased for registration in this State that are:

- (1) Passenger cars;*
- (2) Light-duty trucks;*
- (3) Medium-duty passenger vehicles; or*
- (4) Medium-duty vehicles;*

(b) Motor vehicle engines offered for sale in this State that will be installed in:

- (1) Passenger cars;*
- (2) Light-duty trucks;*
- (3) Medium-duty passenger vehicles; or*
- (4) Medium-duty vehicles; and*

(c) Motor vehicles sold or leased to the United States government or an agency thereof or to the State of Nevada or political subdivision thereof that are or will be registered in this State that are:

- (1) Passenger cars;*
- (2) Light-duty trucks;*
- (3) Medium-duty passenger vehicles; or*
- (4) Medium-duty vehicles.*

2. The provisions of sections 2 to 36, inclusive, of this regulation do not apply to:

(a) A vehicle acquired by a resident of this State for the purpose of replacing a vehicle registered to the resident which was damaged, became inoperative beyond reasonable repair or was stolen while out of this State, provided that such replacement vehicle is acquired out-of-state at the time the previously owned vehicle was either damaged, became inoperative or was stolen, as applicable;

(b) A vehicle transferred by inheritance;

(c) A vehicle transferred by court decree;

(d) Any vehicle that has a certificate of conformity issued pursuant to the Clean Air Act, 42 U.S.C. §§ 7401 et seq., that was originally registered in another state by person who subsequently established residency in this State and who upon registration of the vehicle in this State provides satisfactory evidence to the Department of Motor Vehicles or its assigned designee of the previous residence and registration;

(e) Any vehicle with 7,500 miles or more of use as of the date of sale or lease;

(f) Any vehicle designated as an authorized emergency vehicle pursuant to NRS 484A.480;

and

(g) Any vehicle that meets the definition of a military tactical vehicle pursuant to NRS 445B.759.

Sec. 20. 1. *The following provisions of Title 13 of the California Code of Regulations are hereby adopted by reference:*

(a) Section 1900, as it existed on January 1, 2020;

(b) Section 1956.8(h), as it existed on January 1, 2020;

(c) Section 1960.1, as it existed on January 1, 2020;

(d) Section 1961, as it existed on January 1, 2020;

(e) Section 1961.1, as it existed on January 1, 2020;

(f) Section 1961.2, as it existed on January 1, 2020;

(g) Section 1961.3, as it existed on January 1, 2020;

(h) Section 1962, as it existed on January 1, 2020;

(i) Section 1962.1, as it existed on January 1, 2020;

(j) Section 1962.2, as it existed on January 1, 2020;

(k) Section 1962.3, as it existed on January 1, 2020;

(l) Section 1965, as it existed on January 1, 2020;

(m) Section 1968.2, as it existed on January 1, 2020;

(n) Section 1968.5, as it existed on January 1, 2020;

(o) Section 1976 as it existed on January 1, 2020;

(p) Section 1978, as it existed on January 1, 2020;

- (q) Section 2035, as it existed on January 1, 2020;*
- (r) Section 2037, as it existed on January 1, 2020;*
- (s) Section 2038, as it existed on January 1, 2020;*
- (t) Section 2039, as it existed on January 1, 2020;*
- (u) Section 2040, as it existed on January 1, 2020;*
- (v) Section 2041, as it existed on January 1, 2020;*
- (w) Section 2046, as it existed on January 1, 2020;*
- (x) Section 2062, as it existed on January 1, 2020;*
- (y) Section 2109, as it existed on January 1, 2020;*
- (z) Section 2111, as it existed on January 1, 2020;*
- (aa) Section 2112, as it existed on January 1, 2020;*
- (bb) Section 2113, as it existed on January 1, 2020;*
- (cc) Section 2114, as it existed on January 1, 2020;*
- (dd) Section 2115, as it existed on January 1, 2020;*
- (ee) Section 2116, as it existed on January 1, 2020;*
- (ff) Section 2117, as it existed on January 1, 2020;*
- (gg) Section 2118, as it existed on January 1, 2020;*
- (hh) Section 2119, as it existed on January 1, 2020;*
- (ii) Section 2120, as it existed on January 1, 2020;*
- (jj) Section 2121, as it existed on January 1, 2020;*
- (kk) Section 2122, as it existed on January 1, 2020;*
- (ll) Section 2123, as it existed on January 1, 2020;*

(mm) Section 2124, as it existed on January 1, 2020;
(nn) Section 2125, as it existed on January 1, 2020;
(oo) Section 2126, as it existed on January 1, 2020;
(pp) Section 2127, as it existed on January 1, 2020;
(qq) Section 2128, as it existed on January 1, 2020;
(rr) Section 2129, as it existed on January 1, 2020;
(ss) Section 2130, as it existed on January 1, 2020;
(tt) Section 2131, as it existed on January 1, 2020;
(uu) Section 2132, as it existed on January 1, 2020;
(vv) Section 2133, as it existed on January 1, 2020;
(ww) Section 2134, as it existed on January 1, 2020;
(xx) Section 2135, as it existed on January 1, 2020;
(yy) Section 2139, as it existed on January 1, 2020;
(zz) Section 2141, as it existed on January 1, 2020;
(aaa) Section 2142, as it existed on January 1, 2020;
(bbb) Section 2143, as it existed on January 1, 2020;
(ccc) Section 2144, as it existed on January 1, 2020;
(ddd) Section 2145, as it existed on January 1, 2020;
(eee) Section 2146, as it existed on January 1, 2020;
(fff) Section 2147, as it existed on January 1, 2020;
(ggg) Section 2148, as it existed on January 1, 2020;
(hhh) Section 2149, as it existed on January 1, 2020; and

(iii) *Section 2235, as it existed on January 1, 2020.*

2. *For the purposes of applying the sections of Title 13 of the California Code of Regulations adopted by reference in subsection 1, unless the context otherwise requires:*

(a) *“California” means the State of Nevada;*

(b) *“CARB” or “AIR Resources Board” means the Department; and*

(c) *“Executive Officer” means the Director.*

3. *A copy of the provisions of the California Code of Regulations, as adopted by reference in subsection 1, may be obtained free of charge at the internet address <http://www.oal.ca.gov>.*

Sec. 21. *A person shall not sell or lease, offer for sale or lease, register, import, deliver, purchase, acquire or receive a 2025 or subsequent model year new passenger car, light-duty truck, medium-duty passenger vehicle or medium-duty vehicle in this State which is not certified to the provisions of California emissions standards, as adopted by reference pursuant to section 20 of this regulation, unless such car, truck or vehicle, as applicable, is:*

1. *Sold to another dealer;*

2. *Sold for the purpose of being wrecked or dismantled;*

3. *Sold exclusively for off-highway use; or*

4. *Sold for registration out-of-state.*

Sec. 22. 1. *Beginning with the 2025 model year, each manufacturer of passenger cars, light-duty trucks and medium-duty vehicles produced and delivered for sale in this State shall not exceed the fleet average non-methane organic gas plus oxides of nitrogen emission standards set forth in section 1961.2 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

2. *Each manufacturer described in subsection 1 may accrue and utilize credits and debits based upon the sales of vehicles by the manufacturer in this State, in accordance with the provisions set forth in section 1961.2 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

Sec. 23. 1. *Beginning with the 2025 model year, each manufacturer of passenger cars, light-duty trucks and medium-duty vehicles produced and delivered for sale in this State shall not exceed the fleet average greenhouse gas emission standards set forth in section 1961.3 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

2. *Each manufacturer subject to subsection 1 may accrue and utilize credits and debits based upon the sales of vehicles by the manufacturer in this State in accordance with the provisions set forth in section 1961.3 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

Sec. 24. 1. *Beginning with the 2025 model year, each manufacturer must submit to the Department, not later than March 1 following the end of the model year, a report of the non-methane organic gas plus oxides of nitrogen exhaust emissions of the manufacturer's fleet delivered for sale in this State for the applicable model year. The report must be prepared in the same format that this information is reported to CARB and in accordance with the requirements of this section.*

2. *If a manufacturer elects to report the information required pursuant to subsection 1 using the pooling provision set forth in section 1961.2 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation, the*

manufacturer must report to the Department the information required pursuant to subsection 1 for the entire pool as well as for the portion specific to this State.

3. If the Department determines that a report submitted by a manufacturer pursuant to subsection 1 or 2 demonstrates that the manufacturer is not in compliance with section 22 of this regulation, the Department shall require the manufacturer to submit a fleet average remediation report to the Department within 60 days after the manufacturer receives notice from the Department that the manufacturer is not in compliance. The report must:

(a) Describe how the manufacturer intends to equalize any accrued debits;

(b) Identify all vehicle models delivered for sale in this State, the corresponding certification levels of the vehicle models and the percentage of each vehicle model delivered for sale in this State and the state of California in relation to total fleet sales in each respective state; and

(c) Describe how the manufacturer intends to achieve compliance with the fleet average non-methane organic gases plus oxides of nitrogen emission standard in future model years.

Sec. 25. 1. Beginning with the 2025 model year, each manufacturer must submit to the Department, not later than March 1 following the end of the model year, a report of the greenhouse gas exhaust emissions of the fleet delivered for sale in this State by the manufacturer for the applicable model year. The report must be prepared in the same format that this information is reported to CARB and in accordance with the requirements of this section.

2. If a manufacturer elects to report the information required pursuant to subsection 1 using option number 2 for the “Calculation of fleet average carbon dioxide value” set forth in

section 1961.3(a)(5)(D) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation, the manufacturer must report to the Department the information required pursuant to subsection 1 for the entire pool as well as for the portion specific to this State.

3. If the Department determines that a report submitted by a manufacturer pursuant to subsection 1 or 2 demonstrates that the manufacturer is not in compliance with section 23 of this regulation, the Department shall require the manufacturer to submit a fleet average remediation report to the Department within 60 days after the manufacturer receives notice from the Department that the manufacturer is not in compliance. The report must:

(a) Describe how the manufacturer intends to equalize any accrued debts;

(b) Identify all vehicle models delivered for sale in this State, the corresponding certification levels of the vehicle models and the percentage of each vehicle model delivered for sale in this State and the state of California in relation to total fleet sales in each respective state; and

(c) Describe how the manufacturer intends to achieve compliance with the fleet average greenhouse gas emission standard for future model years.

Sec. 26. Within 30 days of receiving a request from the Department, a manufacturer must submit to the Department:

1. A copy of the California Executive Order and Certificate of Conformity for certification of new motor vehicles for each engine family to be sold in this State by the manufacturer. If these records are available electronically, the manufacturer must submit the records in an electronic format approved by the Director.

2. *Any documentation the Department determines necessary for the effective administration and enforcement of sections 2 to 36, inclusive, of this regulation, which may include, without limitation, all certification materials submitted to CARB.*

3. *Any Emissions Warranty Information Reports prepared in accordance with section 2144 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

Sec. 27. 1. *For the purposes of enforcing or administering any federal or state law, order, regulation or rule relating to vehicular sources of emissions, an authorized representative of the Department or of the Department of Motor Vehicles may enter any premises owned, operated, used, leased or rented by any new or used vehicle dealer in order to inspect any vehicle with a model year of 2025 or later.*

2. *Nothing in the provisions of this section or sections 2 to 36, inclusive, of this regulation limits the authority of the Department pursuant to NRS 445B.240 to enter and inspect premises.*

Sec. 28. 1. *For the purposes of determining compliance with sections 2 to 36, inclusive, of this regulation, the Department may require any vehicle dealer or short-term lessor of vehicles to submit any documentation requested by the Department that the Department determines is necessary for the effective administration and enforcement of sections 2 to 36, inclusive, of this regulation.*

2. *Any person subject to the provisions of section 2 to 36, inclusive, of this regulation must retain all records for at least 3 years from the creation of the record. Such records must be provided to the Department upon request of the Department.*

3. *The provisions of this section do not require the creation of any new records.*

Sec. 29. 1. *Beginning with model year 2025, each manufacturer of passenger cars, light-duty trucks, medium-duty vehicles and motor vehicle engines subject to the requirements of sections 2 to 36, inclusive, of this regulation must provide to the ultimate purchaser of the vehicle and each subsequent purchaser a warranty that complies with the requirements set forth in:*

(a) *Sections 2035 to 2038, inclusive, of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation;*

(b) *Section 2040 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation; and*

(c) *Section 2046 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

2. *Except as otherwise provided in this subsection, beginning with model year 2025, each manufacturer of passenger cars, light-duty trucks, medium-duty vehicles and motor vehicle engines must include with each new vehicle or engine manufactured the emission control systems warranty statement that complies with the requirements of section 2039 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation, except:*

(a) *A manufacturer may modify the emission control systems warranty statement as necessary to inform vehicle owners of the applicability of the warranty in this State.*

(b) *For the purpose of the documents required pursuant to section 2039(c) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this*

regulation, a manufacturer is only required to submit such documents upon request of the Department.

3. For the purposes of this section:

(a) “Subsequent purchaser” means any person who purchases a motor vehicle or motor vehicle engine after the ultimate purchaser.

(b) “Ultimate purchaser” means, with respect to any new motor vehicle or new motor vehicle engine, the first person who in good faith purchases a new motor vehicle or new motor vehicle engine for purposes other than resale.

Sec. 30. A person shall not sell or lease, offer for sale or lease, register, import, deliver, purchase, rent or otherwise acquire or receive a new passenger car, light-duty truck, medium-duty passenger vehicle or medium-duty vehicle in this State to which emissions control labels and environmental performance labels have not been affixed pursuant to the requirements of section 1965 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

Sec. 31. 1. Except as otherwise provided in subsection 2, for all passenger cars, light-duty trucks, medium-duty vehicles, and motor vehicle engines subject to an emissions-related recall in the state of California, each manufacturer shall undertake recall campaigns in this State pursuant to sections 2111 to 2135, inclusive, of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

2. A manufacturer is not required to undertake a recall campaign pursuant to subsection 1 if the manufacturer demonstrates to the Department that such emissions-related recall is not applicable to vehicles registered in this State.

Sec. 32. 1. *Beginning with model year 2025, all zero emission vehicles must be certified by the Executive Officer of CARB in accordance with section 1962.2(a) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.*

2. Each manufacturer of vehicles must comply with the minimum ZEV credit percentage requirement for the sale of zero emissions vehicles set forth in section 1962.2(b) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

Sec. 33. 1. *A manufacturer may earn early action credits for any 2022, 2023 and 2024 model year range extended battery electric vehicles, neighborhood electric vehicles, transitional zero emission vehicles and zero emission vehicles the manufacturer produces and delivers for sale in this State on or after January 1, 2022, by reporting the total production and delivery of such vehicles to the Department at the end of the 2022, 2023 and 2024 model years.*

2. Any early action credits earned for model years 2022, 2023 and 2024 pursuant to subsection 1 will be managed by the Department and deposited into the manufacturer's account in the California ZEV Credit System for model year 2025 in accordance with section 34 of this regulation.

Sec. 34. 1. *Beginning with model year 2025, a manufacturer shall open an account in the California ZEV Credit System for banking credits generated in this State. The manufacturer may deposit and earn ZEV credits for each qualifying vehicle delivered for sale in this State in accordance with this section and sections 1962.2(c), (d) and (g) of Title 13 of*

the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

2. For model year 2025, the Department shall deposit into the manufacturer's account in the California ZEV Credit System any early action credits earned by the manufacturer pursuant to section 33 of this regulation.

3. For model year 2026, once the manufacturer has satisfied all credit obligations for model years 2024 and earlier in California, the Department shall deposit into the manufacturer's account in the California ZEV Credit System a number of initial credits equal to the manufacturer's 2025 model year starting California credit balance multiplied by the number of new passenger cars and light-duty trucks the manufacturer produced and delivered for sale in this State in model year 2024 and divided by the number of new passenger cars and light-duty trucks that the manufacturer produced and delivered for sale in California in model year 2024.

Sec. 35. On or before September 1 of each year, each manufacturer must submit to the Department a report detailing the credits generated or credits transferred to or from any another manufacturer for each qualifying vehicle sold or delivered for sale in this State during the previous model year. The report must be prepared in the same format as the report submitted to CARB.

Sec. 36. 1. A manufacturer that fails to meet the credit obligation for the sale of zero emissions vehicles in a given model year must make up the credit deficit by submitting a commensurate amount of ZEV credits to the Director pursuant to and within the time

specified in section 1962.2(g)(7) of Title 13 of the California Code of Regulations, as adopted pursuant to section 20 of this regulation.

2. If a manufacturer fails to submit an appropriate amount of ZEV credits as required pursuant to subsection 1 and does not make up the deficit, the Director must refer the matter to the Department of Motor Vehicles. The Department of Motor Vehicles may impose an administrative fine on the manufacturer pursuant to NRS 445B.835 for each motor vehicle sold by the manufacturer for which the manufacturer did not meet his or her credit obligation, as determined pursuant to subsection 3.

3. For the purposes of the administrative fine imposed by the Department of Motor Vehicles pursuant to subsection 2, the number of vehicles for which the manufacturer did not meet the credit obligation is equal to the manufacturer's credit deficit, rounded to the nearest 1/100th and calculated according the equation provided in section 1962(g)(8) of Title 13 of the California Code of Regulations, as adopted pursuant to section 20 of this regulation, provided that the percentage of a manufacturer's ZEV requirement for a given model year that may be satisfied with transitional zero emissions vehicles or credits from such vehicles may not exceed the percentages permitted under section 1962.2(b)(2) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

Sec. 37. 1. Except as otherwise provided in subsection 2, the State Department of Conservation and Natural Resources shall enforce the provisions of sections 1 to 36, inclusive, of this regulation beginning on January 1, 2022, or the date the waiver of emissions standards granted by the United States Environmental Protection Agency pursuant to 42 U.S.C. §7543 to the State of California for the emission standards adopted by California is reinstated by the

Environmental Protection Agency or a court of law or a new waiver is issued by the Environmental Protection Agency, whichever is later. The Department shall not enforce the provisions of sections 1 to 36, inclusive, of this regulation prior to that date.

2. The State Department of Conservation and Natural Resources shall not enforce the provisions of sections 1 to 36, inclusive, of this regulation for vehicles of model year 2025 or later unless the date that the regulation is filed with the Secretary of State occurs at least 2 years in advance of the release of vehicles for that model year.

3. The State Department of Conservation and Natural Resources shall post notice of the date on which the Department is authorized to begin enforcing the provisions of sections 1 to 36, inclusive, of this regulation pursuant to subsections 1 and 2 on the Internet website of the Department and make other efforts to notify manufacturers of motor vehicles as the Director of the Department deems appropriate.