

# Final Regulation Order

## Regulation for Clean Cars 4 All

(Note: The proposed amendments are shown in underline to indicate additions and ~~strikeout~~ to indicate deletions.)

**Add only if relevant to proposed text:** "or placeholder text to be updated upon adoption of the proposed amendments (such as [Insert date of amendment])."

**And/or:** "Subsections for which no changes are proposed in this rulemaking are indicated with [No change or "\* \* \* \*".]"

## Chapter 13. Voluntary Accelerated Vehicle Retirement Enterprises

Section 2631. Definitions

Section 2632. Program Administration

Section 2633. Annual Reporting

Section 2635. Scrapped Vehicle Minimum Eligibility Requirements

Section 2637. Program Elements

## Final Regulation Order

Title 13, California Code of Regulations

Amend Sections 2631, 2632, 2633, 2635, 2637, of title 13, California Code of Regulations, to read as follows:

### Article 3. AB 630 Clean Cars 4 All Program

#### § 2630. Purpose.

The purpose of this regulation is to expand EFMP through the creation of the Clean Cars 4 All program to achieve additional reductions in greenhouse gas emissions, improvements in air quality, and benefits to low-income state residents through the replacement of high-polluter motor vehicles with cleaner and more efficient motor vehicles or a mobility option.

Where applicable, Clean Cars 4 All shall improve coordination, integration, and partnerships with other programs that target disadvantaged communities that receive Greenhouse Gas Reduction Funds.

NOTE: Authority cited: 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5 and 44125, Health and Safety Code.

#### § 2631. Definitions.

The definitions for EFMP (California Code of Regulations, title 13, section 2621) apply to Clean Cars 4 All (California Code of Regulations, title 13, sections 2630-2639.5),<sup>z</sup> including the following definitions:

“Administrator” means any air district or other entity, or organization selected by CARB to implement Clean Cars 4 All (CC4A).

“Electric Vehicle Service Equipment” or “EVSE” includes EVSE, as defined in section 2360, subdivision (b) of Chapter 8.3, Division 3, Title 13, California Code of Regulations, as well as any other electric vehicle charging infrastructure located on the customer side of the electric meter.

NOTE: Authority cited: 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code.

## § 2632. Program Administration.

- (a) The Clean Cars 4 All program is implemented by ~~air districts~~ an administrator that chooses to participate and ~~contract~~ enter into a contract or grant agreement with CARB. ~~Participation is limited to districts with populations greater than one million people.~~ The ~~districts~~ administrators may contract with dismantlers, dealerships, financial institutions, and other appropriate entities as necessary.
- (b) The Board shall ~~contract~~ enter into a contract or grant agreement with the ~~districts~~ administrators to implement the Clean Cars 4 All program.
- (c) Participating ~~districts~~ administrators shall submit quarterly reports to CARB within 30 days of the end of the quarter. At a minimum the quarterly reports must include:
  - (1) Program participation rates, including any backlog or waiting list for pending applicants;
  - (2) Scrapped vehicle information, including make, model, model year, VIN, license number, mileage, and registration status at retirement;
  - (3) Replacement vehicle information, including make, model, model year, VIN, license number, ~~and~~ mileage at time of purchase and EVSE option information where applicable;
  - (4) A summary of the incentives delivered, by demographic categories established in section 2627(l);
  - (5) A summary of all funds used for targeted outreach in low-income or disadvantaged communities;
  - (6) A summary of feedback received from participants, including those participants that ultimately did not receive any incentive, if available; and
  - (7) Copies of any reports from ~~district~~ administrator contractors or partner agencies concerning the performance of the program, if available.
  - (8) Survey data that can include but are not limited to replacement vehicle satisfaction, program satisfaction, charging needs and participant feedback.

NOTE: Authority cited: 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code.

### § 2633. Annual Reporting.

Beginning no later than July 1, 2019, and every year thereafter, CARB shall collect and post on its website all of the following:

- (a) The performance of Clean Cars 4 All relative to the goals set.
- (b) An accounting that includes, but need not be limited to, moneys allocated to Clean Cars 4 All and the expenditures of the program and Clean Cars 4 All by region.
- (c) A performance analysis broken down by ~~district administrator~~ of the replacement vehicle, ~~and mobility options component~~, and EVSE components of the program and Clean Cars 4 All to identify areas to be emphasized when setting future goals or updating the guidelines for the program and Clean Cars 4 All. The analysis shall include all of the following:
  - (1) Whether an district administrator implementing the replacement vehicle, ~~and mobility options component~~, and EVSE components of the program or Clean Cars 4 All has a backlog or a waiting list for applicants and recommendations from the ~~district administrator~~ or Board on how to eliminate the backlog or waiting list;
  - (2) An evaluation of the funding for targeted outreach in low-income or disadvantaged communities, including whether the funding should be enhanced or modified to reach the goals set; and
  - (3) How incentive levels can be modified to maximize participation and emissions reductions.

NOTE: Authority cited: Sections 39600, 39601, 44124.5, 44125, and 44125.5, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5, 44125, and 44125.5, Health and Safety Code.

### § 2634. Program Limits.

- (a) Participants may receive a Clean Cars 4 All incentive and additional incentives for the purchase of a replacement vehicle, subject to the requirements of the other incentive program(s).

NOTE: Authority cited: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44062.1 and 44124.5, Health and Safety Code.

### § 2635. Scrapped Vehicle Minimum Eligibility Requirements.

- (a) To receive an incentive from Clean Cars 4 All, an individual must be the registered owner of the vehicle with vehicle title issued in their name and must demonstrate that they are a California resident.
- (b) A vehicle that holds a salvage title is eligible for participation if registered as operable at the time of application.
- (c) The vehicle must meet one of the following requirements:
  - (1) It shall meet the DMV requirements as specified in sections 3394.4 (b)(6)(C) and 3394.4 (b)(6)(D) of Title 16 of Division 33, Article 11 of the California Code of Regulations; or
  - (2) An unregistered vehicle, or a currently registered vehicle not meeting (c)(1) above, may also be eligible if operated in California for the last two years and not registered in any other state or country in the last two years. Documentation of operation in California includes the following:
    - (A) Proof of continuous insurance coverage in California for the two consecutive years preceding application to Clean Cars 4 All, without lapses in insurance coverage totaling more than 120 days; or
    - (B) At least two invoices from an Automotive Repair Dealer registered at the time of the repair with the Bureau pursuant to section 9884.6 of the Business and Professions Code showing the following:
      - 1. The Automotive Repair Dealer's valid registration number, as issued by the Bureau;
      - 2. The name and address of the Automotive Repair Dealer, as shown on the Bureau's records;
      - 3. Description of a repair or maintenance operation performed to the vehicle;
      - 4. The vehicle year, make, model, and vehicle identification or license plate number matching the vehicle to be scrapped;
      - 5. The date of the repair or maintenance visit.

- (C) Invoices submitted for the purpose of satisfying the requirements of section (B) shall be from two separate calendar years. The oldest invoice may not be older than twenty-four months prior to the date of application receipt.
- (d) The vehicle must be voluntarily dismantled at a Dismantler under contract with BAR;
- (e) A vehicle must have a gross vehicle weight rating of 10,000 pounds or less, and be a passenger vehicle, truck, sport utility vehicle, or van;
- (f) A vehicle must complete a functionality test.

NOTE: Authority cited: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code.

### **§ 2636. Ineligible Vehicles.**

- (a) A dismantled or salvaged vehicle that has not been reregistered pursuant to section 11519 of the Vehicle Code.
- (b) A vehicle registered to a non-profit organization or a business.
- (c) A vehicle operated by a public agency or fleet licensed and registered pursuant to Health and Safety Code sections 44019 and 44020.
- (d) A vehicle being initially registered or re-registered in California.
- (e) A vehicle undergoing a change of ownership.

NOTE: Authority cited: Sections 39600, 39601 and 44124.5, Health and Safety Code. Reference: Sections 39600, 39601 and 44124.5, Health and Safety Code.

### **§ 2637. Program Elements.**

- (a) The ~~district~~ administrators must submit a Clean Cars 4 All program implementation proposal to the Board prior to receiving initial grant disbursements.
- (b) The program must include the following elements:
  - (1) Targeted outreach in low-income and disadvantaged communities. The program must target outreach and restrict program eligibility to motorists with household incomes of 400% of the federal poverty level or less. This does not prohibit outreach being conducted in conjunction with one or more other programs that are targeted at other populations.
  - (2) Methods for ensuring that scrapped vehicles have sufficient remaining useful life. The program must include a mechanism to ensure vehicles with~~have~~ sufficient functionality to be currently driven. This could include, but is not limited to, the completion of a smog check test.
  - (3) Methods to target high-emitting vehicles. The program must include a mechanism for targeting high-emitting vehicles to be scrapped. This could include, but is not limited to, emissions testing, remote sensing, determination of a model year limitation, or mechanisms.
  - (4) Methods for providing significant assistance to program participants to complete Clean Cars 4 All transactions. This assistance could take the form of incentives from other programs, financial education, access to low-cost loans, or other ways to address the challenges to vehicle ownership faced by low-income participants.
  - (5) Consumer protections during the purchase and financing of the vehicle to ensure that the benefits of the incentives accrue to the final participant. These could include, but are not limited to the following:
    - (A) Require or encourage program participants to borrow from reputable lending institutions and/or join credit unions to establish credit prior to purchase.
    - (B) Prohibit vehicle loans by a selling dealership.
    - (C) Leverage financial counseling offered by most credit unions by directing participants to those resources.
    - (D) Require or encourage program participants to receive lending pre-approval before visiting a dealership.



- (E) Collaborate with consumer advocacy groups that provide financial counseling.
  - (F) Direct program participants to California's low-cost auto insurance program.
  - (G) Require an estimate for total cost of car ownership with the truth-in-lending statement.
  - (H) Establish pre-approved pricing for used or new vehicles.
  - (I) Require vehicle inspection and disclosure by an independent auto mechanic.
  - (J) Require vehicle history be provided and attached to paperwork.
  - (K) Require vehicle warranty for a specified timeframe.
  - (L) Prohibit applications completed in full, or in part, by any organization that charges the applicant for this service.
- (6) Regular review of contractors and partners to ensure that the requirements of the plan and of these regulations are being met.
  - (7) Provisions to require contractor and partners to provide information to be used in the quarterly reporting to CARB as required by Section 2632.
  - (8) Scrapped vehicles shall be dismantled at a dismantler operating under contract with the Bureau. ~~Districts~~ The administrators shall develop and enter into a separate contract or agreement with the dismantler.
- (c) ~~A district~~ The administrators administering the Clean Cars 4 All program may contract with vehicle dealers, financial institutions, public transit agencies, and other entities as necessary for redemption of program incentives.
    - (1) Program incentives may not be redeemed for the purchase of a dismantled vehicle or a vehicle with a salvaged title (as described in Vehicle Code section 544).
    - (2) Clean Cars 4 All incentives may only be redeemed for mobility options or a replacement vehicle that is 8 years old or newer and that is one of the following:

- (A) A conventional hybrid that meets or exceeds a minimum combined fuel economy rating as established each year as part of the Funding Plan, adopted pursuant to California Code of Regulations, title 13, division 3, chapter 8.2, section 2353 and Health and Safety Code section 44274;
  - (B) A plug-in hybrid; or
  - (C) A zero-emission vehicle
  - (D) An administrator may exclude eligible replacement technology types listed in (A), (B), if it met the replacement vehicle goals set by the Board for the previous fiscal year, set forth pursuant to subdivision (b) of the Section 44124.5 and subdivision (b) of Section 44125 of the Health and Safety Code, and the changes are set forth in their implementation proposal.
- (d) A vehicle owner or joint vehicle owner may not receive more than one Clean Cars 4 All incentive.
  - (e) A vehicle must meet the requirements of section 2635(c) ~~at an address in the district where the incentive is issued.~~ within the state of California. If a district is issuing the incentive, the vehicle must meet the requirements of section 2635(c) at an address within the district where the incentive is issued.
  - (f) In order to participate in the Clean Cars 4 All program, an individual must have a household income less than or equal to 400% of FPL. An administrator may reduce the eligible income cap, if it met the replacement vehicle goals set by the Board for the previous fiscal year, set forth pursuant to subdivision (b) of Section 44124.5 and subdivision (b) of Section 44125 of the Health and Safety Code, and the change are set forth in their implementation proposal.
  - (g) A retired vehicle must pass a functionality test.
  - (h) An applicant determined to be eligible under the Clean Cars 4 All program may receive incentives depending on income eligibility to meet the goals set pursuant to section 2622, subdivision (c), provided the incentive amounts are both set in the annual Funding Plan, adopted pursuant to California Code of Regulations, title 13, division 3, chapter 8.2, section 2353 and Health and Safety Code section 44274; and incorporated into ~~air~~ district and administrator grant agreements or contracts, as determined by the Board.

NOTE: Authority cited: Sections 39600, 39601, 44124.5, 44125, and 44274 Health and Safety Code.  
 Reference: Sections 39600, 39601, 44124.5, 44125, and 44274, Health and Safety Code.

### **§ 2638. Parts Recycling and Resale.**

Dismantlers and any other contractor accepting vehicles for retirement under Clean Cars 4 All, and their agents, contractors and employees shall not remove any parts from a Clean Cars 4 All purchased vehicle for resale or reuse unless specifically exempted per BAR contract.

- (a) No compensation with public funds from the Clean Cars 4 All program shall be granted for any vehicle from which emission-related or drive train parts, as defined in section 2621, have been sold.
- (b) All activities associated with retiring vehicles, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with:
  - (1) Local water conservation regulations;
  - (2) State, county, and city energy and hazardous materials response regulations; and
  - (3) Local water agency soil, surface, and ground water contamination regulations.

NOTE: Authority cited: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code.

### **§ 2639. Records and Auditing.**

- (a) Records shall be securely maintained by the dismantlers and all contractors accepting vehicles for retirement under Clean Cars 4 All for each vehicle purchase and transaction. The records shall be kept for a minimum of three years following the date of vehicle retirement.
- (b) Records shall be maintained by the district and the administrator for each Clean Cars 4 All transaction. The records shall be kept for a minimum of three years following the date of replacement vehicle purchase.

NOTE: Authority cited: 39600, 39601, 44124.5, 44125, and 44125.5, Health and Safety Code. Reference: 39600, 39601, 44124.5, 44125, and 44125.5 Health and Safety Code.

### **§ 2639.5 Severability.**

Each part of this article shall be deemed severable, and in the event that any provision of this article is held to be invalid, the remainder of this article shall continue in full force and effect.

NOTE: Authority cited: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code. Reference: Sections 39600, 39601, 44124.5, and 44125, Health and Safety Code.