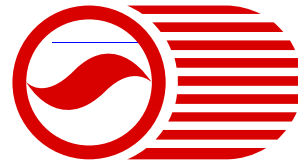




Regulatory Advisory

July 2010



Number 416

TRUCK AND BUS REGULATION DISCLOSURE AND RECORD KEEPING REQUIREMENTS

On December 12, 2008, the California Air Resources Board (ARB) approved a new regulation to significantly reduce emissions of diesel particulate matter and oxides of nitrogen from existing on-road diesel vehicles operating in California. The Truck and Bus Regulation (the regulation) requires affected trucks and buses to achieve the required emissions reductions between 2011 and 2023. California sellers of a vehicle subject to the regulation have to disclose the regulation's potential applicability to buyers of the vehicles and meet record retention requirements. The regulation is being evaluated for potential changes; however, staff is not proposing changes to the disclosure and record retention requirements described below.

Disclosure Requirements

California sellers of vehicles subject to the regulation must notify the buyer that the vehicle may be subject to retrofit or accelerated replacement requirements and to print the disclosure on the bill of sale, sales contract addendum, or invoice. In addition, the seller must keep records of the disclosure notice for three years for each buyer. Sellers should provide the disclosure prior to the sale so that the buyer can be aware of the regulation when making a purchase decision.

The requirements are specified in title 13, California Code of Regulations, section 2025 which directs the seller to make the following text available to the buyer:

“An on-road heavy-duty diesel or alternative-diesel vehicle operated in California may be subject to the California Air Resources Board Regulation to Reduce Particulate Matter and Criteria Pollutant Emissions from In-Use Heavy-Duty Diesel Vehicles. It, therefore, could be subject to exhaust retrofit or accelerated turnover requirements to reduce emissions of air pollutants.” For more information, please visit the California Air Resources Board website at <http://www.arb.ca.gov/dieseltruck>.”

The disclosure requirements became effective on January 8, 2010. If you sold a vehicle covered under the regulation on or after January 8, 2010, and did not include the disclosure, please contact all buyers and provide them with the disclosure.

Record Retention

Dealers and other sellers must maintain records of the disclosure of regulation applicability for three years after the sale. In the event that ownership of the seller's fleet is transferred to another party, records required by the regulation must be transferred to the buyer.

Right of Entry

For the purpose of inspecting vehicles subject to this regulation and their records to determine compliance with this regulation, an agent or employee of ARB, upon presentation of proper credentials, has the right to enter any facility (with any necessary safety clearances) where vehicles are located or vehicle records are kept.

Non-Compliance

Health and Safety Code, Section 39674 (a) authorizes civil penalties for the violation of the programs for the regulation of toxic air contaminants not to exceed one-thousand dollars (\$1,000) for each day in which the violation occurs.

Health and Safety Code, Section 39674 (b) authorizes civil penalties for the violation of the programs for the regulation of toxic air contaminants not to exceed ten-thousand dollars (\$10,000) for each day in which the violation occurs.

The standard for assessing penalties is one of strict liability. The seller will be responsible for the penalty.

For More Information

For further information, including reporting and labeling information questions and the full text of the Truck and Bus Regulation, please visit our website at www.arb.ca.gov/dieseltruck, or call 866-6DIESEL (866-634-3735), or email us at 8666diesel@arb.ca.gov.