

## DRAFT REGULATION ORDER

This document provides draft regulatory concepts and language that, along with staff's presentation, are intended to facilitate discussion and stakeholder feedback. This document should not be construed as a formal regulatory proposal. All elements of this preliminary draft are open to feedback, including the language and framework.

The draft regulatory concepts and language are organized as follows:

- Section 3000: Purpose, Applicability, Definitions and Severability
- Section 3001: Fleet Operator Requirements
- Section 3002: Dealer and Rental Agency Requirements
- Section 3003: Forklift and Engine Manufacturer Requirements
- Section 3004: Exemptions for Fleet Operators
- Section 3005: Reporting and Labeling Requirements
- Section 2433: Emission Standards and Test Procedures - Off-Road Large Spark-Ignition Engines

## ZERO-EMISSION FORKLIFT FLEET REQUIREMENTS REGULATION

Create sections 3000 through 3005, title 13; create chapter 16, article 1, California Code of Regulations, to read as follows:

### § 3000. Purpose, Applicability, Definitions, and Severability.

- (a) Purpose. The purpose of this article is to accelerate the transition to zero-emission forklifts throughout the state to reduce emissions of oxides of nitrogen (NO<sub>x</sub>), fine particulate matter (PM), other criteria pollutants, toxic air contaminants, and greenhouse gasses (GHG).
- (b) Applicability. This article applies to any person, business, public utility, special district, or government agency that operates, allows the operation of, owns, leases, rents, offers for sale, offers for lease, or offers for rent an Affected Forklift in California.
- (c) Definitions. The following definitions apply to this article:
  - (1) "Affected Forklift" means an internal-combustion forklift with a lift capacity (as defined herein) of 12,000 pounds or less that is not a:
    - (A) Rough terrain forklift;
    - (B) Military tactical vehicle;
    - (C) Pallet jack;
    - (D) Forklift with a permanently integrated telescoping boom as its primary work implement;
    - (E) Forklift with a diesel-fueled or alternative-diesel-fueled off-road

compression-ignition engine subject to the In-Use Off-Road Diesel-Fueled Fleets Regulation, set forth in Title 13, California Code of Regulations, Section 2449, which is hereby incorporated by reference herein; or

- (F) Forklift owned or operated by a facility subject to the Mobile Cargo Handling Equipment at Ports and Intermodal Rail Yards Regulation, set forth in Title 13, California Code of Regulations, Section 2479, which is hereby incorporated by reference herein.
  - (G) This section shall not apply to any internal-combustion forklift that falls within the scope of the preemption of Section 209(e)(1)(A) of the Federal Clean Air Act (42 United States Code (U.S.C.) 7543(e)(1)(A)) and as defined by regulation of the U.S. Environmental Protection Agency (U.S. EPA).
- (2) "Affected Revenue Forklift" means a 2025 or previous model-year Affected Forklift owned, possessed, or controlled by a dealer or rental agency that is intended for the sale, lease, or rental to another entity.
  - (3) "Dealer" means an entity engaged in the business of selling or leasing of forklifts to an ultimate purchaser. A dealer may also be a rental agency if it meets the respective definitions set forth in this section.
  - (4) "Designated Official" means a person designated by the responsible official as the person who has the responsibility of providing the required information to the Executive Officer pursuant to section 3005 on behalf of the responsible official.
  - (5) "Emergency Operation" means an operation that helps alleviate an immediate threat to public health or safety. Examples of emergency operation include repairing or preventing damage to roads, buildings, terrain, and infrastructure as a result of an earthquake, flood, storm, fire, other infrequent act of nature, or terrorism. Routine maintenance or construction to prevent public health risks does not constitute emergency operation.
  - (6) "Entity" means a person, business, public utility, special district, or government agency subject to this article, as set forth in Section 3000(b).
  - (7) "Equipment Identification Number" or "EIN" means a unique identification number assigned by the Executive Officer to a forklift once the forklift has been reported in accordance with section 3005(a). The EIN is used to link all reporting and recordkeeping required under this article.
  - (8) "Executive Officer" means the Executive Officer of the California Air Resources Board, or his or her delegate.

- (9) "Facility" means a location where an entity operates one or more forklifts.
- (10) "Fleet" means all applicable forklifts that are owned or controlled by a common entity and are operated within California. Individual federal or state agencies may report as separate entities.
- (11) "Fleet Operator" means an entity that operates one or more forklifts to fulfill operational needs of said entity.
- (12) "Forklift" means a self-propelled industrial truck whose primary purpose is to lift, transport, and stack heavy loads. A forklift consists of a chassis with three or more wheels, an area for the forklift operator to ride, and the following components in front of the operator: a lift cylinder and a vertical or angled mast, to which a carriage is mounted. In order for the forklift to lift loads, the carriage generally has attachments. The most typical configuration is for two forks and a load backrest to be attached to the carriage, but specialized attachments also exist to serve other purposes.
- (13) "Internal-combustion forklift" means a forklift powered by an internal-combustion engine.
- (14) "Lift Capacity" means the weight that a forklift is rated to lift at a 24-inch load center. When a forklift has multiple lift capacity ratings due to different types of attachments or lift heights, the lowest value at a 24-inch load center shall be used.
- (15) "Microbusiness" means an entity with annual gross receipts of \$5,000,000 or less and with 25 or fewer employees (California Government Code 14837, effective January 1, 2018, which is hereby incorporated by reference herein).
- (16) "Model Year" means the engine or forklift manufacturer's annual production period, which includes January 1 of a calendar year or, if the manufacturer has no annual production period, the calendar year.
- (17) "Pallet Jack" means a piece of equipment that is designed to move pallets but is pulled by hand and is not designed to be ridden.
- (18) "Rental Agency" means an entity engaged in the business of providing forklifts for rent. A rental agency may also be a dealer if it meets the respective definitions in this section.
- (19) "Responsible Official" means a person who is authorized by an entity to make decisions regarding said entity's forklifts.
- (20) "Rough Terrain Forklift" means a powered industrial truck that
  - (A) Meets the design and construction requirements for a rough terrain

forklift truck established in ANSI/ITSDF B56.6-1987, ANSI/ITSDF B56.6-2005, ANSI/ITSDF B56.6-2011, or ANSI/ITSDF B56.6-2016, "Safety Standard for Rough Terrain Forklift Trucks," hereby incorporated by reference herein;

- (B) Bears a manufacturer label or some other equivalent identifying mark indicating the forklift meets the design and construction requirements set forth in ANSI/ITSDF B56.6-1987, ANSI/ITSDF B56.6-2005, ANSI/ITSDF B56.6-2011, or ANSI/ITSDF B56.6-2016, "Safety Standard for Rough Terrain Forklift Trucks," incorporated by reference;
- (C) Has a minimum front wheel rim diameter of 18 inches; and
- (D) Is identified and marketed as a rough terrain forklift by the forklift manufacturer.

(21) "Qualified Microbusiness" means an entity that has demonstrated to the satisfaction of the Executive Officer to meet the revenue and employee number criteria set forth in this article for a microbusiness.

(22) "Ultimate Purchaser" means an entity who in good faith purchases, leases, or rents a forklift for purposes other than resale or rental to others.

(23) "Zero-Emission Forklift" means a forklift that uses fuel cell-electric, battery-electric, or other zero-emission technology as the only source of power for operational propulsion and work.

(d) *Non-Compliance.* Any entity who fails to comply with the requirements of this article, may be subject to civil or criminal penalties. Such penalties shall apply on a per-engine or per-equipment unit basis. Each day in which there is a violation shall be a separate violation. Knowingly submitting any false statement or representation in any application, request, document, report, statement, or other document filed, maintained, or used for the purposes of compliance with this article is considered a violation of this article.

(e) *Severability.* Each part of this article is severable, and in the event that any part of this chapter or article is held to be invalid, the remainder of the article shall remain in full force and effect.

### § 3001. Fleet Operator Requirements.

- (a) Starting January 1, 2026, a fleet operator may not acquire, possess, operate, or allow the operation of, an Affected Forklift in California unless:
  - (1) The forklift is a 2025 or previous model-year (MY) forklift with a 2025 or previous MY engine that has been reported by the fleet operator in accordance with the Reported Fleet Phase-Out Provisions set forth in section 3001(b), and the fleet operator is in compliance with all applicable provisions of the Reported Fleet Phase-Out Provisions;
  - (2) The forklift is a 2025 or previous model-year (MY) forklift with a 2025 or previous MY engine that qualifies for the low-use exemption pursuant to Section 3004, the forklift is being operated in accordance with the conditions of said exemption, and the fleet operator has satisfied all provisions related to said exemption, such as reporting and labeling; or
  - (3) The forklift is a 2025 or previous model-year (MY) forklift with a 2025 or previous MY engine that is a rental forklift rented by the fleet operator in accordance with the provisions set forth in Section 3001(e).
  
- (b) Reported Fleet Phase-Out Provisions
  - (1) General Provisions
    - (A) Initial Report: In order for a fleet operator to phase out its Affected Forklifts pursuant to the Reported Fleet Phase-Out Provisions, the fleet operator shall submit a completed Initial Report to the Executive Officer between January 1, 2026 and March 1, 2026. The Initial Report shall contain all information specified in Section 3005(a)(1)(A)1.a.
    - (B) The fleet operator shall maintain documentation of the acquisition of each Affected Forklift for the entire duration of the fleet phase out. For each forklift, said documentation shall contain a clear description of the forklift and engine (including model year, make, model, and serial number) as well as the date of acquisition. Said documentation shall be provided to the Executive Officer within 30 days upon request.
    - (C) The fleet operator shall label each Affected Forklift with its EIN in accordance with Section 3005(b). The fleet operator shall maintain said label such that it remains legible up until the forklift is removed from the facility and fleet.
    - (D) For each Affected Forklift, the fleet operator shall ensure that the forklift and engine information plates remain intact and readable up until the forklift is removed from the facility and fleet.
    - (E) A fleet operator subject to these provisions shall submit required

Annual Reports to the Executive Officer between April 30 and June 30 of each calendar year starting in 2027 and until a Final Report is submitted. Annual reports shall contain all applicable information and elements specified in Section 3005(a)(1)(A)1.b.

- (F) The fleet operator shall submit a Final Report to the Executive Officer upon completion of the fleet phase out and no later than June 30, 2041. Final Reports shall contain all information specified in Section 3005(a)(1)(A)1.c.
- (G) The fleet operator shall remain in full compliance with all provisions herein, including the Phase Out Schedule set forth in section 3001(b)(2). Non-compliance with any provision herein, including operating an Affected Forklift that is phased out pursuant to the Phase Out Schedule set forth in section 3001(b)(2), constitutes a violation of this article.

- (2) Phase Out Schedule. Affected Forklifts shall be phased out in accordance with the schedule in Table 1. As of the compliance dates in the table, fleets are prohibited from operating an Affected Forklift with a model year in the table or older. For example, as of January 1, 2026, no fleet may operate an Affected Forklift with model year of 2013 or older.

Table 1. Model Year Forklift Phase Out Schedule (based on MY of engine or forklift, whichever is older)

<b>Compliance Date</b>	<b>Model Year (MY) Phase Out Schedule</b>
1/1/2026	2013 MY and older
1/1/2027	2014 MY
1/1/2028	2015 MY
1/1/2029	2016 MY
1/1/2030	2017 MY
1/1/2031	2018 MY
1/1/2032	2019 MY
1/1/2033	2020 MY
1/1/2034	2021 MY
1/1/2035	2022 MY
1/1/2036	2023 MY
1/1/2037	2024 MY
1/1/2038	2025 MY

(c) Microbusiness Qualification Criteria

- (1) Qualifying as a Microbusiness. To qualify as a microbusiness, a fleet operator shall meet the following criteria:

- (A) In order to qualify as a microbusiness, the fleet operator shall submit to the Executive Officer an Initial Report pursuant to section 3005(a)(1)(A)5.a.
  - (B) A qualified microbusiness shall submit Annual Reports to the Executive Officer between January 1 and March 1 of each subsequent calendar year following the submittal of the Initial Report up until such time the entity no longer qualifies as a microbusiness or all Affected Forklifts have been phased out, whichever occurs first. Annual reports shall contain all applicable information and elements specified in Section 3005(a)(1)(A)5.b.
  - (C) Maintains at the facility where the Affected Forklifts are located tax returns for the previous 3 years (or the number of years the entity has been in business, if less than three) showing gross receipts of less than \$5,000,000 each year, and copies of the Quarterly Contribution Return & Report of Wages (Continuation) Form DE 9C for the four most recently completed quarters, if the firm has employees, demonstrating that the firm has fewer than 25 employees. In lieu of the above documentation, a microbusiness may instead maintain proof of certification as a microbusiness provided by the California Department of General Services. Documentation shall be provided to the Executive Officer upon request.
- (2) Changes to Business Size [TBD]
- (d) Acquiring an Affected Forklift after January 1, 2026. After January 1, 2026, a fleet operator may not acquire an Affected Forklift, except as provided below.
- (1) A fleet operator may acquire a MY 2025 or previous Affected Forklift with a MY 2025 or previous engine if the forklift is being acquired as a low-use forklift; the operation of said forklift as a low-use forklift is allowed under this article; and the fleet operator submits an Initial Report for the low-use exemption to the Executive Officer in accordance with the reporting requirements set forth in section 3005(a)(1)(A)4.a within 60 days of receiving possession or control of said forklift [Note low-use hours limitation set forth in section 3004(a)(3)];
  - (2) A fleet operator may acquire a MY 2025 or previous Affected Forklift with a MY 2025 or previous engine and phase out said forklift as part of its own fleet in accordance with the Reported Fleet Phase-Out Provisions if the following conditions are met:
    - (A) The forklift is being acquired as part of a total business acquisition where the entire fleet of Affected Forklifts belonging to the acquired business is being transferred to the fleet operator;

- (B) The forklift has already been reported as part of the seller's/transferor's fleet in accordance with the Reported Fleet Phase-Out Provisions;
  - (C) The seller/transferor and its fleet are in compliance with all applicable provisions of the Reported Fleet Phase-Out Provisions at the time of transfer;
  - (D) The fleet operator reports the acquisition to the Executive Officer, in accordance with section 3005(a)(1)(A)2 within 60 days of receiving ownership or control of said forklift; and
  - (E) The fleet operator labels the Affected Forklift with its EIN in accordance with Section 3005(b). The fleet operator shall maintain said label such that it remains legible up until the forklift is removed from the facility and fleet.
- (e) Limited Rental Allowance. Subject to the conditions below, starting January 1, 2026, each fleet operator is allocated 30 days per calendar year on which the fleet operator may rent one or more Affected Forklifts.
- (1) Advanced Approval. In order to rent an Affected Forklift pursuant to this subsection, the fleet operator shall first receive advanced approval from the Executive Officer. To receive advanced approval, the fleet operator shall submit a Limited Rental Allowance Request with all the required information, as applicable, specified in section 3005(a)(1)(A)3.
  - (2) Prior to renting an Applicable Forklift, the fleet operator shall provide all information and documentation requested by the rental agency to said rental agency for the purposes of demonstrating compliance with this article.
  - (3) Exceeding 30 rental days per calendar year or violating any provision set forth in section 3001(e) constitutes a violation of this article.
- (f) Starting January 1, 2026, a fleet operator may not acquire or operate a forklift with a diesel-fueled or alternative-diesel-fueled off-road compression-ignition engine that is subject to Title 13, California Code of Regulations, Section 2449, incorporated by reference, to replace an Affected Forklift or the operation of an Affected Forklift.
- (g) For Affected Forklifts, the fleet owner shall ensure manufacturer labels for the engine and forklift remain intact and readable.
- (h) The fleet operator shall maintain documentation of each sale, transfer, or retirement of an Affected Forklift. For each forklift, said documentation shall contain a clear description of the forklift and engine (including model year, make, model, and serial number), the name and address of the recipient of the forklift (if applicable), and the date of sale, transfer, or retirement. Said documentation shall be provided to the Executive Officer within 30 days upon request.



## § 3002. Dealer and Rental Agency Requirements.

- (a) Initial Report. Between November 1, 2025 and January 1, 2026, a dealer or rental agency shall submit an Initial Report to the Executive Officer in accordance with section 3005(a)(1)(B)1.
- (b) Dealer Requirements
  - (1) Starting January 1, 2026, a dealer may not sell, lease, offer for sale, or offer for lease a MY 2026 or subsequent Affected Forklift.
  - (2) Starting January 1, 2026, a dealer may not sell, lease, offer for sale, or offer for lease a MY 2025 or previous Affected Forklift to any entity unless the dealer has met the following criteria:
    - (A) For the transaction, the dealer has received a signed and dated attestation from the ultimate purchaser that the forklift will be operated in accordance with the low-use exemption set forth in section 3004;
    - (B) For the transaction, the dealer has gathered the following:
      - 1. Copy of the ultimate purchaser's identification;
      - 2. Ultimate purchaser's company name;
      - 3. Ultimate purchaser's company address;
      - 4. DOORS ID of the ultimate purchaser's company;
      - 5. Copy of attestation completed and signed by the ultimate purchaser;
      - 6. Address where forklift will be deployed;
      - 7. Forklift information as specified in section 3005(a)(6);
      - 8. Date of transaction;
      - 9. Hour meter reading at time of transaction; and
      - 10. Photograph of the hour meter taken at the time of reading.
    - (C) The dealer maintains at its facility all information and documentation gathered pursuant to section 3002(b)(1)(B) for a period of at least five years from the date of transaction.
  - (3) The dealer shall provide the information and documentation gathered pursuant to section 3002(a)(1)(B) to the Executive Officer within 30 days upon request.
  - (4) The dealer shall submit an Annual Report between January 1 and March 1 of the year following each calendar year an Affected Forklift is offered for sale or lease. The Annual Report shall contain all applicable information specified in section 3005(a)(1)(B)2.
  - (5) Starting January 1, 2026, a dealer may not use an Affected Forklift for its

own operational purposes.

- (6) Starting January 1, 2026, a dealer may not allow an Affected Revenue Forklift to accumulate more than 10 hours of operation between the time said forklift is added to the dealer's inventory until the time the forklift is sold or leased to an ultimate purchaser. Dealers shall accurately record hour-meter readings for each Affected Revenue Forklift, such that the number of hours operated by the dealer can be accurately quantified. The operating time of any Affected Revenue Forklift is to be attributed to direct operation by the dealer unless the dealer can adequately substantiate through documentation that the hours of operation occurred outside of said dealer's possession and control.

(c) Rental Agency Requirements

- (1) Starting January 1, 2026, a rental agency may not rent or offer for rent a MY 2026 or subsequent Affected Forklift.
- (2) Starting January 1, 2026, a rental agency may not rent or offer for rent a MY 2025 or previous Affected Forklift unless the rental agency has met the following criteria:
  - (A) The rental agency has received notification from the ultimate purchaser, or has otherwise verified, that the ultimate purchaser has received advanced approval from the Executive Officer to rent an Affected Forklift.
  - (B) The rental agency has verified that the information on said notification matches the details of the rental transaction taking place (The rental agency could be held liable for discrepancies).
  - (C) For the transaction, the rental agency has received a signed and dated attestation from the ultimate purchaser that the forklift will be rented in accordance with section 3001(e);
  - (D) For the transaction, the rental agency has gathered or recorded the following:
    1. CARB-approval number;
    2. Copy of the ultimate purchaser's identification;
    3. Ultimate purchaser's company name;
    4. Ultimate purchaser's company address;
    5. DOORS ID of the ultimate purchaser's company;
    6. Copy of attestation completed and signed by ultimate purchaser;
    7. Address where forklift will be deployed;
    8. Forklift information as specified in section 3005(a)(6);
    9. Dates and duration of rental;
    10. Hour meter reading upon rental and upon return; and
    11. Photograph of the hour meter taken at the time of reading.

- (E) The rental agency maintains at its facility all information and documentation gathered pursuant to section 3002(c)(1)(D) for a period of at least five years from the date of transaction.
  - (3) The rental agency shall provide the information and documentation gathered pursuant to section 3002(c)(1)(D) to the Executive Officer within 30 days upon request.
  - (4) The rental agency shall submit an Annual Report between January 1 and March 1 of the year following each calendar year an Affected Forklift is offered for rent. The Annual Report shall contain all applicable information specified in Section 3005(a)(1)(B)3.
  - (5) The rental agency shall label each Affected Revenue Forklift with its EIN in accordance with section 3005(b). The rental agency shall maintain said label such that it remains legible up until the forklift is removed from the facility and fleet.
  - (6) Starting January 1, 2026, a rental agency may not use an Affected Forklift for its own operational purposes.
  - (7) Starting January 1, 2026, a rental agency may not allow an Affected Revenue Forklift to accumulate more than 10 total hours of operation in any one calendar year while said forklift is possessed by or under the control of the rental agency.
  - (8) Rental agencies shall accurately record hour-meter readings for each Affected Revenue Forklift, such that the number of hours operated by the rental agency and each individual renter can be distinguished. The operating time of any Affected Revenue Forklift is to be attributed to the direct operation by the rental agency unless the rental agency is able to adequately substantiate through documentation that the hours of operation occurred outside said rental agency's possession and control.
  - (9) For Affected Forklifts, the rental agency shall ensure manufacturer labels for the engine and forklift remain intact and readable.
- (d) *Disclosure of Regulation Applicability:* A dealer or rental agency selling, leasing, or providing for rent an Affected Forklift shall provide the following disclosure in writing to the Ultimate Purchaser on the bill of sale, lease agreement, or rental agreement:
- "Operation of this forklift in California could be against the law. Please ensure you have a clear understanding of California's Zero-Emission Forklift Regulation (set forth in Title 13, California Code of Regulations, Sections 3001 et. seq.) before completing this transaction. For more information, please visit the California Air Resources Board website at <https://ww2.arb.ca.gov/our-work/programs/zero->

This is a preliminary draft released to facilitate discussion at the February 22, 2022 workgroup meeting. While this accounts for feedback received from stakeholders during previous public and individual meetings, this draft should not be construed as a formal regulatory proposal.

[emission-forklifts.](#)”

### § 3003. Forklift and Engine Manufacturer Requirements.

- (a) Production/Sales Requirements. Starting January 1, 2026, the manufacturer of a forklift may not produce for sale or offer for sale a large spark-ignition forklift in California unless the engine/powertrain meets the zero-emission standards set forth in Section 2433, Title 13, California Code of Regulations.
- (b) Production/Sales Reporting. Forklift manufacturers shall submit to the Executive Officer annual production and sales reports in accordance with section 3005(a)(1)(C)1.
- (c) Warranty Requirements
  - (1) Manufacturers of a zero-emission forklift shall warrant to the ultimate purchaser and each subsequent purchaser that said forklift is free from defects in materials and workmanship that cause the failure of any warranted part.
    - (A) Any warranted forklift part that is not scheduled for replacement as required maintenance in the written manufacturer instructions shall be warranted for the warranty period. If any such part fails during the warranty period, it shall be repaired or replaced by the manufacturer at no additional charge to the purchaser by a factory-authorized technician. Any such part repaired or replaced under warranty shall be warranted for the remaining warranty period.
    - (B) The warranty period shall cover a period of [to be determined] years from the date of purchase or [to be determined] hours of run time, whichever occurs first.
  - (2) Manufacturers shall have an authorized service-and-repair facility located in California to perform warranty repairs on forklifts.
  - (3) Warranty Reporting. Manufacturers subject to section 3003(b)(1) shall submit annual warranty reports to the Executive Officer in accordance with section 3005(a)(1)(C)2.

## § 3004. Exemptions for Fleet Operators

- (a) Low-Use Forklift. Through December 31, 2030, subject to the following conditions, a 2025 or previous model-year Affected Forklift that a fleet operator operates less than 200 hours cumulatively per calendar year is exempt from the requirements of section 3001(a).
- (1) Prior to operation, the fleet operator shall submit an Initial Report to the Executive Officer in accordance with the reporting requirements set forth in section 3005(a)(1)(A)4.a.
  - (2) The fleet operator may not operate a low-use forklift for more than 200 hours per calendar year.
  - (3) The 200-hour low-use limit applies to the forklift for the duration of the calendar year and does not reset even if ownership or control of said forklift is transferred during that calendar year.
  - (4) The low-use forklift shall be equipped with an operational, non-resettable hour meter.
  - (5) The fleet operator shall maintain hours-of-use records for the low-use forklift demonstrating low-use operation.
  - (6) Subsequent to the submittal of the Initial Report, the fleet operator shall submit Annual Reports in accordance with section 3005(a)(1)(A)4.b to the Executive Officer between January 1 and March 1 of each year following a calendar year in which a low-use forklift exemption was requested.
  - (7) The fleet operator shall label each Affected Forklift, including each low-use forklift and each zero-emission forklift, with its EIN in accordance with section 3005(b). The fleet operator shall maintain said label such that it remains legible up until the forklift is removed from the facility and fleet.
  - (8) A fleet operator may not operate more than 10 percent of its total fleet at any one location as low-use forklifts, accounting for both Affected Forklifts and zero-emission forklifts. Where the calculated number of allowed low-use forklifts is a fraction, fleet operators may round up.
  - (9) A fleet operator may not report or operate a rented forklift as a low-use forklift unless the term of the rental agreement for said forklift is at least 12 consecutive months.
  - (10) Starting January 1, 2031, except as provided in section 3004(a)(11), fleet operators are no longer eligible for the low-use exemption and may not operate an Affected Forklift as a low-use forklift.

- (11) Qualified microbusinesses remain eligible for the low-use forklift exemption after December 31, 2030, but a microbusiness may only report and operate one low-use forklift within a calendar year.
  - (12) Non-compliance with any of the conditions of the low-use forklift exemption constitutes a violation of this article.
- (b) Non-Operational. (to be developed)

## § 3005. Reporting and Labeling Requirements.

### (a) Reporting

(1) Requirements. A Responsible Official reporting to the Executive Officer pursuant to this article shall provide the following, if applicable:

#### (A) Fleet Operators

##### 1. Reporting for the Reported Fleet Phase Out Provisions

###### a. Initial Report

- i. Entity information specified in section 3005(a)(5);
- ii. For Affected Forklifts, forklift information as specified in section 3005(a)(6);

###### b. Annual Report

- i. DOORS ID;
- ii. Updates/corrections to any company or contact information provided in a previously submitted report;
- iii. Attestation by the Responsible Official that he/she understands the fleet operator's obligations under this article.

###### c. Final Report

- i. DOORS ID;
- ii. Confirmation that the fleet operator's phase out is complete;

##### 2. Affected Forklift Purchase or Acquisition Reporting

- a. Entity information specified in section 3005(a)(5) or DOORS ID;
- b. Seller's/Transferor's Entity information specified in section 3005(a)(5) or Seller's/Transferor's DOORS ID;
- c. Forklift information as specified in section 3005(a)(6);
- d. Forklift EIN assigned to Seller/Transferor, if available;
- e. Documentation of business acquisition, if applicable; and
- f. Date of Transfer.

##### 3. Limited Rental Allowance Request

- a. Entity information specified in section 3005(a)(5) or DOORS ID;
- b. Name of Rental Agency;
- c. Address of Rental Agency;
- d. Phone Number of Rental Agency;
- e. Rental Date;
- f. Rental Duration; and



- g. Purpose of Rental.
- 4. Low-Use Exemption Reporting
    - a. Initial Report
      - i. Entity information specified in section 3005(a)(5) or DOORS ID;
      - ii. For all Affected Forklifts and zero-emission forklifts in the fleet, forklift information as specified in section 3005(a)(6) or EIN;
      - iii. Identified low-use forklift(s);
      - iv. Hour meter reading taken on, or prior to, the date the exemption is being requested;
      - v. Date of hour meter reading; and
      - vi. Photograph of hour meter taken at time of reading;
    - b. Annual Reporting
      - i. DOORS ID;
      - ii. Changes/updates to fleet;
      - iii. Hour meter reading on December 31 of the previous calendar year;
      - iv. Date of hour meter reading;
      - v. Photograph of hour meter taken at time of reading; and
      - vi. The total calculated hours of operation of each low-use forklift during the previous calendar year.
- 5. Microbusiness Qualification
    - a. Initial Reporting
      - i. Entity information specified in section 3005(a)(5) or DOORS ID;
      - ii. Gross annual receipts for the previous three years (or the number of years the entity has been in business, if less than three). as reported on the entity's tax returns for those respective years; and
      - iii. If the microbusiness has employees, the number of employees reported on the entity's Quarterly Contribution Return & Report of Wages (Continuation) Form DE 9C for the four most recently completed quarters,
    - b. Annual Reporting
      - i. DOORS ID;
      - ii. Gross annual receipts for the previous year. as

- reported on the entity's tax returns for that year;  
and
- iii. If the microbusiness has employees, the number of employees reported on the entity's Quarterly Contribution Return & Report of Wages (Continuation) Form DE 9C for the four most recently completed quarters,

(B) Dealers and Rental Agencies

1. Initial Report
  - a. Entity information specified in section 3005(a)(5) and/or DOORS ID;
  - b. For Affected Revenue Forklifts at rental agencies, forklift information as specified in section 3005(a)(6) or EIN;
2. Dealer Annual Report
  - a. DOORS ID;
  - b. Entity Name; and
  - c. Sales/lease transaction information for all Affected Revenue Forklifts from the previous calendar year, including for each transaction:
    - i. DOORS ID of purchasing company;
    - ii. Name of purchasing company;
    - iii. Transaction Date; and
    - iv. Purchaser Attestation Information.
3. Rental Agency Annual Report
  - a. DOORS ID;
  - b. Entity Name;
  - c. Identification of Affected Revenue Forklifts removed from the fleet during the previous calendar year;
  - d. For Affected Revenue Forklifts, updates/corrections to any information provided about said forklifts in a previous report;
  - e. For each Affected Revenue Forklift added to the fleet in the previous calendar year, forklift information as specified in section 3005(a)(6);
  - f. Rental transaction information for all Affected Revenue Forklifts from the previous calendar year, including for each transaction:
    - i. DOORS ID of entity renting the forklift;
    - ii. Name of fleet operator;
    - iii. EIN of the rented forklift;
    - iv. Rental Dates;
    - v. Rental Duration;

- vi. Rental Approval Number;
    - vii. Renter Attestation Information; and
    - viii. Hours of operation.
  - (C) Manufacturers
    1. Sales/Production Reports [Placeholder]
    2. Warranty Reporting [Placeholder]
- (2) The Responsible Official shall certify all information and documentation provided to the Executive Officer for the purposes of this article, and attest to their accuracy, truthfulness, and completeness.
- (3) Upon request, the Responsible Official shall provide all requested information and documents needed to demonstrate compliance with this article to the Executive Officer within 30 days, or within a timeframe otherwise noted.
- (4) A Responsible Official for an entity required to report pursuant to this article shall:
  - (A) Notify the Executive Officer of any changes to the entity or fleet and provide the necessary information to fulfill the Responsible Official's reporting obligations under this article within 30 calendar days of such change (Applicable changes include, but are not limited to, changes in exemption status, and fleet ownership changes); and
  - (B) Retain, at the Responsible Official's facility, records of all applicable information for at least five (5) years after the information is collected and/or reported.
  - (C) Responsible Officials who maintain multiple facilities may aggregate the records at a centralized facility or headquarters. Records for all Affected Forklifts at all facilities shall be available to the Executive Officer within 30 calendar days upon request.
- (5) Information about the entity.
  - (A) Entity name;
  - (B) Corporate parent name, if applicable;
  - (C) Entity address(es);
  - (D) Contact name(s);
  - (E) Contact phone number(s);
  - (F) Contact e-mail address(es);
  - (G) Responsible Official Name;
  - (H) Responsible Official Title; and
  - (I) Whether this entity is a Fleet Operator, Dealer, and/or Rental Agency.

- (6) Forklift Information.
    - (A) Existing Equipment Identification Number (EIN), if applicable;
    - (B) Forklift model year;
    - (C) Forklift manufacturer;
    - (D) Forklift model;
    - (E) Forklift serial number;
    - (F) Forklift lift capacity;
    - (G) Date forklift entered fleet;
    - (H) Primary operating location address;
    - (I) For zero-emission forklifts:
      - 1. Power source (e.g. battery, fuel cell, etc.);
      - 2. Battery or fuel capacity (e.g. amp-hour for battery, kg for hydrogen fuel cell); and
      - 3. Operating voltage;
    - (J) For internal combustion forklifts:
      - 1. Engine model year;
      - 2. Engine manufacturer;
      - 3. Engine model;
      - 4. Engine serial number;
      - 5. Engine displacement;
      - 6. Power rating (in horsepower or kilowatts); and
      - 7. Fuel type.
  - (7) Reporting shall be submitted electronically per the guidelines approved by the Executive Officer for electronic data reporting or by mail.
- (b) Labeling Requirements.
- (1) A Responsible Official for a fleet operator required to label a forklift pursuant to this article shall:
    - (A) Report all necessary entity and forklift information to the Executive Officer in accordance with this article (a unique EIN will be assigned to each forklift once reported);
    - (B) Affix at least one EIN label to each applicable forklift within 30 days of receiving the EIN for such forklifts;
    - (C) Maintain all labels affixed pursuant to section 3003, subsection (b), so that they remain permanently affixed to the Affected Forklift and the legibility and visibility criteria set forth in section 3003(b)(2) are met at all times; and
    - (D) Maintain records of the forklift purchase date or the date the forklift enters the fleet for newly purchased or acquired forklifts that are subject to these labeling requirements, but have not yet been labeled pursuant to section 3003, subsection (b).

- (2) *Label Specifications.* Each label affixed pursuant to section 3005(b) shall meet all the following specifications:
  - (A) Each label shall contain the assigned EIN;
  - (B) The label shall be permanently affixed to the Affected Forklift. The label may be applied as a decal or painted directly onto the Affected Forklift;
  - (C) The EIN shall be in white on a red background;
  - (D) The label shall be located in clear view on the outside of the Affected Forklift approximately 2 feet above the ground so that the label remains visible;
  - (E) Each character of the EIN shall be at least 3 inches (7.6 centimeters) in height and 1.5 inches (3.8 centimeters) in width; and
  - (F) Each character of the EIN shall remain legible for the entire life of the Affected Forklift.
  
- (c) *Naming a Designated Official.* A Responsible Official may name a person as Designated Official to meet the Reporting and Labeling Requirements of section 3005 on behalf of the Responsible Official. The Designated Official may be used interchangeably with the Responsible Official where applicable in this article. To name a person as Designated Official, the Responsible Official shall submit to the Executive Officer the following information:
  - (1) Designated Official's first and last names;
  - (2) Designated Official's job title;
  - (3) Designated Official's telephone number;
  - (4) Designated Official's mailing address; and
  - (5) Designated Official's email address.

This is a preliminary draft released to facilitate discussion for the February 22, 2022 workgroup meeting. While this accounts for feedback received from stakeholders during previous public and individual meetings, this draft should not be construed as a formal regulatory proposal.

Amend sections 2433, title 13, California Code of Regulations, to read as follows:

**§ 2433. Emission Standards and Test Procedures - Off-Road Large Spark-Ignition Engines.**

\* \* \* \*

- (b) Standards.
  - (1)

- (A) Exhaust Emission Standards. Exhaust emissions from off-road large spark-ignition engines manufactured for sale, sold, or offered for sale in California, or that are introduced, delivered or imported into California for introduction into commerce, must not exceed:

Exhaust Emission Standards  
(grams per brake horsepower-hour)  
[grams per kilowatt-hour]<sup>(1)</sup>

Model Year	Engine Displacement	Durability Period	HC+NOx	Carbon Monoxide
2002-2010	≤1.0 liter	1,000 hours or 2 years	9.0 [12.0]	410 [549]
2011 and subsequent	≤ 825 cc	1,000 hours or 2 years	6.0 [8.0]	410 [549]
2011-2014	> 825 cc – ≤ 1.0 liter	1,000 hours or 2 years	4.8 [6.5]	280 [375]
2015 and subsequent	> 825 cc – ≤ 1.0 liter	1,000 hours or 2 years	0.6 [0.8]	15.4 [20.6]
2001-2003 <sup>(2),(3)</sup>	> 1.0 liter	N/A	3.0 [4.0]	37.0 [49.6]
2004-2006 <sup>(4)</sup>	> 1.0 liter	3,500 hours or 5 years	3.0 [4.0]	37.0 [49.6]
2007-2009	> 1.0 liter	5,000 hours or 7 years	2.0 [2.7]	3.3 [4.4]
2010 and subsequent <sup>(5),(6)</sup>	> 1.0 liter	5,000 hours or 7 years	0.6 [0.8]	15.4 [20.6]
<u>2026 and subsequent<sup>(7)</sup></u>	<u>N/A</u>	<u>N/A</u>	<u>0.0 [0.0]</u>	<u>0.0 [0.0]</u>

Note:

(1) For 2006 and previous model years, standards in grams per kilowatt-hour are given only as a reference. For 2007 and subsequent model years, pollutant emissions reported to ARB by manufacturers must be in grams per kilowatt-hour.

(2) Small volume manufacturers are not required to comply with these

emission standards.

(3) Manufacturers must show that at least 25 percent of its California engine sales comply with the standards in 2001, 50 percent in 2002, and 75 percent in 2003.

(4) The standards for in-use compliance for engine families certified to the standards in the row noted are 4.0 g/bhp-hr (5.4 g/kW-hr) hydrocarbon plus oxides of nitrogen and 50.0 g/bhp-hr (67.0 g/kW-hr) carbon monoxide, with a useful life of 5000 hours or 7 years. In-use averaging, banking, and trading credits may be generated for engines tested in compliance with these in-use compliance standards. If the in-use compliance level is above 3.0 but does not exceed 4.0 g/bhp-hr hydrocarbon plus oxides of nitrogen or is above 37.0 but does not exceed 50.0 g/bhp-hr carbon monoxide, and based on a review of information derived from a statistically valid and representative sample of engines, the Executive Officer determines that a substantial percentage of any class or category of such engines exhibits within the warranty periods noted in Section 2435, an identifiable, systematic defect in a component listed in that section, which causes a significant increase in emissions above those exhibited by engines free of such defects and of the same class or category and having the same period of use and hours, then the Executive Officer may invoke the enforcement authority under Section 2439, Title 13, California Code of regulations to require remedial action by the engine manufacturer. Such remedial action is limited to owner notification and repair or replacement of defective components, without regard to the requirements set forth in Section 2439(b)(5) or Section 2439(c)(5)(B)(vi). As used in the section, the term "defect" does not include failures that are the result of abuse, neglect, or improper maintenance.

(5) For severe-duty engines, the HC+NO<sub>x</sub> standard is 2.7 g/kW-hr and the CO standard is 130.0 g/kW-hr.

(6) Small volume manufacturers are required to comply with these emission standards in 2013.

(7) For engines/powertrains used in zero-emission forklifts only, as defined in section 3000, Title 13, California Code of Regulations, for the purpose of complying with requirements set forth in the section 3003, Title 13, California Code of Regulations.

\* \* \* \*