



**Linda S. Adams**  
Secretary for  
Environmental Protection

# Air Resources Board

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**Arnold Schwarzenegger**  
Governor

March, 23, 2009

Mail-Out #MSC 09-15

TO: All Auction House Managers and Dealerships

SUBJECT: UPDATE FOR AUCTION HOUSES AND DEALERSHIPS SELLING  
FLEET VEHICLES FROM PUBLIC AGENCIES AND UTILITIES

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Under the Fleet Rule for Public Agencies and Utilities, title 13, California Code of Regulations, section 2022 and 2022.1 (regulation), a municipality or utility may sell a vehicle out-of-state to satisfy the best available control technology (BACT) requirements of the regulation. On December 11, 2008, Air Resources Board (ARB) approved modifications to the regulation that will affect auction houses, dealers and other 3<sup>rd</sup> party sellers that sell diesel vehicles with a gross-vehicle weight greater than 14,000 pounds owned or operated by a public agency or utility.

To obtain credit towards the regulation for a vehicle sold out of state, municipalities and utilities must establish a "Third Party Vehicle Seller Contract" requiring the third party vehicle seller to:

- ensure that the vehicle is sold outside of the State of California, or if sold to an intermediate buyer in state, inform the intermediate buyer in writing that the vehicle cannot be sold or operated within California unless the vehicle is in compliance with the BACT requirements of the regulation;
- inform the buyer in writing that the vehicle cannot be registered in California unless the vehicle is in compliance with BACT;
- notify the buyer in writing to inform future buyers that the vehicle cannot be registered/operated in California unless the vehicle is in compliance with the BACT requirements of the regulation;
- obtain a written statement from the buyer with the buyer's contact information, such as name, address, and phone number;
- obtain acknowledgment from the buyer that the vehicle can not be operated in California unless the vehicle meets the BACT requirements of the regulation, and;

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

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- provide the written statement of the buyer's contact information and acknowledgement of the regulation's requirements to the selling municipality or utility for their records.

Third party sellers need to be aware that municipalities and utilities must submit a registration hold, known as a Vehicle Identification Number Stop (VIN Stop), to ARB to prevent a buyer from re-registering the vehicle in California prior to sale of the vehicle. The VIN Stop can be removed once the vehicle's engine meets the BACT requirements. These requirements include retrofitting the engine with the highest level diesel emission control strategy, or repowering the engine such that it runs on alternative fuel or that it meets the 2007 engine emission particulate matter standard of 0.01 grams per brake horsepower-hour. Most of these options cost between \$8,500 to \$20,000 or more.

It is the responsibility of the auction house or dealership to ensure that the subsequent buyer is aware that the vehicle cannot be registered/operated in California and the potential costs involved if the buyer is going to try to register it in California. Dealers failing to comply with the requirements within the regulation could face civil penalties or jeopardize their license to sell vehicles.

The Out-of-State Sales Verification form has been created to assist in collecting buyer's information and acknowledgement statement. It can be found at: <http://www.arb.ca.gov/msprog/publicfleets/outstate.doc> . For more information on the retirement requirements, please visit: <http://www.arb.ca.gov/msprog/publicfleets/retirement.htm> .

If you have additional questions, please contact Eloy Florez, Air Pollution Specialist, at (626) 350-6525, by e-mail at [eflorez@arb.ca.gov](mailto:eflorez@arb.ca.gov), or Kathleen Mead, Manager, at (916) 324-9550, by e-mail at [kmead@arb.ca.gov](mailto:kmead@arb.ca.gov).

Sincerely,

/s/

Robert H. Cross, Chief  
Mobile Source Control Division

cc: see next page

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cc: Ms. Kathleen Mead, Manager  
Retrofit Implementation Section

Mr. Eloy Florez  
Air Pollution Specialist  
Retrofit Implementation Section