Amend title 13, California Code of Regulations, sections 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2629 and 2630 (renumber to section 2629.5); and adopt sections 2622.5, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, and 2639.5 to read as follows:

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

Article 2. AB 118 Enhanced Fleet Modernization Program

§ 2620. Purpose.

The purpose of this regulation is to improve California’s air quality through the voluntary early retirement and replacement of vehicles as directed by the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 (Assembly Bill 118, Statutes of 2007, Chapter 750; Health and Safety Code sections 44124.5-441276) section 44125(a). Vehicle owners who meet certain eligibility requirements are offered the following:

(a) Payment to voluntarily scrap for the voluntary retirement from operation of a motor vehicle and/or;

(b) Additional payment for the purchase of a replacement vehicle that meets smog emission fuel economy and/or model year requirements, to a vehicle owner who voluntarily retires or scrubs a vehicle. A district implementing a Pilot Retire Scrap and Replace program may offer alternative transportation mobility options such as public transportation and/or car sharing in lieu of a replacement vehicle.


§ 2621. Definitions.

The following definitions apply to EFMP (California Code of Regulations, title 13, sections 2620-2629.5) and Clean Cars 4 All (California Code of Regulations, title 13, sections 2630-2639.5).

(a) “ARB” or “Board” means the California Air Resources Board.

(b) “BAR” or “Bureau” means the Bureau of Automotive Repair in the Department of
“Car sharing” has the same meaning as in Health and Safety Code section 44258.

“CARB” or “Board” means the California Air Resources Board.

(c) “Consumer Protections” means any method, provision, or requirement designed to ensure that EFMP and Clean Cars 4 All participants accrue the full benefit of the incentives offered through the programs.

(d) “Dismantle” means to, scrap, crush, stamp, shred, or otherwise render permanently and irreversibly incapable of functioning as originally intended, any vehicle or vehicle part.

(e) “Dismantler” means the person or business, defined and licensed according to the requirements of California Vehicle Code sections 220, 221, 11500, et seq., and other business codes and the regulations of the Department of Motor Vehicles (DMV), who under contract with BAR dismantles or otherwise removes from service those vehicles obtained or retired through the Enhanced Fleet Modernization Program or Clean Cars 4 All Program.

(f) “District” means a local air quality management district or air pollution control district, as defined by California Health and Safety Code, Part 3, Section 40000 et seq., which has responsibility for implementing and administering air pollution control programs.

(g) “Drive Train Parts” means all parts associated with the drive train such as engine, drive mechanism, transmission, differential, axles, and brakes.

(h) “EFMP” means the Enhanced Fleet Modernization Program.

(i) “Emissions-Related Part” means any vehicle part which affects any regulated emissions from a vehicle that is subject to California or federal emissions standards and includes, but is not limited to, those parts specified in the “Emissions-Related Parts List,” adopted by the State Board on November 4, 1977, as last amended June 1, 1990.

(j) “Federal Poverty Level” or “FPL” means the poverty guidelines published annually in Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). The guidelines are a simplification of the poverty thresholds for use for administrative purposes — for instance, determining financial eligibility for certain federal programs.

(k) “Functionality Test” means a method for determining that a vehicle has sufficient functionality to be driven on road. Examples of acceptable functionality tests include, but are not limited to: smog check inspections as defined in section 2626(e), or the
inspection requirements listed in section 2626(a).

(1) “Hybrid Vehicle” means a vehicle with two or more distinct power sources on the drive train.

(m) “Alternative Transportation Mobility Option” means a voucher for public transit or car sharing, additional methods of transportation including but not limited to: public transportation passes, car sharing memberships, or a combination thereof.

(n) “Plug-In Hybrid Vehicle” means a vehicle that can be driven solely by an electric motor without consuming any gasoline, and with batteries that can be recharged by plugging it into a wall outlet.

“USEPA” means the United States Environmental Protection Agency.

(o) “Zero-Emission Vehicle” means a vehicle which produces no emissions from the on-board source of power.

Reference: Sections 39600, 39601, 44062.1, 44124.5, and 44125, Health and Safety Code

§ 2622. Program Administration.

(a) The Enhanced Fleet Modernization Program retirement Scrap-only program shall be administered by the Bureau through contracts with dismantlers and other appropriate entities as necessary.

(b) The Enhanced Fleet Modernization Program Pilot Retire Scrap and Replace program shall be implemented administered by districts that choose to participate and contract with CARB. Participation is limited to districts with populations greater than one million people the San Joaquin Valley Air Pollution Control District and the South Coast Air Quality Management District. The districts may contract with dismantlers, dealerships, financial institutions, and other appropriate entities as necessary.

(c) Every fiscal year, the Board, in consultation with the Bureau, shall coordinate with the Board set specific, measureable goals for the retirement and replacement of passenger vehicles and light- and medium-duty trucks that are high polluters to determine the appropriate budget for the Pilot Retire and Replace program, given past performance.

(d) The Participating districts shall submit quarterly reports to CARB detailing program participation and performance within 30 days of the end of the quarter. At a minimum the District quarterly reports shall include items (1) through 6 below:

(1) Program participation rates, including any backlog or waiting list for pending applicants;

(2) Retired Scrapped vehicle information, including make, model, model year, VIN,
license number, mileage at retirement, and registration status at retirement; 

(3) Replacement vehicle information, including make, model, model year, VIN, license number, and mileage at time of purchase; 

(4) A summary of the incentives delivered, by demographic categories established in section 2627, subdivision (l); 

(5) A summary of all funds used for targeted outreach in low-income or communities; 

(56) A summary of feedback received from participants, including those participants that ultimately did not receive any incentive, if available; and 

(67) Copies of any reports from district contractors or partner agencies concerning the performance of the program, if available.


§ 2622.5. Annual Reporting.

CARB shall collect and post on its website all of the following:

(a) The performance of EFMP relative to the goals set in section 2622, subdivision (c).

(b) An accounting that includes, but need not be limited to, moneys allocated to EFMP and the expenditures of the program by region.

(c) A performance analysis broken down by district of the replacement and mobility options component of the program to identify areas to be emphasized when setting future goals or updating the guidelines for the program. The analysis shall include all of the following:

(1) Whether a district implementing the replacement and mobility options component of the program has a backlog or a waiting list for applicants and recommendations from the district 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.


§ 2623. Program Limits.
(a) Consumers who have received Participants may receive an EFMP incentive and additional incentives for the purchase of a replacement vehicle may receive additional incentives toward the purchase of the same vehicle, subject to the requirements of the other incentive program(s).


§ 2624. RetiredScrapped Vehicle Minimum Eligibility Requirements.

(a) In order to participate in the EFMP, To receive a Scrap-only or Scrap and Replace incentive, an individual must be the registered owner of the vehicle with vehicle title issued in their name.

(b) A vehicles 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 Article 11, Division 33, 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 proven to have been driven primarilyoperated in California for the last two years and not to have been 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 the EFMP, 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 retired scrapped; and

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 submittal.

(d) The vehicles shall must be voluntarily dismantled at a Dismantler under contract with BAR.

(e) A vehicles shall must have a gross vehicle weight rating of up to 10,000 pounds or less gross vehicle weight rating including, and be a passenger vehicle, truck, sport utility vehicle (SUV), or van;

(f) A vehicles must complete a functionality test, to ensure that the vehicle is capable of being driven on the road. Examples of acceptable functionality tests include but are not limited to: smog check tests as defined in section 2626(f)(e), or another demonstration of functionality such as the inspection requirements listed in section 2626(b).


§ 2625. 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.


§ 2626. RetirementScrap-only Program.

(a) Each vehicle must pass the visual and operational inspection required by the Consumer Assistance Program, performed by the dismantler or BAR representative, and conducted on-site at the dismantler location. The inspection requirements for the Consumer Assistance Program are defined pursuant to sections 3394.4(b)(7) and 3394.4(b)(8) of title 16 of Division 33, Article 11 of the California Code of Regulations. Vehicles failing the inspection requirements may be re-inspected by the dismantler or BAR representative for compliance with these requirements at any time after modifications have been made to the vehicle to correct any deficiencies.

(b) In order to participate in the EFMP retirementScrap-only program, an individual must have household income less than or equal to 225% of FPL.
(c) An applicant determined to be eligible under the Retirement-Scrap only program of the EFMP shall voluntarily sell the vehicle to the dismantler and shall receive payment of no less than $1,500.00 for each vehicle retired-scrapped from operation at a dismantler operating under contract with the Bureau.

(d) Once the dismantler has purchased the vehicle, the consumer's participant's eligibility status or the amount paid to the consumer participant cannot change.

(e) Model year 1976 and newer vehicles must have successfully completed a Smog Check inspection (pass or fail) within 180 days of the date of application to the EFMP. A Smog Check inspection shall not include aborted, manual mode, or training mode tests. Vehicles exempt from the Smog Check program as defined in title 16 of the California Code of Regulations section 3340.5 do not require a Smog Check inspection to qualify for the EFMP.

(f) An applicant shall not have retired may scrap only one another vehicle through the EFMP or the BAR Consumer Assistance Program within a the preceding 12-month period; and except a vehicle owner who is a joint owner of the vehicle being retired-scrapped shall not have retired may scrap up to more than two vehicles through the EFMP or BAR Consumer Assistance Program within a 12-month period.


§ 2627. Pilot Retire-Scrap and Replace Program.

(a) The Pilot Retire-Scrap and Replace program will be offered in districts that choose to participate and contract with CARB. Participation is limited to districts with populations greater than one million people, the South Coast and San Joaquin Valley air basins.

(b) The Board shall contract with the districts to implement administer the Pilot Retire-Scrap and Replace program.

(c) The districts shall use not more than 10% of grant funds received to cover the cost of program administration.

(d) The districts may use an additional 5% of grant funds received to contract with third party entities to address issues associated with participation of lower-income consumers participants.

(e) The districts must submit a Pilot Retire-Scrap and Replace program implementation proposal to the Board prior to receiving initial grant disbursements.

(f) The Pilot Retire-Scrap and Replace 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 retired/scrapped vehicles have sufficient remaining useful life. The program must include a mechanism to ensure vehicles with 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 retired/scrapped. This could include, but is not limited to, emissions testing, remote sensing, determination of a model year limitation, or other mechanisms.

(4) Methods for providing significant assistance to program participants to complete Pilot Retire/Scrap and Replace program 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. ARB staff will work with the Districts to enable coordination with light duty low carbon transportation funding to maximize participation opportunities for 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 consumer/participant. These could include, but are not limited to the following:

(A) Require or encourage education 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/educate program participants to receive lending pre-approved before visiting a dealership.

(E) Administer program in collaboration 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 (now required by law).

(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; and

(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 2622.

(8) Retired/Scrapped vehicles shall be dismantled at a dismantler operating under contract with the Bureau. Air districts shall develop and enter into a separate contract or agreement with the dismantler.

(g) A district implementing administering the Pilot Retire/Scrap and Replace program shall may contract with participating vehicle dealers, financial institutions, public transit agencies, and other entities as necessary for redemption of the Pilot Retire/Scrap and Replace incentives.

(1) The Pilot Retire/Scrap and Replace incentive 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) The Pilot Retire/Scrap and Replace incentive may only be redeemed for replacement vehicles 8 years old or newer that meet or exceed one of the following minimum criteria:

(A) A replacement vehicle 8 years old or newer with an USEPA combined fuel economy rating that meets or exceeds 35 miles per gallon.

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<td>2015</td>
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<td>24</td>
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(B) A replacement minivan or truck vehicle that meets or exceeds 3521 miles per gallon USEPA combined fuel economy rating. A participant must scrap a minivan or truck to receive an incentive for a replacement minivan or truck.

The USEPA combined fuel economy rating used to determine eligibility shall be the
rating calculated by the USEPA using the 2017 methodology for model year 2008 and later vehicles. The USEPA combined fuel economy rating may be found on the “EPA Fuel Economy Estimates” window sticker of any new vehicle, and the ratings for all vehicles are currently available at http://www.fueleconomy.gov

(C) A plug-in hybrid replacement vehicle.

(D) A zero-emission replacement vehicle.

(h) A vehicle owner or joint vehicle owner may not receive more than one Pilot RetireScrap and Replace incentive under the EFMP.

(i) A vehicles shall not be eligible for a Pilot Retire and Replace incentive unless they must meet the requirements of section 2624(c) at an address in the district where the Pilot RetireScrap and Replace incentive is issued.

(j) In order to participate in the EFMP Pilot RetireScrap and Replace incentive program, an individual must have a household income less than or equal to 400% of FPL.

(k) A scrapped vehicles shall not be eligible for a Pilot Retire and Replace incentive unless they must pass a functionality test.

(l) An applicant determined to be eligible under the EFMP Pilot RetireScrap and Replace incentive program may receive one of the following minimum incentives depending on income eligibility:

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<tr>
<th>Pilot RetireScrap and Replace Program Incentives</th>
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<tr>
<td><strong>Income Eligibility</strong></td>
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<tr>
<td>Low Income Less than or equal to &lt;225% Federal Poverty Level</td>
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<tr>
<td>Moderate Income Less than or equal to &lt;300% Federal Poverty Level</td>
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<tr>
<td>Above Moderate Income Less than or equal to &lt;400% Federal Poverty Level</td>
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(1) For eligible participants with household income less than or equal to 225% of FPL, payment of $4,000.00 toward the purchase of a replacement vehicle 8 years old or newer.

(2) For eligible participants with household income less than or equal to 225% of FPL, payment of $4,500.00 toward the purchase of a replacement vehicle with a minimum 35 mpg fuel economy.

(3) For eligible participants with household income less than or equal to 225% of FPL, payment of $4,500.00 toward the purchase of a hybrid, plug-in hybrid, or zero-emission replacement vehicle.

(4) For eligible participants with household income less than or equal to 225% of FPL, payment of $7,500 toward the purchase of alternative transportation mobility options.

(5) For eligible participants with household income greater than 225% of FPL and less than or equal to 300% of the FPL, payment of $3,500.00 toward the purchase of a replacement vehicle with a minimum 35 mpg fuel economy.

(6) For eligible participants with household income greater than 225% of FPL and less than or equal to 300% of the FPL, payment of $3,500.00 toward the purchase of a hybrid, plug-in hybrid, or zero-emission replacement vehicle.

(7) For eligible participants with household income greater than 225% of FPL and less than or equal to 300% of the FPL, payment of $7,500 toward the purchase of alternative transportation mobility options.

(8) For eligible participants with household income less than or equal to 400% of the FPL, payment of $2,500.00 toward the purchase of a hybrid, plug-in hybrid, or zero-emission replacement vehicle.

(9) For eligible participants with household income less than or equal to 400% of the FPL, payment of $7,500 toward the purchase of alternative transportation mobility options.


§ 2628. Parts Recycling and Resale.

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

(a) No compensation with public funds from the EFMP 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.


§ 2629. Records and Auditing.

(a) Records shall be securely maintained by the dismantlers and all contractors accepting vehicles for retirement under EFMP for each vehicle purchase and transaction in the EFMP. 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 for each Pilot RetireScrap and Replace transaction in the EFMP. The records shall be kept for a minimum of three years following the date of replacement vehicle purchase.


§ 2629.530. 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.

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.


§ 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).


§ 2632. Program Administration.

(a) The Clean Cars 4 All program is implemented by air districts that choose to participate and contract with CARB. Participation is limited to districts with populations greater than one million people. The districts may contract with dismantlers, dealerships, financial institutions, and other appropriate entities as necessary.

(b) The Board shall contract with the districts to implement the Clean Cars 4 All program.

(c) Participating districts 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;

(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 contractors or partner agencies concerning the performance of the program, if available.


§ 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 of the replacement and mobility options component 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 a district implementing the replacement and mobility options component of the program or Clean Cars 4 All has a backlog or a waiting list for applicants and recommendations from the district 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.

§ 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).


§ 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.

(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; and
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.


§ 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.


§ 2637. Program Elements.

(a) The district 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 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 other 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 shall develop and enter into a separate contract or agreement with the dismantler.

(c) A district 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) 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.

(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.

(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 grant agreements, as determined by the Board.

§ 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.


§ 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 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.


§ 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.