

**PROPOSED REGULATION OF THE
STATE ENVIRONMENTAL COMMISSION**

LCB FILE NO. R154-22I

**THE FOLLOWING DOCUMENT IS THE INITIAL DRAFT
REGULATION PROPOSED
BY THE AGENCY SUBMITTED ON 06/30/2022**

PROPOSED REGULATION OF THE
STATE ENVIRONMENTAL COMMISSION

P2022-09

June 22, 2022

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§ 1-14 and 16-17, NRS 445B.210 and 445B.760; §§ 15 and 18, NRS 445B.760 and 445B.835.

A PERMANENT REGULATION relating to air pollution; adopting by reference certain provisions of California regulations for the Low-Emission Vehicle and Zero-Emission Vehicle programs relating to air quality; and providing other matters properly relating thereto.

Section 1. NAC 445B.780 is hereby amended to read as follows:

The provisions of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* set forth the emissions standards for motor vehicles in this State beginning with model year 2025.

Sec. 2. NAC 445B.782 is hereby amended to read as follows:

As used in NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09*, unless the context otherwise requires, the words and terms defined in NAC 445B.784 to 445B.808, inclusive, have the meaning ascribed to them in those sections.

Sec. 3. NAC 445B.796 is hereby amended to read as follows:

“Light-duty truck” means:

1. Any motor vehicle that is:

(a) Certified to the standards set forth in section 1961(a)(1), ~~1961.2~~ *or 1961.4* of Title 13 of the *California Code of Regulations*, as applicable, which are adopted by reference pursuant to NAC 445B.816; and

(b) Rated at 8,500 pounds gross vehicle weight or less; or

2. Any motor vehicle that is rated at 6,000 pounds gross vehicle weight or less that is:

(a) Designed primarily to transport property or is a derivative of such a vehicle; or

(b) Available with special features enabling off-street or off-highway operation and use.

Sec. 4. NAC 445B.799 is hereby amended to read as follows:

“Medium-duty vehicle” means any heavy-duty low-emission, ultra-low-emission, super-ultra-low-emission or zero-emission vehicle that:

1. Is certified to the standards in section 1961(a)(1), 1961.2, *1961.4*, 1962, ~~1962.1~~ *or 1962.2* of Title 13 of the *California Code of Regulations*, as applicable, which are adopted by reference pursuant to NAC 445B.816; and

2. Has a manufacturer’s gross vehicle weight rating of at least 8,501 pounds but not more than 14,000 pounds.

Sec. 5. NAC 445B.811 is hereby amended to read as follows:

If any provision of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* or its application thereof to any person, thing or circumstance is held invalid by a court of competent jurisdiction, the invalidity does not affect the remaining provisions or applications thereof, and to this end the provisions of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* are severable.

Sec. 6. NAC 445B.814 is hereby amended to read as follows:

1. Except as otherwise provided in subsection 2 and NAC 445B.840, the provisions of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* apply to all 2025, *2027* and later model year:

(a) Motor vehicles offered for sale or lease in this State or sold or leased for registration in this State that are:

- (1) Passenger cars;
- (2) Light-duty trucks;
- (3) Medium-duty passenger vehicles; or
- (4) Medium-duty vehicles;

(b) Motor vehicle engines offered for sale in this State that will be installed in:

- (1) Passenger cars;
- (2) Light-duty trucks;
- (3) Medium-duty passenger vehicles; or
- (4) Medium-duty vehicles; and

(c) Motor vehicles sold or leased to the United States government or an agency thereof or to the State of Nevada or a political subdivision thereof that are or will be registered in this State that are:

- (1) Passenger cars;
- (2) Light-duty trucks;
- (3) Medium-duty passenger vehicles; or
- (4) Medium-duty vehicles.

2. The provisions of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* do not apply to:

(a) A vehicle acquired by a resident of this State for the purpose of replacing a vehicle registered to the resident which was damaged, became inoperative beyond reasonable repair or was stolen while out of this State, provided that the replacement vehicle is acquired outside of this State at the time the previously owned vehicle was either damaged, became inoperative or was stolen, as applicable;

(b) A vehicle transferred by inheritance;

(c) A vehicle transferred by court decree;

(d) Any vehicle that has a certificate of conformity issued pursuant to the Clean Air Act, 42 U.S.C. §§ 7401 et seq., that was originally registered in another state by a person who subsequently established residency in this State and who, upon registration of the vehicle in this State, provides satisfactory evidence to the Department of Motor Vehicles or its designee of the previous residence and registration;

(e) Any vehicle with 7,500 miles or more of use as of the date of sale or lease;

(f) Any vehicle designated as an authorized emergency vehicle pursuant to NRS 484A.480;
and

(g) Any vehicle that meets the definition of a military tactical vehicle pursuant to NRS 445B.759.

Sec. 7. NAC 445B.816 is hereby amended to read as follows:

1. The following provisions of Title 13 of the *California Code of Regulations* are hereby adopted by reference:

(a) Section 1900, as it existed on January 1, ~~2020~~ 2023;

(b) Section 1956.8(h), as it existed on January 1, ~~2020~~ 2023;

(c) Section 1960.1, as it existed on January 1, ~~2020~~ 2023;

- (d) Section 1961, as it existed on January 1, ~~2020~~ 2023;
- (e) Section 1961.1, as it existed on January 1, ~~2020~~ 2023;
- (f) Section 1961.2, as it existed on January 1, ~~2020~~ 2023;
- (g) Section 1961.3, as it existed on January 1, ~~2020~~ 2023;
- (h) Section 1961.4 as it existed on January 1, 2023***
- (i) ~~(h)~~ Section 1962, as it existed on January 1, ~~2020~~ 2023;
- (j) ~~(i)~~ Section 1962.1, as it existed on January 1, ~~2020~~ 2023;
- (k) ~~(j)~~ Section 1962.2, as it existed on January 1, ~~2020~~ 2023;
- (l) ~~(k)~~ Section 1962.3, as it existed on January 1, ~~2020~~ 2023;
- (m) Section 1962.4, as it existed on January 1, 2023;***
- (n) Section 1962.5, as it existed on January 1, 2023;***
- (o) Section 1962.6, as it existed on January 1, 2023;***
- (p) Section 1962.7, as it existed on January 1, 2023;***
- (q) Section 1962.8, as it existed on January 1, 2023;***
- (r) ~~(q)~~ Section 1965, as it existed on January 1, ~~2020~~ 2023;
- (s) ~~(r)~~ Section 1968.2, as it existed on January 1, ~~2020~~ 2023;
- (t) ~~(s)~~ Section 1968.5, as it existed on January 1, ~~2020~~ 2023;
- (u) ~~(t)~~ Section 1976, as it existed on January 1, ~~2020~~ 2023;
- (v) ~~(u)~~ Section 1978, as it existed on January 1, ~~2020~~ 2023;
- (w) ~~(v)~~ Section 2035, as it existed on January 1, ~~2020~~ 2023;
- (x) ~~(w)~~ Section 2037, as it existed on January 1, ~~2020~~ 2023;
- (y) ~~(x)~~ Section 2038, as it existed on January 1, ~~2020~~ 2023;
- (z) ~~(y)~~ Section 2039, as it existed on January 1, ~~2020~~ 2023;

- (aa)** ~~(u)~~ Section 2040, as it existed on January 1, ~~[2020]~~ **2023**;
- (bb)** ~~(v)~~ Section 2041, as it existed on January 1, ~~[2020]~~ **2023**;
- (cc)** ~~(w)~~ Section 2046, as it existed on January 1, ~~[2020]~~ **2023**;
- (dd)** ~~(x)~~ Section 2062, as it existed on January 1, ~~[2020]~~ **2023**;
- (ee)** ~~(y)~~ Section 2109, as it existed on January 1, ~~[2020]~~ **2023**;
- (ff)** ~~(z)~~ Section 2111, as it existed on January 1, ~~[2020]~~ **2023**;
- (gg)** ~~(aa)~~ Section 2112, as it existed on January 1, ~~[2020]~~ **2023**;
- (hh)** ~~(bb)~~ Section 2113, as it existed on January 1, ~~[2020]~~ **2023**;
- (ii)** ~~(cc)~~ Section 2114, as it existed on January 1, ~~[2020]~~ **2023**;
- (jj)** ~~(dd)~~ Section 2115, as it existed on January 1, ~~[2020]~~ **2023**;
- (kk)** ~~(ee)~~ Section 2116, as it existed on January 1, ~~[2020]~~ **2023**;
- (ll)** ~~(ff)~~ Section 2117, as it existed on January 1, ~~[2020]~~ **2023**;
- (mm)** ~~(gg)~~ Section 2118, as it existed on January 1, ~~[2020]~~ **2023**;
- (nn)** ~~(hh)~~ Section 2119, as it existed on January 1, ~~[2020]~~ **2023**;
- (oo)** ~~(ii)~~ Section 2120, as it existed on January 1, ~~[2020]~~ **2023**;
- (pp)** ~~(jj)~~ Section 2121, as it existed on January 1, ~~[2020]~~ **2023**;
- (qq)** ~~(kk)~~ Section 2122, as it existed on January 1, ~~[2020]~~ **2023**;
- (rr)** ~~(ll)~~ Section 2123, as it existed on January 1, ~~[2020]~~ **2023**;
- (ss)** ~~(mm)~~ Section 2124, as it existed on January 1, ~~[2020]~~ **2023**;
- (tt)** ~~(nn)~~ Section 2125, as it existed on January 1, ~~[2020]~~ **2023**;
- (uu)** ~~(oo)~~ Section 2126, as it existed on January 1, ~~[2020]~~ **2023**;
- (vv)** ~~(pp)~~ Section 2127, as it existed on January 1, ~~[2020]~~ **2023**;
- (ww)** ~~(qq)~~ Section 2128, as it existed on January 1, ~~[2020]~~ **2023**;

- (xx)** ~~(tt)~~ Section 2129, as it existed on January 1, ~~[2020]~~ **2023**;
- (yy)** ~~(ss)~~ Section 2130, as it existed on January 1, ~~[2020]~~ **2023**;
- (zz)** ~~(tt)~~ Section 2131, as it existed on January 1, ~~[2020]~~ **2023**;
- (aaa)** ~~(uu)~~ Section 2132, as it existed on January 1, ~~[2020]~~ **2023**;
- (bbb)** ~~(vv)~~ Section 2133, as it existed on January 1, ~~[2020]~~ **2023**;
- (ccc)** ~~(ww)~~ Section 2134, as it existed on January 1, ~~[2020]~~ **2023**;
- (ddd)** ~~(xx)~~ Section 2135, as it existed on January 1, ~~[2020]~~ **2023**;
- (eee)** ~~(yy)~~ Section 2139, as it existed on January 1, ~~[2020]~~ **2023**;
- (fff)** ~~(zz)~~ Section 2141, as it existed on January 1, ~~[2020]~~ **2023**;
- (ggg)** ~~(aaa)~~ Section 2142, as it existed on January 1, ~~[2020]~~ **2023**;
- (hhh)** ~~(bbb)~~ Section 2143, as it existed on January 1, ~~[2020]~~ **2023**;
- (iii)** ~~(eee)~~ Section 2144, as it existed on January 1, ~~[2020]~~ **2023**;
- (jjj)** ~~(ddd)~~ Section 2145, as it existed on January 1, ~~[2020]~~ **2023**;
- (kkk)** ~~(eee)~~ Section 2146, as it existed on January 1, ~~[2020]~~ **2023**;
- (lll)** ~~(fff)~~ Section 2147, as it existed on January 1, ~~[2020]~~ **2023**;
- (mmm)** ~~(ggg)~~ Section 2148, as it existed on January 1, ~~[2020]~~ **2023**;
- (nnn)** ~~(hhh)~~ Section 2149, as it existed on January 1, ~~[2020]~~ **2023**; and
- (ooo)** ~~(iii)~~ Section 2235, as it existed on January 1, ~~[2020]~~ **2023**.

2. For the purposes of applying the provisions of Title 13 of the California Code of Regulations adopted by reference in subsection 1, unless the context otherwise requires:

- (a) “California” means the State of Nevada;
- (b) “CARB” or “AIR Resources Board” means the Department; and
- (c) “Executive Officer” means the Director.

3. A copy of the provisions of the California Code of Regulations, as adopted by reference in subsection 1, may be obtained free of charge at the Internet address ~~[<http://www.oal.ca.gov>]~~ <https://oal.ca.gov>.

Sec. 8. NAC 445B.818 is hereby amended to read as follows:

A person shall not sell or lease, offer for sale or lease, register, import, deliver, purchase, acquire or receive a 2025, **2027** or subsequent model year new passenger car, light-duty truck, medium-duty passenger vehicle or medium-duty vehicle in this State which is not certified to the provisions of California emissions standards, as adopted by reference pursuant to NAC 445B.816, unless the car, truck or vehicle, as applicable, is:

1. Sold to another dealer;
2. Sold for the purpose of being wrecked or dismantled;
3. Sold exclusively for off-highway use; or
4. Sold for registration outside of this State.

Sec. 9. NAC 445B.820 is hereby amended to read as follows:

1. ~~[Beginning with]~~ **For** the 2025 model year, each manufacturer of passenger cars, light-duty trucks and medium-duty vehicles produced and delivered for sale in this State shall not exceed the fleet average non-methane organic gas plus oxides of nitrogen emission standards set forth in **either** section 1961.2 **or 1961.4** of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

2. Each manufacturer subject to subsection 1 may accrue and utilize credits and debits based upon the sales of vehicles by the manufacturer in this State, in accordance with the provisions set forth in section 1961.2 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

Sec. 10. NAC 445B.824 is hereby amended to read as follows:

1. ~~Beginning with the 2025~~ *For model years 2025, 2027 and later*, each manufacturer must submit to the Department, not later than March 1 following the end of the model year, a report of the non-methane organic gas plus oxides of nitrogen exhaust emissions of the manufacturer's fleet produced and delivered for sale in this State for the applicable model year. The report must be prepared in the same format that this information is reported to CARB and in accordance with the requirements of this section.

2. ~~For~~ *For model year 2025*, if a manufacturer elects to report the information required pursuant to subsection 1 using the pooling provision set forth in section 1961.2 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816, the manufacturer must report to the Department the information required pursuant to subsection 1 for the entire pool as well as for the portion specific to this State.

3. *Beginning with model year 2027, if a manufacturer elects to report the information required pursuant to subsection 1 using the pooling provision set forth in section 1961.4 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to NAC 445B.816, the manufacturer must report to the Department the information required pursuant to subsection 1 for the entire pool as well as for the portion specific to this State.*

~~3.~~ 4. If the Department determines that a report submitted by a manufacturer pursuant to subsection 1, ~~or~~ 2 *or* 3 demonstrates that the manufacturer is not in compliance with section 22 of this regulation, the Department shall require the manufacturer to submit a fleet average remediation report to the Department within 60 days after the manufacturer receives notice from the Department that the manufacturer is not in compliance. The report must:

- (a) Describe how the manufacturer intends to equalize any accrued debits;

(b) Identify all vehicle models delivered for sale in this State, the corresponding certification levels of the vehicle models and the percentage of each vehicle model delivered for sale in this State and the state of California in relation to total fleet sales in each respective state; and

(c) Describe how the manufacturer intends to achieve compliance with the fleet average non-methane organic gas plus oxides of nitrogen emission standard in future model years.

Sec. 11. NAC 445B.828 is hereby amended to read as follows:

Within 30 days of receiving a request from the Department, a manufacturer must submit to the Department:

1. A copy of the California Executive Order and Certificate of Conformity for certification of new motor vehicles for each engine family to be sold in this State by the manufacturer. If these records are available electronically, the manufacturer must submit the records in an electronic format approved by the Director.

2. Any documentation the Department deems necessary for the effective administration and enforcement of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09*, which may include, without limitation, all certification materials submitted to CARB.

3. Any emissions warranty information report prepared in accordance with section 2144 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

Sec. 12. NAC 445B.830 is hereby amended to read as follows:

1. For the purposes of determining compliance with NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09*, the Department may require any vehicle dealer or short-term lessor of vehicles to submit any documentation requested by the

Department that the Department determines is necessary for the effective administration and enforcement of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09*.

2. Any person subject to the provisions of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* must retain all records for at least 3 years from the creation of the record. Such records must be provided to the Department upon request of the Department.

Sec. 13. NAC 445B.832 is hereby amended to read as follows:

1. For the purposes of enforcing or administering any federal or state law, order, regulation or rule relating to vehicular sources of emissions, an authorized representative of the Department or the Department of Motor Vehicles may enter any premises owned, operated, used, leased or rented by any new or used vehicle dealer in order to inspect any vehicle with a model year of 2025, *2027* or later.

2. Nothing in the provisions of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* limits the authority of the Department pursuant to NRS 445B.240 to enter and inspect premises.

Sec. 14. NAC 445B.834 is hereby amended to read as follows:

1. ~~[Beginning with]~~ *For* model years 2025, *2027 and later*, each manufacturer of passenger cars, light-duty trucks, medium-duty vehicles and motor vehicle engines subject to the requirements of NAC 445B.780 to 445B.846, inclusive, *and sections 19 to 21, inclusive, of SEC Petition No. R2022-09* must provide to the ultimate purchaser of the vehicle and each subsequent purchaser a warranty that complies with the requirements set forth in:

(a) Sections 2035, 2037 and 2038 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816;

(b) Section 2040 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816; and

(c) Section 2046 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

2. Except as otherwise provided in this subsection, ~~beginning with~~ *for* model years 2025, *2027 and later*, each manufacturer of passenger cars, light-duty trucks, medium-duty vehicles and motor vehicle engines must include with each new vehicle or engine manufactured the emissions control system warranty statement that complies with the requirements of section 2039 of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816, except:

(a) A manufacturer may modify the emissions control system warranty statement as necessary to inform vehicle owners of the applicability of the warranty in this State.

(b) For the purpose of the documents required pursuant to section 2039(c) of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816, a manufacturer is only required to submit such documents upon request of the Department.

3. For the purposes of this section:

(a) “Subsequent purchaser” means any person who purchases a motor vehicle or motor vehicle engine after the ultimate purchaser.

(b) “Ultimate purchaser” means, with respect to any new motor vehicle or new motor vehicle engine, the first person who in good faith purchases a new motor vehicle or new motor vehicle engine for purposes other than resale.

Sec. 15. NAC 445B.838 is hereby amended to read as follows:

1. ~~Beginning with~~ **For** model year 2025, all zero emission vehicles must be certified by the Executive Officer of CARB in accordance with section 1962.2(a) of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

2. Each manufacturer of vehicles must comply with the minimum ZEV credit percentage requirement for the sale of zero emission vehicles set forth in section 1962.2(b) of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

Sec. 16. NAC 445B.842 is hereby amended to read as follows:

1. Beginning with model year 2025, a manufacturer shall open an account in the California ZEV Credit Reporting and Data Tracking System for banking credits generated in this State. The manufacturer may deposit and earn ZEV credits for each qualifying vehicle delivered for sale in this State in accordance with this section and sections 1962.2(c), (d) and (g) of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

2. For use beginning in model year 2025, the Department shall deposit into the manufacturer's account in the California ZEV Credit Reporting and Data Tracking System any early action credits earned by the manufacturer pursuant to NAC 445B.840.

3. For use beginning in model year ~~2026~~ **2027**, once the manufacturer has satisfied all credit obligations for model years 2024 and earlier in California, the Department shall deposit into the manufacturer's account in the California ZEV Credit Reporting and Data Tracking System a number of initial credits equal to the manufacturer's 2025 model year starting California credit balance multiplied by the number of new passenger cars and light-duty trucks the manufacturer produced and delivered for sale in this State in model year 2024 and divided by

the number of new passenger cars and light-duty trucks that the manufacturer produced and delivered for sale in California in model year 2024.

Sec. 17. NAC 445B.846 is hereby amended to read as follows:

1. ~~[A]~~ *For model year 2025, a* manufacturer that fails to meet the credit obligation for the production and delivery of zero emission vehicles in this State in a given model year must make up the credit deficit by submitting a commensurate amount of ZEV credits to the Director pursuant to and within the time specified in section 1962.2(g)(7) of Title 13 of the *California Code of Regulations*, as adopted pursuant to NAC 445B.816.

2. If a manufacturer fails to submit an appropriate amount of ZEV credits as required pursuant to subsection 1 and does not make up the deficit, the Director must refer the matter to the Department of Motor Vehicles. The Department of Motor Vehicles may impose an administrative fine on the manufacturer pursuant to NRS 445B.835 for each motor vehicle sold by the manufacturer for which the manufacturer did not meet its credit obligation, as determined pursuant to subsection 3.

3. For the purposes of the administrative fine imposed by the Department of Motor Vehicles pursuant to subsection 2, the number of vehicles for which the manufacturer did not meet the credit obligation is equal to the manufacturer's credit deficit, rounded to the nearest 1/100th and calculated according to the equation provided in section 1962.2(g)(8) of Title 13 of the *California Code of Regulations*, as adopted pursuant to NAC 445B.816, provided that the percentage of a manufacturer's ZEV requirement for a given model year that may be satisfied with transitional zero emission vehicles or credits from such vehicles may not exceed the percentages permitted under section 1962.2(b)(2) of Title 13 of the *California Code of Regulations*, as adopted by reference pursuant to NAC 445B.816.

Sec. 18. Chapter 445B of NAC is hereby amended by adding thereto the provisions set forth as sections 19 to 21, inclusive, of this regulation.

Sec. 19. *1. Beginning with the 2027 model year, each manufacturer of passenger cars, light-duty trucks and medium-duty vehicles produced and delivered for sale in this State shall not exceed the fleet average non-methane organic gas plus oxides of nitrogen emission standards set forth in section 1961.4 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 7 of this regulation.*

2. Each manufacturer subject to subsection 1 may accrue and utilize credits and debits based upon the sales of vehicles by the manufacturer in this State, in accordance with the provisions set forth in section 1961.4 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 7 of this regulation.

Sec. 20. *1. Beginning with the 2027 model year, all zero emission vehicles must be certified by the Executive Officer of CARB in accordance with section 1962.4(b) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 7 of this regulation.*

2. Each manufacturer of vehicles must comply with the minimum ZEV percentage requirement for the sale of zero emission vehicles set forth in section 1962.4(c) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 7 of this regulation.

3. Each manufacturer of vehicles must comply with the ZEV requirements set forth in section 1962.4(d) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 7 of this regulation.

Sec. 21. **1.** *Beginning with model year 2027, a manufacturer that fails to meet the ZEV value obligation for the production and delivery of zero emission vehicles in this State in a given model year must make up the value deficit by submitting a commensurate amount of ZEV values to the Director pursuant to and within the time specified in section 1962.4(h)(2) of Title 13 of the California Code of Regulations, as adopted pursuant to section 7 of this regulation.*

2. If a manufacturer fails to submit an appropriate amount of ZEV values as required pursuant to subsection 1 and does not make up the deficit, the Director must refer the matter to the Department of Motor Vehicles. The Department of Motor Vehicles may impose an administrative fine on the manufacturer pursuant to NRS 445B.835 for each motor vehicle sold by the manufacturer for which the manufacturer did not meet its value obligation, as determined pursuant to subsection 3.

3. For the purposes of the administrative fine imposed by the Department of Motor Vehicles pursuant to subsection 2, the number of vehicles for which the manufacturer did not meet the value obligation is equal to the manufacturer's value deficit for a given model year.