

SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT

HEAVY-DUTY TRUCK VOUCHER PROGRAM

Truck Replacement

PROGRAM GUIDELINES

The San Joaquin Valley Air Pollution Control District (District) is currently accepting applications from businesses through contracted dealerships for the replacement of eligible trucks according to the terms and conditions described in these guidelines. For additional information, assistance or to receive program materials, please contact:

San Joaquin Valley Air Pollution Control District
Strategies and Incentives Department
1990 East Gettysburg Avenue
Fresno, CA 93726-0244

You may also contact us by phone, e-mail, or visit our website at:

(559) 230-5800
weberip@valleyair.org
www.valleyair.org/grants

I. COMPONENT OVERVIEW

The goal of this component is to reduce emissions from diesel engines in heavy-duty trucks that operate at least 50% of the time within the District boundaries (see page 15 for map). Emission reductions will be achieved by replacing eligible older heavy-duty diesel trucks.

A. Funding: Projects are funded at 35% of the total cost of the replacement truck up to a maximum of \$50,000.00 for Class 7 – 8 and a maximum of \$40,000 for Class 4 - 6. Funding amounts are subject to eligibility and usage requirements as listed on page 5 of these guidelines.

1. Voucher will be issued based on the quoted price submitted at the time of application for the replacement truck.
2. In the event that the final invoice price is less than the quoted price, the voucher amount will be reduced accordingly.
3. Voucher amounts will not be increased after issuance.

B. General Information:

1. Applications must be submitted through a dealership contracted with the program—applications are not provided directly from the District.
 - a. The voucher will be issued directly to the dealership with whom the application was submitted.
 - b. Vouchers are non-transferable and can only be redeemed with the dealership that is named on the voucher.
2. Fleet Compliance: The fleet must currently be in compliance with the applicable California Air Resources Board's (ARB) Truck Regulations.
 - a. For more information about truck regulations, visit <http://www.arb.ca.gov/msprog/truckstop/truckstop.htm>
3. Based on program demand, the District reserves the right to limit funding to \$500,000.00 per entity per fiscal year.
4. The District will calculate a project's Cost Effectiveness based on the Carl Moyer Memorial Air Quality Standards Attainment Program methodology and ensure that the overall program Cost Effectiveness does not exceed a target of \$20,000 per ton of emissions reduced.

II. APPLICANT PROCESS OVERVIEW

A. Application

1. All applications received will be subject to a review process, which will include the following:
 - a. Verification of the truck owner's eligibility to participate in the Program.
 - b. Verification that the proposed project is consistent with these Guidelines.
2. If the application is incomplete, a letter and/or an email will be sent to both the applicant and the dealership indicating the reason(s).

3. When the application has been deemed complete, a voucher packet will be issued to the dealership and the applicant will be notified by mail.
4. Ineligible applications will be rejected and a letter will be sent to both the applicant and the dealership indicating the reason(s).

B. Voucher and Payment

1. Vouchers will be issued on a first come, first served basis until program funds are exhausted.
2. Payments from the District shall be made directly to the dealership named on the voucher upon receipt of a completed Claim for Payment packet submitted by the dealership to the District.
3. The amount of the voucher will be reduced from the total purchase price of the truck. The receipt of voucher funds does not lower the base price of the truck thus does not reduce the tax basis of the truck.
 - a. Voucher funds cannot be applied to ineligible items. Ineligible items include interest accrued over the life of the loan. If the replacement truck is financed, the voucher amount will only be based off a percentage of the financed principal, not the finance charge (interest).
 - b. If financed, **the voucher amount must not be subject to financing fees or interest accrued** over the life of the loan.
 - Dealerships may **NOT** charge an applicant for the use of the voucher in the form of loan fees, finance charges, interest, documentation prep fees or any other type of fee or charge associated with the value of the voucher.
4. Deviations from the above mentioned process will be considered on a case-by-case basis and must be brought to the District's attention prior to submitting a claim for payment.
5. The new truck may be purchased as a lease to own as long as the applicant agrees to the following:
 - a. The term of the lease must be as long as or longer than the project life stated on the voucher.
 - b. Applicant will own and operate the replacement truck during the project life of the voucher.
6. Projects that are awarded a voucher will be subject to a **project life** up to six (6) years commencing on the day the replacement truck is purchased, as indicated on the dealership's final sales invoice.
 - a. Applicants will be required to submit annual reports to the District for the life of the project. Annual reports will be provided by the District and mailed to applicants annually approximately one year from the date of the final sales invoice.

C. General

1. The District may consider projects that deviate from the guidelines on a case-by-case basis.
2. Remedies for project non-performance may include, but are not limited to, the following:
 - a. Recovery of all or a portion of the Program funds.
 - b. Other fiscal penalties on the truck owner based on the severity of non-performance.

- c. Cancellation of the voucher.
- d. Prohibiting the truck owner from participating in future District incentive programs.
- e. Prohibiting a specific truck from participating in other District incentive programs.

III. ELIGIBILITY REQUIREMENTS

A. Current (Old) Truck

1. Have a Gross Vehicle Weight Rating (GVWR) of 14,001 or more pounds (Class 4 - Class 8).
2. Have an Engine Model Year of 2000-2009 for Class 4-6 and 1996-2009 for class 7-8.
 - a. **1995 and older** model year engines, that are currently in compliance with the state regulation, may be eligible for funding and will be evaluated on a case-by-case basis, please contact District staff for details.
3. Be owned by the applicant for the past 24 months.
4. Be currently registered and have been registered (California base-plated or International Registration Plan) in the state of California for the past 24 months prior to the application submission date.
5. Be based within the San Joaquin Valley APCD boundaries as determined by the registered address on the last 6 months of DMV Registration.
6. Be registered with the ARB Truck Regulations Upload and Compliance Reporting System (TRUCRS) (if applicable).
7. Operate at least fifty percent (50%) of the time within the District boundaries (page 15) and at least seventy five percent (75%) of the time within the state of California for the past 24 months prior to the application submission date.
8. Be in operating condition at the time of application submission.
 - a. Operating condition will be determined through an inspection process conducted by contracted Dealership staff or District staff prior to issuing a voucher. Trucks deemed non-operational during the inspection process will be deemed ineligible for the Program.
9. Have a title, free of any lien holders, on which the applicant is listed as the registered owner of the truck.
 - a. Titles on which the lien holder has signed the release of interest for the truck will be accepted.
10. Meet minimum usage requirements as indicated in section III(B) below.
 - a. Minimum usage requirements are averaged over the past 24 months.
 - b. Compliance options, such as the Ag Extension, that have maximum usage restrictions less than the usage levels indicated in section III(B) may be considered for funding on a case-by-case basis.

B. Minimum Usage and Funding Levels**1. Class 4 – 6 (GVWR 14,001 – 26,000)**

Engine Intended Service Class	Engine Model Year Old Truck	Minimum Annual Usage (miles)	Maximum Funding Amount (not to exceed 35% of total cost)
Light Heavy Duty Diesel* (LHDD) and Medium Heavy Duty Diesel* (MHDD)	2000 – 2006	10,000 miles	\$10,000
		20,000 miles	\$20,000
		30,000 miles	\$30,000
		40,000 miles	\$40,000
	2007 – 2009	30,000 miles	\$10,000
		40,000 miles	\$20,000

*Intended Service class is determined by the ARB Executive Order

2. Class 7 – 8 (GVWR 26,001 and greater)

Engine Intended Service Class	Engine Model Year Old Truck	Minimum Annual Usage (miles)	Funding Amount (not to exceed 35% of total cost)
Medium Heavy Duty Diesel* (MHDD)	1996 – 2002	35,000	Up to \$50,000
	2003 – 2006	60,000	Up to \$50,000
	2007 – 2009	100,000	Up to \$50,000
	2007 – 2009	80,000	Up to \$40,000

*Intended Service class is determined by the ARB Executive Order

Engine Intended Service Class	Engine Model Year Old Truck	Minimum Annual Usage (miles)	Funding Amount (not to exceed 35% of total cost)
Heavy Heavy Duty Diesel* (HHDD)	1996 – 2002	20,000	Up to \$50,000
	2003 – 2006	40,000	Up to \$50,000
	2007 – 2009	70,000	Up to \$50,000
	2007 – 2009	50,000	Up to \$40,000

*Intended Service class is determined by the ARB Executive Order

C. Replacement Truck

1. Be equipped with an engine that meets or exceed the 2010 emission standard of 0.20 g/bhp-hr NOx (FEL and CERT values).
2. Have a GVWR rated at 14,001 pounds or greater.
3. Not be a glider kit.
4. If the replacement truck is used, have less than the miles indicated below on the odometer:
 - a. Class 8 Truck – less than 600,000 miles on the odometer
 - b. Class 7 Truck - less than 350,000 miles on the odometer
 - c. Class 4 – 6 Trucks – less than 25,000 miles on the odometer
5. Be purchased through a dealership that is currently contracted with the District.
6. Operate at least seventy five percent (75%) California operation and at least fifty percent (50%) operation within the District boundaries (page 15) during the project life.
7. Commit to being registered with the DMV within the District boundaries (page 15) during the project life.
8. Have the “Clean Air Vehicle” sticker attached to the driver side of the truck (sticker will be provided with the voucher to the dealership). The Voucher will not be valid if the “Clean Air Vehicle” sticker is not attached and visible for the post inspection pictures. See page 7 for a picture of the 6”x12” sticker.



**Clean
Air
Vehicle**

**Funded by the
Valley Air
District**

 **San Joaquin Valley**
AIR POLLUTION CONTROL DISTRICT

 **HEALTHY AIR LIVING™**

IV. APPLICANT REQUIREMENTS

A. The applicant must meet the following eligibility requirements:

1. Have owned the current truck for, at minimum, the past 24 months.
2. Submit a completed application through a contracted dealership for the program.
3. Not purchase, make down payments, or take possession of the replacement truck under funding consideration prior to the issuance of a voucher—doing so will render a voucher project ineligible.
4. Be currently in compliance with the applicable California Air Resources Board's (ARB) Truck Regulations and submit documentation which indicates the fleet's selected compliance strategy.
5. Remain the owner of the replacement truck for the life of the project.
 - a. If, during the life of the project, the truck needs to be sold, the District must approve the truck ownership change **prior** to its sale. The new owner of the truck must be willing to assume the Program obligations with the District and comply with the terms and conditions outlined in the Program guidelines.
6. Maintain replacement value insurance for the replacement truck through the full project life.
7. Demonstrate proof of a minimum 12 month/100,000 mile major component engine warranty for the replacement truck commencing on the day the new truck is purchased as indicated on the final invoice submitted for reimbursement.
8. Submit annual reports to the District through the full project life as well as comply with recordkeeping and audit requirements.
 - a. Current truck registration and insurance documentation must be kept.
9. Surrender the current truck to the dealership for scrapping with a participating dismantler contracted with the District. See page 14 of these guidelines for a description of the Dismantler requirements and approved method of destruction.
 - a. The truck must be delivered to the dismantler in operating condition.
10. Agree to allow the District or its representative(s) to inspect the replacement truck upon request any time for the duration of the project life.
11. Properly maintain the replacement truck in good operating condition and according to manufacturer's recommendations.
12. Certify that there are no outstanding ARB violations for equipment associated with the truck on the application.
13. **Military Service Provision:** If an applicant has been on active military duty at any time during the previous twenty four (24) months, documentation prior to deployment and covering the same length of time as the deployment period may be used to meet the title, registration, usage, and operation in California requirements. Applicant must submit a copy of DD Form 214, certificate of Release or Discharge from Active Duty, to verify military service during the deployment period.

V. APPLICATION PROCEDURE

A. Completing an Application

The application (pages 1-4) must be **filled out completely and as accurately as possible**. Do not leave any fields blank, as it lengthens the processing timeframe associated with the application and delays funding.

A copy of the following items must accompany the application at the time of submittal in order for the application to be deemed complete:

1. Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9 (Form W-9).
 - a. The **information entered into Section 1 of the application must be identical to the information on Form W-9**, as this information will be used to generate all binding documents and be used to report incentive funding to the IRS.
 - b. A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.
2. Compliance verification.
 - a. A Copy of the ARB Compliance Summary and Fleet Summary from TRUCRS online reporting system.
 - b. Other documentation approved by District staff that clearly shows current compliance.
3. Copy of the current truck title.
 - a. The title must be clear of any lien holders.
4. Copy of the current truck DMV Registration for the past 24 months.
 - a. If the past 24 months of DMV documentation is not available the following documentation may be substituted:
 - o The previous 8 consecutive months of DMV registration supplemented by alternate documentation showing California operation for the past 24 months and proof of insurance for the past 24 months.
 - b. Partial Year Registration Exception: If the current truck operates seasonally, the registration must indicate partial year registration and must cover at least 3 months per 12 month period for the previous 24 months.
5. Copy of proof of insurance for the past 24 months that is specific to the current truck.
6. Dated and itemized dealer quote for the replacement truck that includes:
 - a. Applicant/business name and address.
 - b. Dealer name and address.
 - c. Make, model, and year of the truck and engine.
 - d. Breakdown of total costs including tax, license and applicable fees.

7. Specification sheet for the replacement truck and its engine.
8. Applicable ARB Executive Order, including all attachments, for the engine in the current truck and the replacement truck.
9. Proof of annual mileage or fuel usage for the past 24 months specific to the current truck on the application.
 - a. Acceptable forms of usage documentation can include, but are not limited to, maintenance records showing the date and odometer reading, GPS Reports with date range and total miles traveled, and BIT Inspection forms with date and odometer reading.
 - b. Documentation must clearly identify the truck on application.
10. Pre-inspection section completed and required digital photographs of the current truck on application.
 - a. Physical inspection and photographs must be completed by the dealership. Self-inspection of the current truck by the applicant is NOT allowed and will result in an incomplete application.

VI. DEALERSHIP REQUIREMENTS

Dealership participation is an important component of the Program. The dealers are responsible for providing assistance to the applicants which includes ensuring compliance with all program requirements. Dealerships participating in the Program are required to enter into an agreement with the District and meet the following qualifications and perform the following program requirements:

A. Eligibility

1. Must enter into a contract with the District to be a participating dealership in the Program. If a company has more than one (1) location that will participate in the program, each location must enter into a separate contract.
2. Must provide the following documentation for a minimum of the last two years:
 - a. Dealerships must provide copies of a valid Department of Motor Vehicles (DMV) Dealers License for the past 2 years.
3. Must maintain a minimum of one (1) employee that has successfully completed the training by the District regarding the terms, conditions and requirements of the Program.
 - a. If a participating company has more than one (1) contracted location, then each location must have at least one employee trained on the Program.

B. Performance

1. Dealership must provide accurate information about the Program to the applicants.
2. Dealership must help applicants complete the Program application package and submit it to the District.
 - a. It is important to make sure that all information is filled out correctly and that the applicant understands the Program requirements. Incomplete application packages may be rejected and returned.
3. Dealership must show the voucher amount on the replacement truck invoice.
 - a. **The voucher is an incentive to the truck owner that will result in a lower price paid by the applicant.**
 - b. The receipt of voucher funds does not lower the base price of the truck or reduce the tax basis of the truck.
 - c. If financed, **the voucher amount must not be subject to financing fees or interest accrued** over the life of the loan.
 - o Dealerships may **NOT** charge an applicant for the use of the voucher in the form of loan fees, finance charges, interest, documentation prep fees or any other type of fee or charge associated with the value of the voucher.
4. Dealership agrees to allow the District to inspect trucks or audit program records covered under this program.
5. Dealership must ensure the following:
 - a. The title and registration for the replacement truck is:

- o Clean prior to purchase. The replacement truck must not have a salvage title.
 - b. The replacement truck is registered to the applicant in California, within the boundaries of the District (see page 15). If the replacement truck is not registered in California, the voucher will be invalid and not be paid.
 - c. The replacement truck has a GVWR of 14,001 lbs. or greater.
 - d. The replacement truck is equipped with an engine in the same weight category as the current truck, either light-heavy duty, medium-heavy duty or heavy-heavy duty as reported on the ARB Executive Order.
 - e. Used replacement trucks with a GVWR of 33,001 pounds or greater have less than **600,000** miles of operation on the odometer.
 - f. Used replacement trucks with a GVWR of 26,001 – 33,000 pounds have less than **350,000** miles of operation on the odometer.
 - g. Used replacement trucks with GVWR of 14,001 – 26,000 pounds have less than **25,000** miles on the odometer.
 - h. The current truck is delivered to the dealership prior to releasing the replacement truck.
 - i. The current truck is sent to a participating dismantler yard for destruction **within 30 days** of the purchase of the replacement truck and prior to submission of a Claim for Payment Packet.
 - o The original title for the current truck must be signed and dated and provided to the dismantler. The dealership must retain a copy of the signed and dated title of the current truck and submit it with the Claim for Payment Packet.
 - o If the existing truck cannot be delivered to the dismantler within 30 days of the purchase of the replacement truck, District staff must be contacted to request an extension.
 - o Post-inspection pictures of the existing truck must be taken by the dealership before it is delivered to the dismantler.
6. **Dealership must notify the District if there is any change in the replacement truck (i.e. truck or engine make, model, model year, etc.) to be purchased prior to the purchase transaction.** If the replacement truck and/or its engine will not be the same as indicated on the voucher, the District must be immediately notified of the change. District staff must verify that the alternative replacement truck and/or its engine are program eligible.

C. Reimbursement

1. Dealership must complete the Claim for Payment Packet (provided by the District with the issuance of the original voucher) and submit it to the District to redeem the voucher.
2. The Dealership shall ensure that the truck purchase price is reduced by the approved voucher funding amount prior to selling the replacement truck.
3. The voucher amount will be reimbursed directly to the Dealership within 20 working days of a complete claim.

D. Dealership Conducted Inspection**1. Pre-Inspection:**

- a. Dealership must complete the appropriate pre-inspection and take the required digital photos of the current truck **prior** to submitting the application to the District.
 - o A list of required photos is located on page 6 of the application.
 - o All required photos must be legible and submitted in a digital format.
- b. Any items that will be retained by the applicant, such as a dump body, should be indicated in the comment section of the dealer/inspection certification.
- c. The dealer/inspection certification must be signed and dated by the representative from the dealership that performed the actual inspection of the truck.
- d. Dealership must visually verify and certify the operational condition of the current truck. Non-operational trucks are not eligible to apply and must not be accepted by the dealership for program participation.

2. Post-Inspection:

- a. Prior to submitting the Claim for Payment Packet to the District, the dealership is required to complete the appropriate post-inspection forms and take digital photos of both the current truck upon delivery to the dealership and the replacement truck prior to delivery to the applicant.
 - o A list of required photos for both trucks is located on page 3 of the Post-Inspection Form provided to the Dealership by the District upon issuance of a Voucher.
 - o All required photos must be legible and submitted in a digital format.
- b. The inspection forms must be signed and dated by the representative from the dealership that performed the actual inspection of the truck.
- c. Dealership must visually verify and certify the operational condition of the current truck and ensure the current truck is in similar condition as found in the pre-inspection. The dealership must immediately notify the District if the current truck is found to be non-operational.
 - o The dealer must notify the District if the condition of the current truck is deemed un-roadworthy or if parts that are required for standard operation of the truck are stripped from the truck.
- d. Dealership must insure the "Clean Air Vehicle" sticker has been attached to the driver side door.
- e. Reimbursement of the voucher will be withheld until the dealer and District approves of the condition of the current truck.

VII. DISMANTLER REQUIREMENTS

The Program requires the current truck to be permanently destroyed. Destruction of the current truck's chassis and engine permanently removes the old, high-emitting truck from operation. This requirement has been established to ensure that emission reductions are real. It prevents the current truck from being moved into another locale to continue emitting high levels of pollutants. A list of participating dismantlers can be found at <http://valleyair.org/grants/truckvoucher.htm> that current trucks can be delivered to for destruction.

A. Eligibility

1. Dismantler is required to enter into an agreement with the District in order to participate in the Program.
2. Dismantlers with a current, active agreement with the District to participate in the Proposition 1B Program are eligible to participate without entering into a new agreement.

B. Performance

The Dismantler must agree to perform the following dismantling requirements:

1. Destroy the current truck within 90 days of receipt.
2. Completely sever the frame rails so that the frame is no longer capable of being used in a truck.
3. Destroy and render useless the current truck's engine.
 - a. A minimum 5-inch diameter hole must be punched into the engine block.
4. Not destroy any identifying numbers on the truck and/or its engine such as the Vehicle Identification Numbers (VIN) or engine serial numbers.
 - b. If the truck VIN or engine serial number cannot be located, the truck must not be scrapped or destroyed until notification is made to District staff for assessment.
5. The Dismantler may not use or permit the use of the current truck, except use as necessary to move it for destruction or storage.
6. Notify the District that the current truck is destroyed and ready for inspection within 10 days of the current truck's destruction. Notification to the District of the destroyed current truck must be made using the District's Notice of Destruction Form. Additional copies of the Form can be obtained by calling program staff at (559) 230-5800.
7. Allow the destruction of the engine and current truck to be documented by the District.
 - c. The District must verify in-person the proper destruction of the current truck and its engine. District staff must also verify the current truck's VIN and engine serial number.
 - d. The Dismantler must not remove the current truck from their property, or part out a current truck, until a post-destruction-inspection by the District has been performed and the Dismantler has been given approval by the District.
8. File a Notice of Acquisition/Report of Vehicle to be Dismantled (REG 42) and provide the District with proof of this filing within sixty (60) days receipt of the current truck.

VIII. APPLICANT RESOURCES

A. WEB Resources

To assist applicants participating in the District's incentive programs, the District has developed a Program Web Page. This page contains a list of certified dealerships that are contracted with the District to participate in this program. Additionally, this page contains links to the California Air Resources Board website where you can obtain a list of eligible engines, associated Executive Orders and other technical information.

The Applicant Resource Web Page can be found at <http://valleyair.org/grants/truckvoucher.htm>

When preparing an application, we ask that you utilize the information presented within the links on this page. By submitting complete application packets with accurate information, we can reduce the amount of time and resources necessary to process your application.

IX. MAP OF DISTRICT BOUNDARIES

