
**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**

**Senator Dr. Aisha Wahab, Chair
2025 - 2026 Regular**

Bill No:	AB 72	Hearing Date:	June 8, 2026
Author:	Jackson		
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Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Mason		

Subject: Electric Vehicle Economic Opportunity Zone: County of Riverside

SUMMARY: Establishes an Electric Vehicle Economic Opportunity Zone (EVEOZ) for the County of Riverside, administered by the Labor and Workforce Development Agency (LWDA), for the purpose of creating programs to make electric vehicle manufacturing jobs and education more accessible to lower income communities.

NOTE: *This bill is double-referred to the Senate Committee on Labor, Public Employees, and Retirement, second.*

Existing law:

- 1) Establishes GO-Biz within the Governor's office for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth. (Government Code (GC) §§ 12096 et. seq.)
- 2) Authorizes GO-Biz to develop content in order to provide information and resources to inform the general public about place-based and other geographically targeted economic development programs, including, but not limited to, federal Promise Zones within California that are designated by the United States Department of Housing and Urban Development; and Opportunity Zones designated by the United States Treasury. Requires GO-Biz to at least annually convene representatives from various programs and agencies across the state and from various federal programs and agencies for the purpose of discussing how California can leverage Promise Zones and Opportunity Zones to meet state and local community and economic development needs. (GC § 12097.5)
- 3) Continues the zero-emission vehicle (ZEV) division within GO-Biz as the ZEV Market Development Office (ZEV Office) until January 1, 2028 to steer the development of a shared, cross-agency definition of equity, and set an equity agenda for the deployment of light-, medium-, and heavy-duty ZEVs, the supporting infrastructure, and workforce development. Requires the ZEV Office to serve as a point of contact for stakeholders to provide concerns and suggestions related to the state's progress in equitably achieving the state's zero-emission vehicle deployment goals. Authorizes the ZEV Office to convene meetings or task forces that include state agencies, local government, utilities, labor, community-based organizations, air pollution control districts, air quality management districts, or private sector actors key to advancing zero-emission transportation goals. Requires the ZEV Office to develop and adopt an equity action plan as part of the ZEV Market

Development Strategy that includes, recommendations to advance equity by reducing pollution driven by the transportation sector and related industries in low-income, disadvantaged, and historically underserved communities, including emissions from medium- and heavy-duty vehicles, and by supporting an equitable ZEV industry and workforce, among other requirements. (GC § 12100.151)

This bill:

- 1) Establishes a EVEOZ for Riverside County, upon appropriation by the Legislature, and administered by LWDA or the purpose of creating programs to make electric vehicle manufacturing jobs and education more accessible to lower income communities. Requires LWDA to collaborate with Riverside County to determine the EVEOZ geographical boundaries. Authorizes LWDA to partner with educational institutions to develop training programs. Authorizes LWDA to partner with EV manufacturing business and local and national financial institutions to develop investment programs that may include incentives like business loans, tax credits, and grants for manufacturing facilities in the EVEOZ boundaries and to develop hiring programs and corporate subsidies for workforce development for workers who reside within the EVEOZ geographical boundaries. Requires a EVEOZ program to prioritize the recruitment and enrollment of workers or students of underprivileged economic status, as determined by LWDA, that reside within the geographical boundaries of the EVEOZ.
- 2) States Legislative intent that lower income communities will share in the economic benefits of the zero-emission vehicle industry, including electric vehicle manufacturing.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, the bill will result in one-time General Fund costs of \$5.8 million, and ongoing costs of \$1.2 million, for the LWDA to implement and administer the Riverside County EVEOZ. By requiring Riverside County to assist LWDA in determining the geographical boundaries of the EVEOZ, this bill creates a state-mandated local program. To the extent, the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs. However, costs to Riverside County resulting from the bill would likely be minor.

COMMENTS:

1. **Purpose.** The Author is the Sponsor of this bill. According to the Author, “This bill is crucial for Riverside County and California as it establishes an Electric Vehicle Economic Opportunity Zone, aiming to enhance accessibility to electric vehicle manufacturing jobs and education in underserved communities. By partnering with educational institutions and businesses, this bill not only fosters economic growth but also promotes sustainable practices, making it vital for the state's future development and environmental goals.”

2. Background.

Executive Order N-79-20. On September 23, 2020, Governor Gavin Newsom issued Executive Order (EO) N-79-20 as a cornerstone of California's effort to achieve economy-wide carbon neutrality by 2045. The order focuses primarily on reducing greenhouse gas emissions from the transportation sector, which is California's largest source of emissions. EO N-79-20 established the following goals:

- 100% of new passenger cars and light-duty trucks sold in California must be zero-emission vehicles (ZEVs) by 2035.
- 100% of drayage trucks serving California ports should be zero-emission by 2035.
- 100% of medium- and heavy-duty vehicles should be zero-emission by 2045 where feasible.
- 100% of off-road vehicles and equipment should be zero-emission by 2035 where feasible.

State agencies were directed to accelerate deployment of charging and fueling infrastructure and develop a coordinated statewide strategy for ZEV market growth. EO N-79-20 called for the development of a statewide ZEV Market Development Strategy to coordinate actions across multiple agencies, including California Air Resources Board (CARB), California Energy Commission (CEC), California Public Utilities Commission (CPUC), and GO-Biz.

The strategy focuses on infrastructure deployment, vehicle affordability, workforce development, supply chain development, equity and access for disadvantaged communities, and grid integration and reliability, among other priorities. The strategy has become the framework through which state agencies align investments and policy development.

GO-Biz. In February 2010, the Little Hoover Commission undertook a review of the state's economic and workforce development programs. In its final report, *Making up for Lost Ground: Creating a Governor's Office of Economic Development*, it analyzed the status and effectiveness of current programs since the 2003 demise of the Technology, Trade and Commerce Agency and recommended the creation of a new governmental entity to fill the void left by the dismantled agency.

The report called for a single entity that would promote greater economic development, foster job creation, serve as a policy advisor and deliver specific services (i.e., permitting, tax, regulatory, and other information) directly to the California business community. In April 2010, Governor Schwarzenegger issued Executive Order S-05-10 as a means to operationalize the report recommendations including the creation of the Governor's Office of Economic Development (GOED).

In October 2011, the Governor signed AB 29 (John A. Pérez, Chapter 475, Statutes of 2011), which effectively codified GOED and changed its name to GO-Biz. Since its inception, the office has served thousands of businesses, 95 percent of which are small businesses. The most frequent types of assistance include help with permit streamlining, starting a business, relocation and expansion of businesses, and regulatory challenges.

In March 2012, Governor Brown initiated a reorganization process to realign the state's administrative structure. Key changes include dismantling of the Business, Transportation and Housing Agency and the shifting of a number of key programs to GO-Biz including the Small Business Loan Guarantee Program, the California Travel and Tourism Commission, the California Film Commission, the Film California First Program, and the Infrastructure and Economic Development Bank (IBank).

Currently, GO-Biz administers the following programs and units:

- The (ZEV) Infrastructure Unit which works to accelerate the deployment of ZEV infrastructure. GO-Biz initially established a ZEV Infrastructure Unit in 2014, with funding from the California Energy Commission's Clean Transportation Program, to support deployment of electric vehicle charging and hydrogen fueling infrastructure through coordination among state agencies, local governments, utilities, automakers, and private-sector stakeholders. Over time, GO-Biz's ZEV activities expanded beyond infrastructure deployment to include statewide market development, equity, workforce development, stakeholder engagement, and strategy coordination.

In 2022, SB 1251 formally continued GO-Biz's existing ZEV Division as the ZEV Office, which now serves as the state's lead coordinator for the ZEV Market Development Strategy. The unit has supported implementation of the California ZEV Market Development Strategy, assisted local governments with ZEV infrastructure readiness and permitting efforts, maintained statewide ZEV funding and incentive resources, advanced equity-focused transportation electrification initiatives, and convened stakeholders to address infrastructure deployment challenges. The unit serves as a coordinating entity that helps align infrastructure planning, market development, workforce considerations, and public investments in support of California's long-term zero-emission transportation goals.

- The California Inclusive Innovation Hub Program (iHub2) to incubate and/or accelerate technology and science-based firms, with a focus on underserved regions and communities.
- The California Competes Tax Credit Program under which “businesses who want to come to California or stay and grow in California” can receive an income tax credit.
- The California Business Investment Services Unit, which provides no-fee, tailored site selection services to employers and others who may be considering California for relocation or expansion.

- The California Business Portal, which provides information to California businesses about common questions, permitting, financial options, and more.
- Made In California program for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California.
- The California Community Reinvestment Grants Program, which was included in Proposition 64, authorized GO-Biz to award grants to local health departments and certain nonprofit organizations to support communities disproportionately affected by the War on Drugs.
- Office of the Small Business Advocate which provides information and assistance to small businesses.
- The International Affairs and Business Development Unit, which serves as California's primary point of contact for expanding international trade and investment relations. This unit focuses on foreign direct investment (services for foreign investors, foreign investment technical assistance, and the EB-5 Investor Visa Program), international trade promotion (STEP program, trade missions, export assistance, and the California-China Trade Office), and international agreements.

In 2022, GO-Biz established the Community and Place-Based Solutions Team (Team) to support local governments, non-profits, community-based organizations, colleges and universities, and other economic development partners in their community development needs. The Team provides key technical assistance for community and economic development planning. According to the Team's website, place-based economic development strategies are initiatives to encourage economic and community development activity in defined geographic areas. Many communities have started emphasizing place-based strategies to strengthen hyperlocal activities around physical place, economic conditions and social infrastructure. Place-based economic development strategies include a variety of approaches to incentivize investment in disadvantaged communities, including funding for infrastructure & public facilities, job creation & workforce development, affordable & workforce housing, and more.

In February 2025, the *California Jobs First State Economic Blueprint* was released, following the establishment of a state Regional Investment Initiative (RII) in 2021. The report noted that the RII brought together "a diverse set of community members to build the economic vision for their region." 13 economic regions were identified: North State, Redwood, Capital, Sierra, Bay Area, North San Joaquin, Central San Joaquin, Central Coast, Kern County, Los Angeles County, Inland SoCal, Orange County, and Southern Border.

Promise Zones and Opportunity Zones as Efforts to Increase Economic Development. In the last decade, efforts such as Promise Zones and Opportunity Zones have emerged as a way to support the country's most disadvantaged and economically-distressed geographical locations and communities. Generally speaking, Promise Zones are high-poverty areas that are eligible for various tax

credits in order to create jobs and spur investment. These zones also receive governmental aid and partnership in the form of assistance to reduce crime and recidivism, as well as increase educational opportunities. There are currently 22 Promise Zones in the United States.

Originally created via the federal 2017 Tax Cuts and Jobs Acts, Opportunity Zones are economically-distressed areas where private investments may be eligible for capital gain tax incentives, under certain conditions. According to the Brookings Institute, “Opportunity Zones offer favorable capital gains treatment for taxpayers with unrealized gains who invest in designated low-income communities.” Only investors with pre-existing capital gains and those who anticipate facing future capital gains taxes qualify for Opportunity Zone tax benefits. Both of these efforts are examples of programs meant to increase economic development in areas that need assistance.

This bill is a reintroduction of the Author’s AB 2448 of 2024. That measure, identical to this bill, was vetoed by the Governor who stated “While I support efforts to boost electric vehicle manufacturing jobs and education in this state, particularly in low-income communities, this bill creates General Fund cost pressures and should be considered in the annual budget process.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.”

3. **Arguments in Support.** The City of Moreno Valley writes in support “Moreno Valley and the broader Riverside County region are well-suited to serve as a hub for electric vehicle manufacturing, workforce training, and related innovation. The Inland Empire continues to experience rapid population growth while facing persistent challenges related to income disparities, workforce diversification, and air quality impacts from transportation and good movement. AB 72 directly addresses these challenges by fostering partnerships among educational institutions, electric vehicle manufacturers, workforce organizations, and financial institutions to expand access to training and high-quality jobs in emerging clean transportation industries.”

The City of Temecula the County of Riverside Board of Supervisors and the Southwest California Legislative Council note, “AB 72 represents a forward-looking investment in workforce development, manufacturing, and regional competitiveness. Establishing an Electric Vehicle Economic Opportunity Zone in Riverside County will not only support the state’s clean energy goal but also strengthen the economic foundation of our local communities for decades to come.”

4. **Is this bill necessary?** AB 72 appears largely duplicative of existing state economic development, workforce, and zero-emission vehicle (ZEV) market development efforts. The Governor’s 2025 California Jobs First Economic Blueprint already establishes a framework for identifying and advancing regionally driven economic development priorities through collaboration among local governments,

economic development organizations, educational institutions, labor representatives, and industry stakeholders. These efforts are intended to align state investments with regional strengths and opportunities, including advanced manufacturing, clean transportation, and supply chain development.

Additionally, existing law provides GO-Biz with broad authority to support business attraction, retention, expansion, and economic development activities throughout the state. Through programs such as the California Competes Tax Credit, the ZEV Office, and coordination with the California Energy Commission, California Air Resources Board, and other state entities, GO-Biz already performs many of the coordination, outreach, and business development functions contemplated by the bill. Existing state programs also provide funding, technical assistance, workforce development support, infrastructure investments, and other incentives designed to encourage ZEV deployment and manufacturing.

The bill's designation of an "Electric Vehicle Opportunity Zone" may also create confusion regarding the benefits associated with the term "opportunity zone." Unlike federally designated Opportunity Zones, the designation proposed by AB 72 does not itself confer any tax benefits or establish new tax incentives. Businesses may already compete for economic development incentives, including California Competes awards and other state assistance programs, regardless of whether they are located within a specially designated zone.

State and federal efforts have already been, and continue to be undertaken, to invest in domestic clean energy and advanced manufacturing through initiatives such as the CHIPS and Science Act, the Inflation Reduction Act, California's Clean Transportation Program, and various ZEV manufacturing grant programs. These efforts are already intended to support many of the same objectives identified in the bill, including expanding ZEV manufacturing capacity, strengthening supply chains, creating jobs, and accelerating deployment of zero-emission technologies.

Riverside County, local governments, economic development organizations, educational institutions, utilities, or private-sector partners can collaborate today to leverage existing state and federal resources to attract ZEV manufacturers and related businesses. Local and regional stakeholders already possess significant flexibility to pursue economic development strategies tailored to their region's assets and workforce needs without the creation of a new statutory opportunity zone designation. Moreover, if additional statutory authority is ultimately determined to be necessary, a potentially more instructive model may be the Green Empowerment Zone established by the Legislature in Contra Costa County. That program was designed to promote economic development, workforce opportunities, and clean energy investment through coordinated state, local, and private-sector partnerships. To the extent the Legislature wishes to explore place-based strategies for advancing ZEV manufacturing and related economic activity, the Green Empowerment Zone may provide a framework upon which to build rather than creating a new and potentially duplicative Electric Vehicle Opportunity Zone designation.

SUPPORT AND OPPOSITION:

Support:

City of Moreno Valley
City of Temecula
County of Riverside Board of Supervisors
Southwest California Legislative Council

Opposition:

None received

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