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**SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT**  
**Senator Lola Smallwood-Cuevas, Chair**  
**2025 - 2026 Regular**

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<b>Bill No:</b>	AB 72	<b>Hearing Date:</b>	June 17, 2026
<b>Author:</b>	Jackson		
<b>Version:</b>	January 5, 2026		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Emma Bruce		

**SUBJECT:** Electric Vehicle Economic Opportunity Zone: County of Riverside

**KEY ISSUE**

This bill directs the Labor Workforce and Development Agency (LWDA) to administer, upon appropriation, an Electric Vehicle Economic Opportunity Zone (EVEOZ) for the County of Riverside, to increase the accessibility of electric vehicle manufacturing jobs and education, as specified.

**ANALYSIS**

**Existing law:**

- 1) Establishes the Labor Workforce and Development Agency (LWDA) under the supervision of an executive officer known as the Secretary. (Government Code §15551)
- 2) Tasks the LWDA with serving California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code §15550 et seq.)
- 3) Establishes, within the LWDA, the position of Deputy Secretary for Climate to assist in the oversight of California's workforce transition to a sustainable and equitable carbon neutral economy. (Government Code §15563.2)
- 4) Establishes the California Workforce Development Board (CWDB), under the LWDA, as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)
- 5) Provides that members of the CWDB are appointed by the Governor and are representative of the areas of business, labor, public education, higher education, economic development, youth activities, employment and training, as well as the Legislature (Unemployment Insurance Code §14011 and §14012)
- 6) Authorizes the California Air Resources Board (CARB) to protect public health from the harmful effects of air pollution and lead state efforts to address global climate change (Health and Safety Code §38510 & §38600 et seq.)

**This bill:**

- 1) Establishes, upon appropriation by the Legislature, an Electric Vehicle Economic Opportunity Zone (EVEOZ) for the County of Riverside that is administered by the LWDA for the purpose of creating programs to make electric vehicle manufacturing jobs and education more accessible to lower income communities.
- 2) Requires the LWDA to collaborate with the County of Riverside in determining the geographical boundaries of the EVEOZ.
- 3) Authorizes the LWDA to partner with educational institutions to develop EVEOZ education and training programs that may include, but are not limited to, any of the following:
  - a) A fully accredited associate or bachelor's collegiate electric vehicle manufacturing and engineering program.
  - b) Workforce development related to electric vehicle and electric vehicle battery manufacturing.
  - c) Career pathway, education, training, and support programs for electric vehicle service technician development.
  - d) Career pathway, education, training, and support programs for electric vehicle charging station installation and service.
  - e) Electric vehicle apprenticeship programs.
- 4) Authorizes the LWDA to partner with electric vehicle manufacturing businesses and local and national financial institutions to develop EVEOZ investment programs that may include, but are not limited to, any of the following:
  - a) Incentives, including providing business loans, tax credits, and grants, to build, modify, or upgrade electric vehicle manufacturing facilities within the geographical boundaries of the EVEOZ.
  - b) Hiring programs and corporate subsidies for companies to onboard, train, and retain workers who reside within the geographical boundaries of the EVEOZ.
- 5) Requires any EVEOZ program to prioritize the recruitment and enrollment of workers or students of underprivileged economic status, as determined by the LWDA, that reside within the geographical boundaries of the EVEOZ.
- 6) Declares that establishing an EVEOZ in the County of Riverside would empower the people with economic and engineering skills, help make the transition to zero-emission vehicles more seamless, and would serve as a model for the establishment of future EVEOZs across the state.

**COMMENTS****1. Background:***Race to Zero Emission Vehicles*

On September 23, 2020, Governor Newsom issued Executive Order (EO) No. N-79-20, setting new statewide goals for phasing out gasoline-powered vehicles. Under the EO, 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035 and

100 percent of medium-and heavy-duty vehicles in the State will be zero-emission by 2045, where feasible. CARB, the Energy Commission, the Public Utilities Commission, and other agencies have been directed to accelerate deployment of affordable fueling and charging options for zero-emission vehicles in ways that serve all communities, particularly low-income and disadvantaged ones. In August of 2022, CARB adopted standards intended to further the EO and set interim targets. In the lead up to the 2035 deadline, 35 percent of new passenger vehicles sold by 2026 will be zero-emission and 68 percent will be by 2030. Transportation is the State's top source of planet-warming greenhouse gas emissions. These mandates are an enormous step towards reducing dependence on fossil fuels and meeting our climate goals.

The transition to zero emissions will not be easy. For many people the price of an electric vehicle is prohibitive. State subsidies meant to assist with the purchase are inconsistent and underfunded. An article from CalMatters identified a "strikingly homogenous" portrait of who owns electric vehicles in California. Communities with mostly white and Asian, college-educated and high-income residents have the state's highest contributions of zero-emission cars and most are concentrated in Silicon Valley or affluent coastal areas of Los Angeles and Orange counties.<sup>1</sup> In the 20 California zip codes where Latinos make up more than 95% of the population, including parts of Kings, Tulare, Fresno, Riverside, and Imperial counties, less than 1 percent of cars are electric.<sup>2</sup>

California's workforce will need to transform to meet the state's ambitious climate goals. CARB estimates that 64,700 jobs will be lost because of the zero emission mandate. However, CARB also estimates 24,900 jobs will be gained in other sectors. In addition to retraining/upskilling workers employed in the fuels, vehicles, and transportation supply chains, the state needs to construct a massive charging infrastructure.

#### Riverside County

In the past decade, the County of Riverside experienced a boom in warehouse growth. Trucks bring goods in from the Los Angeles and Long Beach ports to be shipped across the county. This movement of goods ties up roads, causing significant pollution. Warehouse workers also contribute to this pollution, as many do not earn enough money to live close to their jobs. The health consequences of this boom are clear; the region has unusually high incidences of asthma and cancer.<sup>3</sup> The Inland Empire, which is comprised of Riverside and San Bernardino Counties, is a major economic hub with a rapidly growing population. Despite this, its workers earn less than statewide averages, and there are fewer college graduates than in most metro areas. Local leaders are looking to reduce pollution and diversify the workforce. This unique combination of factors creates an opportunity for the County of Riverside to reap significant benefits as the state transitions to zero-emission vehicles.

#### Promise Zones and Opportunity Zones

According to the Senate Business, Professions and Economic Development Committee:

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<sup>1</sup> Nadia Lopes, Erica Yee, "Who buys electric cars in California-and who doesn't?," CalMatters, March 22, 2023, [Who buys electric cars in California? - CalMatters](#)

<sup>2</sup> Ibid.

<sup>3</sup> Jim Newton, "Pushback to Inland Empire Warehouse Boom Spans California's Economic, Racial Divides," CalMatters, February 23, 2023, <https://calmatters.org/commentary/2023/02/inland-empire-warehouse-class-divide/>

“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.”

The Committee further notes:

“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.”

## **2. Committee Comments:**

This bill would direct the LWDA, upon appropriation, to administer an EVEOZ and authorize the LWDA to partner with educational institutions, manufacturing businesses, and local and national financial institutions to make the electric vehicle industry more accessible. Aside from requiring EVEOZ programs to prioritize the recruitment and enrollment of workers or students of underprivileged economic status, this bill does not place any specific requirements on the education, workforce development, or investment programs that may be developed.

The LWDA oversees seven major departments, boards, and panels that serve California workers and employers. The LWDA does not create educational and workforce development programs or partner with businesses and financial institutions to develop investment programs. However, the LWDA does oversee the CWDB, which is the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California’s workforce system. The CWDB has experience administering workforce programs that support regional priorities and community needs. For example, the CWDB currently administers several high road training partnerships within the Inland Empire aimed at upskilling workers for the transportation and healthcare sectors.

The author may wish to consider narrowing the scope of the bill to focus on education and workforce development programs, rather than investment programs.<sup>4</sup> Additionally, the author may wish to consider moving the EVEOZ from the LWDA to the CWDB.

### 3. Need for this bill?

According to the author:

“In brief, this bill is looking to solve the problem of EV car manufacturing (or more so contribute to the solution) in ensuring that California will be able to meet its forecasts for new cars/EV demand by 2035. This bill is also looking to provide opportunities (initially) for the citizens of Riverside County to participate and grow careers in the coming EV/Green Economy.”

### 4. Dual Referral:

The Senate Rules Committee referred this bill to the Senate Business, Professions and Economic Development Committee, where it passed on a 8-1 vote, and to the Senate Labor, Public Employment and Retirement Committee.

### 5. Proponent Arguments:

The County of Riverside Board of Supervisors supports the measure, arguing:

“As California advances toward its statutory goal of 100 percent zero-emission passenger vehicle sales by 2035, it is critical that the economic opportunities generated by this transition — including workforce development, job creation, innovation, and educational pathways — are equitably distributed across regions. AB 72 provides a forward-looking framework to ensure that Riverside County and the broader Inland Empire are positioned to compete and thrive in California’s clean transportation economy.

Riverside County is uniquely situated to serve as a regional hub for electric vehicle manufacturing, logistics, workforce training, and related innovation. As one of the fastest-growing counties in California, Riverside County continues to experience rapid population growth while also confronting longstanding challenges related to income disparities, workforce diversification, and air quality impacts associated with transportation and goods movement. Establishing an Electric Vehicle Economic Opportunity Zone in Riverside County would help align state climate objectives with local economic development strategies, ensuring that residents benefit directly from the clean energy transition.

AB 72 thoughtfully advances this goal by encouraging partnerships among educational institutions, electric vehicle manufacturers, workforce development entities, labor organizations, and financial institutions. By fostering coordinated investment and

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<sup>4</sup> AB 72 states that investment programs may include, but are not limited to, any of the following:

- a) Incentives, including providing business loans, tax credits, and grants, to build, modify, or upgrade electric vehicle manufacturing facilities within the geographical boundaries of the EVEOZ.
- b) Hiring programs and corporate subsidies for companies to onboard, train, and retain workers who reside within the geographical boundaries of the EVEOZ.

collaboration, the EVEOZ framework would expand access to high-quality job training programs, strengthen career pathways in emerging clean transportation industries, and support the transition of internal combustion engine–related businesses toward electric vehicle technologies.

From the County’s perspective, this approach reflects our ongoing commitment to economic vitality, environmental stewardship, and long-term community resilience. Facilitating the growth of electric vehicle–related industries within Riverside County will not only help advance statewide emissions reduction goals but also create sustainable, well-paying jobs that support families and strengthen our local tax base.”

**6. Opponent Arguments:**

None received.

**7. Prior Legislation:**

AB 2448 (Jackson, 2024) would have directed the LWDA the Labor Workforce and to administer, upon appropriation, an EVEOZ for the County of Riverside, to make electric vehicle manufacturing jobs and education more accessible. AB 72 is identical to AB 2448. *This bill was vetoed by Governor Newsom, 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.”*

AB 2204 (Boerner, Chapter 348, Statutes of 2022) established, upon appropriation, the position of Deputy Secretary for Climate within the LWDA, as specified.

**SUPPORT**

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

**OPPOSITION**

None received