
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 72 (Jackson) - Electric Vehicle Economic Opportunity Zone: County of Riverside

Version: January 5, 2026

Policy Vote: B., P. & E.D. 8 - 1, L., P.E. & R. 4 - 1

Urgency: No

Mandate: Yes

Hearing Date: August 3, 2026

Consultant: Janelle Miyashiro

Bill Summary: AB 72 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 (EV) manufacturing jobs and education more accessible to lower income communities.

Fiscal Impact:

- LWDA estimates \$5.4 million in one-time costs and \$1.5 million in ongoing costs to establish EVEOZ boundaries, develop training program standards, and create economic incentives for the industry (General Fund).
- The California Workforce Development Board reports a one-time cost of approximately \$320,000.
- 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.

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,

California Energy Commission, California Public Utilities Commission, and Governor's Office of Business and Economic Development.

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.

Proposed Law:

- Upon appropriation, establishes the EVEOZ for the County of Riverside. Tasks LWDA with administering the program for the purpose to making EV manufacturing jobs and education more accessible to lower income communities.
- Requires LWDA to collaborate with the County of Riverside in determining the geographical boundaries of the EVEOZ. Authorizes LWDA to partner with educational institutions best fitted for educational and workforce development programs to develop EVEOZ education and training programs. Authorizes LWDA to partner with EV manufacturing businesses and local and national financial intuitions to develop EVEOZ investment programs.
- Requires any EVEOZ programs developed 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.
- States legislative intent that lower income communities will share in the economic benefits of the ZEV industry, including EV manufacturing.

Related Legislation: AB 2448 (Jackson, 2024) was identical to this bill. AB 2448 was vetoed.

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