

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 1274 (Archuleta) – As Amended April 13, 2026

SENATE VOTE: 36-0

SUBJECT: Industrial cities

SUMMARY: Defines the term “industrial cities.” Specifically, **this bill:**

- 1) Defines “industrial city” to mean a city that meets all of the following criteria:
 - a) The city has a resident population of fewer than 25,000.
 - b) A majority of the city’s land area is zoned for, or primarily devoted to, industrial, manufacturing, logistics, warehouses, energy production, or other employment-generating commercial uses, rather than residential use.
 - c) The city supports a daytime workforce that exceeds its resident population.
- 2) Requires a city meeting the definition above to be deemed an industrial city for purposes of any state program, policy, or funding formula that expressly references this definition.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill defines “industrial city” to mean a city that meets all of the following criteria:
 - a) The city has a resident population of fewer than 25,000.
 - b) A majority of the city’s land area is zoned for, or primarily devoted to, industrial, manufacturing, logistics, warehouses, energy production, or other employment-generating commercial uses, rather than residential use.
 - c) The city supports a daytime workforce that exceeds its resident population.

This bill requires a city meeting the definition above to be deemed an industrial city for purposes of any state program, policy, or funding formula that expressly references this definition.

This bill is sponsored by the cities of Commerce, Industry, Santa Fe Springs, and Vernon.

- 2) **Author’s Statement.** According to the author, “California is home to a small number of unique cities that have a higher daytime workforce population than nighttime residential population. In these cities, the number of jobs exceeds the number of residents, industrial land use often dominates the municipal footprint, and freight and commercial traffic often

represent a significant share of roadway demand. This phenomenon typically occurs when a city is primarily zoned for industrial use and is experiencing large numbers of workers commuting to and from the city every day.

“One of the many unique challenges faced by industrial cities is the lack of financial resources for infrastructure maintenance and transportation. Because many transportation funding formulas rely heavily upon a city’s residential population, industrial cities in California are not receiving funding that reflects the reality of roadway wear, freight demand, and infrastructure usage in their jurisdictions.

“In recent years, these industrial cities have formed a coalition and are asking for recognition of their unique needs. SB 1274 legitimizes the status of industrial cities by creating an official definition in state code, to be used for the purposes of state programs, policies, and funding formulas. SB 1274 does not modify existing formulas or change any requirements or prioritizations requirements for existing formulas.”

- 3) **Background.** The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

California has 483 cities. The California Constitution allows cities and counties that adopt charters to control their own “municipal affairs,” and makes these laws supreme over “all laws inconsistent therewith.” This municipal affairs doctrine grants charter cities broad authority to enact laws governing local matters, including the power to tax for local purposes. In all other matters, charter cities must follow the general, statewide laws.

Whether living in general law or charter cities, city residents receive a variety of municipal services including police and fire protection, libraries, parks and recreation, road maintenance, public transit, street trees, lighting and landscaping, water, sewers, planning and development. Full-service cities provide these services themselves. Partial service and contract cities rely on special districts and counties to provide many of these services to their residents.

Cities come in all shapes and sizes. The state’s largest city is Los Angeles with nearly 3.9 million residents. The state’s smallest city is Amador City with about 200 residents.

- 4) **AB 98 of 2024 and SB 415 of 2025.** In response to growing concerns about the effects of warehouses on sensitive receptors, the Legislature enacted AB 98 (Juan Carrillo and Reyes), Chapter 931, Statutes of 2024. AB 98 established minimum requirements that must be met for local agencies to approve development of new or expanded logistics uses (warehouses) on or after January 1, 2026, that have loading bays within 900 feet of schools, homes, daycares, nursing homes, hospitals, and parks or playgrounds. These standards required logistics uses to be located on larger roads, unless it is impractical to do so, and established a number of other requirements for the development and approval of logistics uses. SB 415 (Reyes), Chapter 316, Statutes of 2025, made a number of clarifying changes to AB 98.

- 5) **Policy Considerations and Committee Amendments.** AB 98 and SB 415 required a tremendous amount of work and careful negotiations over a period of two years to develop the resulting law governing logistics uses/warehouses in this state. In order to ensure that this bill does not upend these efforts, the Committee may wish to adopt the following amendments:

Revise and recast the bill to read:

(a) “Industrial city” means a city that meets all of the following criteria:

(1) The city has a resident population of fewer than 25,000.

(2) A majority of the city’s jurisdiction is zoned or used for industrial, manufacturing, logistics, warehouse, energy production, or other large-scale commercial uses. Large-scale commercial use means any commercial use with 250,000 or more square feet of building space.

(3) The city supports a daytime workforce that exceeds its resident population.

(b) This section shall not be deemed to modify or affect Chapter 2.8 (commencing with section 65098) of Division 1 of Title 7, including, but not limited to, affecting any special benefit, exemption, exception, or special preference for a development or jurisdiction governed by that chapter.

- 6) **Arguments in Support.** The City of Industry, co-sponsor of this measure, writes, “SB 1274 is intended solely to establish a definition of an ‘industrial city’ in state law. The bill recognizes the unique characteristics of a small number of jurisdictions whose limited residential populations stand in contrast to their outsized roles as employment centers, manufacturing hubs, and centers of commerce that support regional economies throughout California.

“Importantly, SB 1274 is strictly definitional in nature. It is not intended to modify, supersede, or otherwise affect any existing statute, program, funding formula, or regulatory framework. Nor is it intended to create any new rights, exemptions, or preferences for any city.

“In particular, the City of Industry wishes to make clear that SB 1274 is not intended to impact, directly or indirectly, any existing laws, regulations, or programs governing warehouses, logistics facilities, distribution centers, or data centers. The bill should not be construed as providing any special treatment, exemptions, or advantages with respect to the development, permitting, operation, or regulation of such facilities, nor is it intended to alter the application of any existing environmental, land use, or public health statutes.

“Rather, SB 1274 simply establishes a descriptive classification that may help policymakers better understand and evaluate the unique characteristics of certain employment-centered jurisdictions. Any future application of this definition to a state program or policy would require separate legislative action.”

- 7) **Arguments in Opposition.** A large coalition of opponents write, “Proponents characterize the designation as a neutral administrative category intended to facilitate future infrastructure funding (such as road repair), but the definition as drafted is fundamentally deficient. It omits the defining environmental and public health consequences of concentrated industrial land

use, and in doing so would legitimize a structural arrangement that externalizes harm onto surrounding communities while retaining fiscal and economic benefits within city limits...

"(T)he bill's deficiencies are not merely oversights. They reveal a designation framework that is so incomplete and disconnected from the lived reality of industrial land use that no set of amendments can rescue it. The bill would actively distort the regulatory landscape and undermine California's longstanding commitment to environmental justice. It should therefore be rejected outright...

Proponents have stated that SB 1274 itself confers no direct benefits. It merely creates a label for use in future legislation. This framing makes the bill's deficiencies more dangerous, not less. Statutory definitions shape political reality. A definition that describes an 'industrial city' only by its workforce and land use, while omitting the health costs it imposes on its neighbors, does not merely fail to capture the health costs and potential fiscal burden of residents living alongside concentrated industrial land use. It actively constructs a legislative foundation designed to exclude those considerations from the outset. Any future program, policy, or funding formula built upon this incomplete foundation would perpetuate rather than correct the inequities these cities have created...

"How we define categories for regulatory purposes matters profoundly, because those definitions determine the scope of future policy and the interests that future policy will, and will not, serve. If California is going to recognize 'industrial cities' in statute, it must do so with a definition that is grounded in the full reality of how these cities operate and who bears the consequences. SB 1274 fails that standard so completely that it cannot be salvaged through amendment."

REGISTERED SUPPORT / OPPOSITION:

Support

City of Commerce [CO-SPONSOR]
City of Industry [CO-SPONSOR]
City of Santa Fe Springs [CO-SPONSOR]
City of Vernon [CO-SPONSOR]
California Contract Cities Association

Opposition

934 Individuals
Clean Air Coalition of North Whittier and Avocado Heights
Community Shield
Kim De LA Peza, Dvm, INC
No Data Center Mpk
No Data Centers Sgv
Pasadena Privacy
Puente Hills Community Preservation Association
Sgv Progressive Action

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