

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1752 (Lackey) – As Introduced February 9, 2026

Policy Committee: Judiciary Vote: 12 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

**SUMMARY:**

This bill removes the \$5,000 eminent domain independent appraisal cap to cover all reasonable appraisal costs stemming from the Sacramento-San Joaquin Delta tunnel project and land needed for high-speed rail.

**FISCAL EFFECT:**

Costs of an unknown, but potentially significant, amount to state entities for increased appraisal reimbursements. For high-speed rail, costs would be borne by the High-Speed Rail Authority from the High-Speed Passenger Train Bond Fund (Proposition 1A) and the Greenhouse Gas Reduction Fund (cap-and-trade proceeds). For the Delta Conveyance Project, costs would likely be borne by the Department of Water Resources (DWR), funded by State Water Project revenue — derived from participating public water agencies and repaid through water contractor charges, not the General Fund; costs for habitat or flood management acquisitions have historically been funded by the General Fund or general obligation bonds. The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

- 1) The High Speed Rail Authority (HSRA) estimates it will need approximately 150 parcels per year in the near term as it enters an aggressive acquisition phase for the Merced-to-Bakersfield extensions. Assuming reimbursement costs range from \$5,000 to \$10,000 per parcel, the HSRA estimates annual costs of \$750,000 to \$1.5 million for appraisal reimbursements alone — up from the current maximum of \$750,000 under the \$5,000 cap. Costs could grow as acquisition expands toward San Francisco and Anaheim.

The HSRA also raises concerns that removing the cap could inflate appraisal costs more broadly. The Authority currently provides two appraisals at its own expense; the third, owner-ordered appraisal is used to negotiate a higher purchase price. Without a cap, the Authority argues, property owners may seek appraisals that support inflated valuations, increasing both the cost of the appraisals and the capital cost of the underlying property acquisitions. This committee is not in a position to evaluate that claim but notes it as a cost risk.

- 2) DWR estimates approximately 1,100 appraisals over a five-year period related to the Delta Conveyance Project. DWR assumes an average appraisal cost of \$10,000 — roughly double the current \$5,000 cap — and projects that removing the cap would increase the share of landowners requesting independent appraisals from approximately 25 percent to 75 percent.

On that basis, DWR estimates total additional costs of approximately \$6.9 million over five years, or roughly \$1.4 million per year.

**COMMENTS:**

1) **Purpose.** According to the author,

This bill provides a fair, reasonable, and necessary update to the reimbursement structure for property owners facing eminent domain actions related to the California high-speed rail project or the delta conveyance project. AB 1752 provides fairness so that property owners can secure independent licensed appraisals without bearing undue financial burdens.

2) **Background.** Eminent domain is a constitutionally provided government authority to acquire private property for just compensation and put such property to public use. Under existing law, when a public entity seeks to acquire private property through eminent domain, it must offer to reimburse the property owner for the reasonable cost of an independent appraisal, up to \$5,000. That cap has not been adjusted in nearly 20 years and, according to the bill's sponsor, no longer reflects the actual cost of obtaining an appraisal, particularly for complex takings involving subdivided parcels or partial acquisitions.

This bill targets two large state infrastructure projects: the Sacramento-San Joaquin Delta tunnel (Delta Conveyance Project) and California's high-speed rail system. Both projects involve significant land acquisition through eminent domain. The HSRA is currently in a heavy acquisition phase, estimating the need for approximately 600 parcels across the Merced and Bakersfield extensions in the near term, with further expansion planned. DWR estimates approximately 1,100 appraisals over a five-year period for the Delta Conveyance Project.

3) **Prior Legislation.** AB 1033 (Lackey, 2025), would have increased the cap for all eminent domain actions to \$8,000. AB 1033 was held on the Senate Appropriations Committee suspense file when annual costs to the state were estimated to exceed \$3.5 million based on approximately 1,300 parcels subject to eminent domain-related approvals in 2024.

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