



**COMMENTS:**

- 1) *Purpose of the bill.* According to the author, “The Black Point Bridge is a critical link for Sonoma Marin Rail Transit (SMART) and local freight in my district. Currently the Black Point Bridge is in desperate need of repair and has secured \$1.4 million to make the bridge functional. However, current law requires a 30% non-governmental match to access the funding. While SMART was unable to find a 30% match, local entities have come together to fund this important rail improvement project. AB 599 would allow us to use local, state, or federal money for the 30% non-governmental match as long as the money is not allocated by CTC, to protect a \$1.4 million grant, awarded to SMART. This money is vital to our local government and ensuring freight can continue to serve the Petaluma region.”
- 2) *Short Line Railroads.* Short line railroads are a specific type of railroad that operate relatively short-distance rail lines throughout the country. Their primary purpose is to handle the “first mile” and “last mile” of the freight rail network, serving as a distribution and feeder system for the overall freight rail network. Unlike larger rail operators which run expansive interstate rail operations, short lines typically focus on providing access to smaller markets and moving goods between origin points, processing points, and final points of sale.

Like with all rail, maintaining the physical rail infrastructure is one of the most important, and hardest, tasks for short line railroads. Many short line railroads initially acquired their rail from larger operators who no longer saw economic benefit in operating the lines themselves. As such, many short lines are in possession of aging and outdated infrastructure, sometimes dating to as far back as the early 20<sup>th</sup>, or even 19<sup>th</sup>, century. Short lines thus face issues maintaining and upgrading many parts of their infrastructure, including bridges, tunnels, and other crossings.

- 3) *Short Line Railroad Improvement Program.* In an effort to address funding challenges associated with these infrastructure problems, in 2019 the Legislature passed SB 87 (Hurtado, Chapter 32, Statutes of 2019), which created the SLRIP. This program, operated by CTC, included a one-time appropriation of \$7.2 million from TCIF to fund the program. SLRIP was designed to fund projects such as railroad reconstruction, maintenance, and upgrades or replacements for short line rail infrastructure. Short line railroads were eligible to apply, but had to do so with either a California Department of Transportation (Caltrans) or regional transportation planning agency (RTPA) acting as a project sponsor. Furthermore, all projects had to be matched with at least 30 percent private funds.

Ultimately, the program received eight applications and dispersed roughly \$6.5 million in funding. These projects were spread across the state and were roughly evenly split between track repair and upgrades, and bridge maintenance. All projects that applied were fully funded.

- 4) *Sonoma-Marin Area Transit District*. One operator to receive SLRIP funds was the Sonoma-Marin Area Transit District (SMART). Unlike other short lines, SMART is a public transportation agency. SMART primarily operates a commuter rail that provides passenger service in a corridor linking the City of Windsor in Sonoma County to Larkspur in Marin County. SMART service generally parallels the existing Highway 101 corridor, with stations in the Sonoma County Airport area, Santa Rosa, Rohnert Park, Cotati, Petaluma, Novato, San Rafael, and Larkspur. In 2019, SMART had a ridership of approximately 2,500 passengers per weekday. As of 2023, SMART is back to pre-pandemic ridership levels.

Beyond passenger rail, SMART also operates a freight rail service along its corridor. In 2018, SB 1029 (McGuire, Chapter 934, Statutes of 2018) dissolved the old North Coast Railroad Authority and moved their responsibility for the provision of freight rail services to SMART. SMART began operating freight service in 2022. As of 2024, SMART's freight rail service operates two round-trip trains per week during overnight hours when passenger service is not running, representing only about one percent of its total train trip miles per year.<sup>1</sup>

- 5) *SMART and SLRIP*. In January 2021, CTC approved roughly \$1.5 million of SLRIP funding for the SMART Freight Improvements Project. The goal of the project is to repair the Black Point Bridge, which crosses the Petaluma River on the Marin-Sonoma County border, as well as upgrade existing freight spurs and construct new ones. The project is planned to be carried out in two phases. The first phase will repair the Black Point Bridge, and the second phase will upgrade the rail line and install new freight spurs.

Despite being approved over five years ago, the project has not yet begun. According to SMART, this is because the original SLRIP requires that all funding includes a 30 percent match from the private sector. The intent of this match was to make sure that short line rail operators, which are almost exclusively private entities, had to contribute their own funds to these projects. However, since SMART is a fully public entity, it has been unable to meet this requirement. AB 599 attempts to address this issue by amending the SLRIP

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<sup>1</sup> <https://www.govinfo.gov/content/pkg/GOVPUB-RR-3b80e6269f9bced196ddd8e7122c5e9f/pdf/GOVPUB-RR-3b80e6269f9bced196ddd8e7122c5e9f.pdf>

language to allow a public short line rail operator to utilize other public money for these matching funds. SMART is the only SLRIP recipient impacted by these provisions.

SMART, writing in support, states, “SMART is the only public agency in the state that operates passenger rail and freight. As a result, SMART has dedicated freight money that can be used in lieu of the private match but must ensure that the remaining SLRIP funds available for critical State of Good Repair improvements on the publicly owned railroad are not jeopardized. . . SMART has had several weather-related emergencies over the past three years resulting in significant work on the railroad, work that could otherwise utilize SLRIP funds but for the private fund match requirement.”

**RELATED/PREVIOUS LEGISLATION:**

**SB 87 (Hurtado, Chapter 32, Statutes of 2019)** – Created SLRIP as a competitive funding program for short line railroad infrastructure projects and included a one-time appropriation of \$7.2 million for the program from TCIF.

**SB 1029 (McGuire, Chapter 934, Statutes of 2018)** – Dissolved the North Coast Railroad Authority and moved their responsibility for the provision of freight rail services to SMART.

**AB 2224 (Nation, Chapter 341, Statutes of 2002)** – Created SMART and established powers and duties regarding the formation, governance, organization, maintenance, operation and potential dissolution of the district. Authorized SMART to provide passenger rail service in the counties of Sonoma and Marin.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 24, 2026.)

**SUPPORT:**

Sonoma-Marín Area Rail Transit District (SMART)

**OPPOSITION:**

None received

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