
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1136 (Blakespear) - Intercity rail and commuter rail: special events service plans: fare system integration

Version: April 6, 2026

Urgency: No

Hearing Date: April 27, 2026

Policy Vote: TRANS. 11 - 1

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: SB 1136 would require intercity rail operators to develop special event service plans and require any intercity and regional rail operator providing service within an intercity rail corridor to establish fare system integration, as specified.

Fiscal Impact:

- Unknown significant state costs and cost pressures, likely in the millions annually to provide increased subsidies to state-supported intercity rail operators to address the impacts of this bill on an accelerated timeline, including the development and incorporation of special events service plans into interagency rail operators' business plans and integrating fare payment systems with regional rail operators. This would involve extensive external engagement with special event venues and regional rail operators to develop comprehensive operating schedules with maximized frequency of service, to integrate fare payment systems, and to develop strategies to improve wayfinding and messaging. (Public Transportation Account, State Rail Assistance Fund)
- The Department of Transportation (Caltrans) anticipates additional unknown, significant indirect fiscal impacts in the tens of millions of dollars, and potentially over \$100 million, primarily due to rolling stock availability and equipment maintenance costs. To the extent the current inventory of rolling stock is inadequate for intercity rail operators to meet the increased service requirements of this bill, Caltrans would need additional resources to purchase rolling stock. In addition, Caltrans anticipates increased maintenance costs, potentially in the millions to tens of millions annually, due to more frequent use of railroad equipment, much of which is aging and in need of overhaul. (Public Transportation Account)
- Unknown significant local costs for regional rail operators to fully integrate fare systems with those of the intercity rail operators, which would involve extensive negotiations between agencies, public engagement, and procuring technological solutions to facilitate fare integration. Regional rail operators would also incur administrative costs to coordinate with intercity rail operators to develop special event service plans. While this bill has been keyed by Legislative Counsel as a state-mandated local program, staff assumes that it is unlikely that regional rail operator costs would be deemed reimbursable by the state because they have general authority to set transit fares to cover their operating costs. (Local funds, Public Transportation Account, State Rail Assistance Fund)

Background: Existing law authorizes Caltrans, subject to approval of the Secretary of the California State Transportation Agency (CalSTA), to enter into an interagency transfer agreement under which a Joint Powers Authority (JPA) assumes responsibility for administering the state-supported intercity passenger rail service, and associated feeder bus service, in a particular corridor. The Capitol Corridor JPA, San Joaquin JPA, and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency have entered into interagency transfer agreements to oversee state-supported intercity passenger rail service in specified corridors that are defined in statute. The Capitol Corridor service in Northern California covers 170 miles, connecting Auburn to San Jose. The San Joaquins', recently renamed the Gold Runner, serves the Central Valley. In Southern California, the Pacific Surfliner service is a 351-mile coastal corridor that runs from San Diego to San Luis Obispo, traveling through Orange, Los Angeles, Ventura, and Santa Barbara counties. Collectively, these lines serve roughly 4 million passengers annually, with the Pacific Surfliner serving roughly 2 million passengers annually alone, making it the second busiest intercity passenger rail route in the nation. Currently, all three intercity rail service lines are managed by local JPAs and operated by Amtrak, while Caltrans remains responsible for providing state funding for each intercity rail line. The combined state subsidy for all three intercity rail corridors was over \$192 million in 2024-25, and the JPAs are requesting a total of almost \$255 million in state subsidies in 2026-27.

All intercity rail providers in the state are required to submit an annual business plan by April 1 of each year to CalSTA. The primary purpose of these business plans is to report on the performance of the corridor and to discuss potential ways to improve service in the upcoming year. As part of this requirement, the business plan must include both short and long term capital improvements that can be considered. The plan must also discuss the agency's funding requirements for the upcoming fiscal year, including a discussion of fares, operating strategies, and marketing strategies. Finally, the plan must describe an action plan that lays out specific performance goals and objectives and how the agency aims to meet those goals.

Existing law, as enacted by SB 1 (Beall), Chap. 5/2017, establishes the State Rail Assistance (SRA) Program by directing a 0.5% portion of new diesel tax revenue to intercity rail and commuter rail for capital and operations expenses. Half of the revenue is directed to the three intercity rail corridors noted above, and half is directed to the five commuter rail providers, as specified. The SRA Program directs approximately \$50 million annually to intercity and commuter rail operators as of 2024-25.

The five major agencies that provide commuter rail service, as specified, are as follows: the Altamont Corridor Express Authority (ACE) provides service in the Central Valley and Tri-Valley areas, connecting Stockton with San Jose via Tracy, Livermore, and Fremont; the Sonoma-Marín Area Rail Transit District (SMART) operates service in the north Bay Area, connecting Sonoma County with Marin County; the Peninsula Corridor Joint Powers Board (Caltrain) operates in the South Bay area, with service between San Francisco and Gilroy; the Southern California Regional Rail Authority (Metrolink) provides service throughout the counties of Ventura, Los Angeles, San Bernardino, Orange, and Riverside; and lastly, the North County Transit Development Board (Coaster) provides service between San Diego and Oceanside. Together, the five commuter rail services had annual ridership of nearly 18 million passengers in FY 2025, with Metrolink and Caltrain making up the vast majority of that number.

Passenger rail in California currently faces many challenges and obstacles. Primary among these is increasing financial instability in the face of both reduced ridership and increasing costs. Ridership across the state drastically declined during the COVID-19 pandemic, and in many cases has not fully recovered. The three intercity rail operators reported total annual ridership of roughly 4 million passengers in the last fiscal year, compared to a total pre-pandemic number of nearly 6 million. On the commuter rail side, Caltrain is still at roughly only 60% of its pre-pandemic ridership numbers. Similarly, Metrolink has only recently reached 58% of its pre-pandemic ridership. Decreases in farebox recovery from this reduced ridership, combined with increasing maintenance and operation costs amidst post-pandemic inflation have placed rail operators in difficult financial positions.

Proposed Law: SB 1136 would require intercity rail operators to develop special event service plans and require any intercity and commuter rail operator providing service within an intercity rail corridor to establish fare system integration. Specifically, this bill would:

- Define a “regional rail operator” as a public agency, including a JPA, responsible for commuter rail service that receives funds from the State Rail Assistance (SRA) Fund.
- Define a “special event” as a ticketed event located within ½ mile of an intercity rail station and has a venue capacity of at least 15,000 people or a ticketed event located within one mile of an intercity rail station and has a venue capacity of at least 50,000 people.
- Require that an interagency transfer agreement for the provision of intercity rail service include service planning for special events.
- Require intercity rail operators (Capitol Corridor JPA, San Joaquin JPA, and LOSSAN Agency), commencing with the 2027-28 fiscal year, to include a special events service plan in their annual business plans that establishes all of the following:
 - An intercity operating schedule for special events with the greatest frequency of services using available funding and equipment. The operating schedule must leverage fare reciprocity programs between all intercity rail and regional rail operators in the intercity corridor without restrictions, to the greatest extent feasible, account for time needed to access events, and facilitate return trips.
 - A single published schedule made available online that includes connections to regional rail operators that operate in the intercity corridor, as specified.
 - Fare system integration between the intercity operator and regional rail operators that operate a service line that begins and terminates with the intercity rail corridor.
 - Strategies that improve wayfinding and messaging between the intercity rail operator and regional rail operators, access to stations, navigating stations, and trip planning processes when either operator is operating at or near the ticketed capacity.
- Authorize Caltrans to request that the special events service plan be submitted as an amendment to a previously adopted business plan.
- Require a regional rail operator operating within an intercity rail corridor to ensure, by July 1, 2027, that its fare systems are fully integrated with the intercity rail operator and any other regional rail operator that is operating in the intercity corridor.

Related Legislation: SB 917 (Becker), which was held on the Assembly Appropriations Committee's Suspense File in 2022, would have required the Metropolitan Transportation Commission, to develop and adopt a Connected Network Plan, adopt an integrated transit fare structure, develop a regional transit mapping and wayfinding system, and establish open data standards, as specified, for the 27 transit operators in the San Francisco Bay Area region.

Staff Comments: Staff notes that the timelines specified in the bill are likely infeasible. There would be insufficient time for the intercity rail JPAs to develop and incorporate special event service plans into their business plans for the 2027-28 fiscal year. As noted above, business plans are due to CalSTA by April 1, and those plans are largely completed several months in advance and circulated for public comment. Since this bill would be operative on January 1, 2027, it would not be possible for the JPAs to complete the specified workload. Furthermore, the bill requires regional rail operators to ensure that its fare systems are fully integrated with those of the intercity rail corridor, and any other regional rail operators with operations in the intercity corridor, by July 1, 2027, which would likely be unachievable.

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