

- 5) Authorizes Caltrans and DWR to inspect and supervise any work done under any permit and requires the permittee to pay the reasonable cost of such supervision.
- 6) Requires Caltrans and DWR to establish an appeals procedure for an applicant to appeal the denial of a permit.
- 7) Authorizes Caltrans and DWR to remove a permit and establishes a process for the removal, including notice to the permit holder.
- 8) Declares that any person who does an activity for which an encroachment permit is required, including making an alteration, improvement, encroachment, or excavation within the right-of-way without a Caltrans or DWR permit is guilty of a misdemeanor.

This bill:

- 1) Defines “emergency” to mean a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
- 2) Defines “encroachment” to mean any of the following:
 - a) Installation of any tower, pole, pipe, fence, building, structure, sign, billboard, vegetation, object, or improvement of any kind or character not particularly mentioned in this chapter, that is placed in, on, under, or over any portion of the Authority’s right-of-way.
 - b) Performance of any activity, event, use, access, or other intrusion of any kind or character not particularly mentioned in this chapter, that occurs in, under, or over any portion of the Authority’s right-of-way.
- 3) Defines “encroachment permit” to mean the Authority’s written authorization for a person to install or perform an encroachment within the Authority’s right-of-way that is not inconsistent with the function, operation, maintenance, enlargement, rehabilitation, safety, or security of any portion of the Authority’s right-of-way or any feature of the high-speed train system.
- 4) Defines “high-speed train system” to mean the high-speed train system described as defined in the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

- 5) Defines “person” to mean any person, firm, partnership, association, corporation, other business entity, nonprofit organization, utility company, or government entity.
- 6) Defines “right-of-way” to mean any property interest, including, but not limited to, an easement, license, permit, joint-use agreement, or fee ownership, that is acquired by the authority for high-speed rail purposes.
- 7) Authorizes the Authority to issue an encroachment permit, as specified, that authorizes a permittee to install or perform any kind of encroachment that is not inconsistent with the function, operation, maintenance, enlargement, rehabilitation, safety, or security of the high-speed train system or the Authority’s right-of-way. Declares that by issuing an encroachment permit, the Authority is not responsible for the competence or reliability of the permittee or the encroachment.
- 8) Requires any person proposing to install or perform an encroachment within the Authority’s right-of-way to apply to the Authority on a form prescribed by the Authority, along with all reports, studies, plans, analyses, and other supporting documents as required by the Authority.
- 9) Prohibits a person from installing or performing any encroachment within the Authority’s right-of-way without first obtaining an encroachment permit from the Authority.
- 10) Requires that any person possessing a real property interest over a portion of the Authority’s right-of-way to obtain an encroachment permit before commencing any activity within the Authority’s right-of-way. Authorizes the Authority to waive the fee for obtaining an encroachment permit.
- 11) Requires the Authority to approve or deny an application for an encroachment permit no later than 60 days from the date of receipt of the complete application, as determined by the Authority, as specified.
- 12) Requires the Authority to determine whether the application is complete no later than 30 days from the date on which the application is received.
- 13) If the Authority denies an application for an encroachment permit, requires the Authority to provide reasons for the denial at the time of notifying the applicant. Authorizes the applicant to address the reasons for denial and resubmit a revised encroachment permit application for reconsideration by the Authority. Requires the Authority to approve or deny a resubmitted application

no later than 60 days from the date of receipt of a complete resubmitted application addressing all the reasons of denial.

- 14) Requires an appeal of a denial of an encroachment permit application be made in writing to the Authority's executive director or the designee of the executive director. Requires a final written determination within 60 calendar days after receipt of the applicant's written appeal. Requires the appellant to pay to the Authority a fee of not more than 50% of the estimated administrative cost to the authority for conducting the appeal.
- 15) Authorizes the Authority to support the applicant with project development, as specified, if the applicant cannot complete the encroachment project design without the Authority's involvement and support. Authorizes the Authority to establish the processes and requirements for those projects. Requires the applicant to reimburse the Authority for all the costs expended by the Authority in accordance with the Authority's fee schedule.
- 16) Declares that nothing in this bill precludes an applicant and the Authority from mutually agreeing to an extension of any required time limit.
- 17) Authorizes the Authority to prescribe requirements in the encroachment permit, including a requirement that the permittee pay the entire expense of restoring the portions of the Authority's right-of-way or features of the high-speed train system affected by a permittee's encroachment to a condition equivalent to that before the encroachment was installed or performed, and requirements relating to the location and manner in which the restoration work shall be performed, as determined by the Authority, as specified.
- 18) Requires an encroachment permit to include a provision that requires the permittee to relocate or remove the encroachment if the encroachment is deemed by the Authority to impact high-speed train system operations, safety, or maintenance at any point of time or if future repair, rehabilitation, or improvement of the high-speed train system requires the relocation or removal of that encroachment, at the sole expense of the permittee.
- 19) Requires an encroachment permit to be revocable and nontransferable and may only be modified or transferred with written approval of the authority, unless as otherwise agreed in writing between the Authority and permittee.
- 20) Requires an encroachment to be removed upon the revocation of the applicable encroachment permit. Requires the permittee to remove the encroachment in the manner and time specified by the Authority.

- 21) Authorizes the Authority to inspect the work performed under any encroachment permit, in which event the permittee is required to pay the cost of that inspection to the Authority, as specified.
- 22) Authorizes the Authority to require any applicant, other than a county, city, city and county, or public agency, as specified, to file with the Authority a satisfactory bond payable to the Authority in an amount that the Authority determines to be sufficient. Authorizes the Authority to require a bond, in an amount that the Authority determines to be sufficient, from a county, city, city and county, or public agency that failed to comply with the conditions of a previous encroachment permit.
- 23) Authorizes the Authority to require any applicant to provide proof of insurance naming the Authority, its directors, and its employees as additional insureds in an amount reasonably necessary to protect the state's interest.
- 24) Authorizes the Authority to establish a fee schedule and charge fees, except to any public corporation. Requires the fee schedule established by the Authority not produce a total estimated revenue more than the estimated total cost to the Authority for administering the permit process, as specified. Requires funds from fees collected be deposited into the High-Speed Rail Property Fund
- 25) Authorizes funds collected from fees created by the bill to be deposited in the High-Speed Rail Property Fund in the State Treasury. Requires funds to be available to the Authority, upon appropriation by the Legislature, for the administration of the permit process created by the bill and for use in the development, improvement, and maintenance of the high-speed rail system.
- 26) Declares that any person who installs or performs an encroachment within the Authority's right-of-way without an encroachment permit from the Authority shall be guilty of a misdemeanor.
- 27) Requires notice to be given to the owner, occupant, or person in possession of the encroachment, or to any other person causing or permitting the encroachment to exist, by serving a notice that includes a demand for the immediate removal of the encroachment from the Authority's right-of-way, as specified. If an owner, occupant, or person in possession of an encroachment is not present in the county in which the encroachment is located, the notice may be given to an agent of the owner, occupant, or possessor of the encroachment.
- 28) Authorizes the Authority to remove any encroachment that meets both of the following criteria:

- a) Not later than 60 days from the date on which a notice was given, the owner, occupant, or person in possession of the encroachment has not asserted a right to be in possession, and has not removed, or commenced to remove the encroachment.
 - b) The encroachment obstructs, threatens, or prevents the proper operation, maintenance, or rehabilitation of the high-speed train system, or threatens the safety or health of the passengers or workers of the high-speed rail.
- 29) Authorizes the Authority to immediately remove any encroachment that meets both of the following criteria:
- a) Not later than three days from the date on which a notice is served, the owner, occupant, or person in possession of the encroachment has not asserted a right to be in possession, and has not removed, or commenced removing in a diligent manner, the encroachment.
 - b) The encroachment poses an imminent threat to the integrity of one or more features of the high-speed train system, or to the safety and health of the passengers and workers of the high-speed rail.
- 30) Authorizes the Authority, in the case of an emergency, to take any action necessary to avert, alleviate, repair, or mitigate any threat to the high-speed train system, including the passengers or workers of the high-speed rail.
- 31) Authorizes the Authority to recover the expense of the removal, costs and expenses of suit, including attorney's fees, if it removes any encroachment upon the failure of the owner, occupant, or person in possession of the encroachment to comply with the notice, as specified.
- 32) Authorizes the Authority to commence an action to abate the encroachment as a public nuisance if the owner, occupant, or person in possession of the encroachment, or person causing or suffering the encroachment to exist, or the agent of any of these parties, disputes or denies the existence of the encroachment or asserts a right to be in possession. If judgment is recovered by the authority, it may, in addition to having the encroachment adjudged a nuisance and abated, recover \$5,000 for each day the encroachment remains after the expiration of the applicable response period, as specified, and may also recover the expense of that removal, and costs and expenses of the suit, including attorney's fees.

- 33) Declares that any person owning, controlling, placing, or causing or suffering to exist, any encroachment within the Authority's right-of-way after notice has been served upon the person, as specified, is, in addition to any civil liability, guilty of a misdemeanor.
- 34) Declares that unless a person is otherwise authorized, by law or by an encroachment permit, it is unlawful for any person to do any of the following acts:
- a) Drain water, or permit water to be drained, from the person's lands onto the authority's right-of-way by any means, which results in damage to the high-speed train system or the authority's right-of-way, except where the water naturally drains onto the authority's right-of-way.
 - b) Obstruct any natural watercourse in a manner that does any of the following: prevents, impedes, or restricts the natural flow of waters from any portion of the authority's right-of-way into or through the watercourse or high-speed train system's cross drainage structures; causes waters to be impounded within the authority's right-of-way that damages the high-speed train system or the authority's right-of-way, except where the water naturally drains onto the authority's right-of-way, or causes interference with, or damages or makes hazardous the operation, maintenance, and rehabilitation of, the high-speed train system, or threatens the health or safety of the passengers or workers of the high-speed rail.
 - c) Store or distribute water for any purpose to permit the water to overflow onto, or saturate by seepage, causing damage to, or to obstruct or damage any feature of the high-speed train system or any portion of the authority's right-of-way.
- 35) If any person is notified, as specified, and fails, neglects, or refuses to cease and discontinue the diversion, drainage, seepage, or overflow of the waters or to make or pay for the repairs, Authorizes the Authority may make repairs and perform work as it determines necessary, as specified and recover the amount expended for those repairs and work, and in addition, the sum of \$5,000 for each day the drainage, diversion, overflow, or seepage of the waters is permitted to continue.
- 36) Requires when notice is given by the Authority, to any person permitting a condition to exist, as specified, the person to immediately cease and discontinue the activities, as specified and shall repair, or pay for the repair of,

any damage to the high-speed train system or the Authority's right-of-way. Authorizes the person to challenge, administratively in accordance with regulations, or in a court of competent jurisdiction, the propriety of the determination by the Authority.

- 37) Declares that any person who by any means injures or damages any feature of the high-speed train system or the Authority's right-of-way is liable for necessary repairs, and the authority may recover in an action at law the amount expended for the repairs, together with the costs and expenses, including attorney's fees, incurred in that action. Any person who willfully damages any feature of the high-speed train system or any portion of the authority's right-of-way is guilty of a misdemeanor.
- 38) Declares that any person, without a permit issued by the Authority, that digs up, cuts down, destroys, prunes, trims, or otherwise injures any shrub within the Authority's right-of-way shall be liable for a penalty in the sum of \$5,000 for each shrub so damaged. Authorizes the Authority to recover the penalty in court, including attorney's and expert fees, incurred in the action and the actual costs incurred because of the damage to any shrub on the Authority's right-of-way.
- 39) Authorizes the Authority to recover damages in court, as specified, for an injury to, or removal of, a tree on the Authority's right-of-way. Authorizes the Authority to also recover costs and expenses, including attorney's and expert fees, incurred in the action.
- 40) Declares that no person has any franchise rights within the Authority's right-of-way, and no county, city, or city and county has any right to grant a franchise within the Authority's right-of-way.
- 41) Authorizes the Authority to adopt regulations to implement the provisions of this bill, including regulations that provide for the filing of an application for an encroachment permit, related administrative review and inspection, the imposition of fees, the terms and conditions of encroachment permits, an administrative appeal process, and a process for administrative review and regulation of existing encroachments.
- 42) Authorizes the California Highway Patrol (CHP) and all peace officers from local law enforcement agencies to enforce the provisions of this bill with respect to the areas of the Authority's right-of-way under their respective jurisdiction and requires them to cooperate with the Authority.

- 43) Declares that survey monuments be preserved, referenced, or replaced pursuant existing state law.
- 44) Declares that this bill does not limit the powers and duties vested by law in the California Public Utilities Commission (CPUC), as specified.
- 45) Declares that this bill does not limit the powers and duties vested by federal law in the Federal Railroad Administration (FRA) or the federal Surface Transportation Board (STB), as specified.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, “California is building the nation's first 220 mph, fully electrified, high-speed rail system, and there will be massive development potential along the 500-mile corridor. It is vital that the HSR Authority be able to protect these rights-of-way from encroachments that may interfere with or delay this transformational project. SB 1425 will facilitate timely construction by establishing a permitting program for encroachments that are consistent with the functions and operations of the project's right-of-way. A clear encroachment permitting process will help ensure that the Authority can protect the project's land and work more effectively with local property owners, businesses and public entities to bolster the surrounding communities.”
- 2) *California High-Speed Rail.* Development of high-speed rail in California began nearly 30 years ago. SB 1420 (Kopp, Chapter 796, Statutes of 1996), created the Authority to direct development and implementation of intercity high-speed rail service that would be fully coordinated with other public transportation services. The Authority is part of the California State Transportation Agency (CalSTA) and is governed by an eleven-member Board of Directors. The Governor appoints five members of the board, the Senate Rules Committee appoints two, and the Assembly Speaker appoints two. Additionally, the board includes two ex-officio, non-voting members, one member of the Assembly and one member of the Senate.

In 2008, voters approved Proposition 1A, the Safe, Reliable, High-Speed Passenger Train Bond Act, a \$9.95 billion general obligation bond to fund the proposed California high-speed rail project and related improvements. As envisioned at the time of the ballot measure, the project was to consist of an 800-mile dedicated high-speed passenger rail system capable of speeds up to 220 miles per hour, initially serving the major metropolitan market of San Francisco through the Central Valley into Los Angeles and Anaheim

(Phase I), with service eventually extending to Sacramento, the Inland Empire, and San Diego (Phase II).

In July 2012, the Legislature approved SB 1029 (Committee on Budget and Fiscal Review, Chapter 152, Statutes of 2012), that appropriated nearly \$8 billion in federal and state funds to begin the construction between Madera and Bakersfield. SB 1029 funded three components of the project, including \$5.8 billion (\$3.2 billion from federal grants and \$2.6 billion from Proposition 1A) to fund the construction of the high-speed rail “backbone” in the Central Valley; \$819 million of Proposition 1A bonds for “connectivity” projects on existing rail and transit systems throughout the state; and \$1.1 billion for the “bookends” projects in the Bay Area and Southern California (\$600 million for the electrification of Caltrain and \$500 million for projects in the Los Angeles Basin) to improve existing rail corridors for eventual use by the high-speed rail system.

Further, the 2014-15 state budget trailer bill SB 862 (Committee on Budget and Fiscal Review, Chapter 36, Statutes of 2014), continuously appropriated 25% of the revenues derived from the state’s Cap-and-Trade program to the project.

Additionally, as a companion measure to the 2022-2023 State Budget that apportioned the remaining \$4.1 billion of Proposition 1A bonds to the Authority, the Legislature approved SB 198 (Committee on Budget and Fiscal Review, Chapter 71, Statutes of 2022). SB 198 required the Authority to focus its resources on finishing a usable high-speed segment from Merced to Bakersfield, which is defined as a “171-mile electrified dual-track segment that is usable for high-speed rail service in the Central Valley from Merced to Bakersfield, with a new combined station in downtown Merced, and connections to the Amtrak San Joaquins and the Altamont Corridor Express (ACE).”

Finally, in 2025, through AB 1207 (Irwin, Chapter 117, Statutes of 2025) and SB 840 (Limon and McGuire, Chapter 121, Statutes of 2025), the Legislature extended the Cap-and-Trade program through 2045, renaming it Cap-and-Invest. SB 840 also allocated, if funds are available, \$1 billion of Cap-and-Invest funds annually to the Authority through 2045.

- 3) *The project evolves under new leadership.* In August 2024, Ian Choudri was named as the new Chief Executive Officer (CEO) of the Authority by the Authority Board of Directors. The new CEO set out to revamp the project, both in the Central Valley and beyond into full Phase I. In August 2025, the Authority released a Supplemental Project Update Report (SPUR). According

to the Authority, the SPUR “represents a reevaluation of the program focusing on completing design reviews to minimize costs, making trade-off decisions for greater efficiency, sequencing construction and making funding go further, and reviewing estimating methods for greater reliability.” The SPUR evaluates multiple alternatives to Merced to Bakersfield as potential initial operating segments, including Gilroy to Bakersfield and Gilroy to Palmdale, utilizing the existing Caltrain corridor to connect Gilroy to San Francisco.

- 4) *Authority requests numerous statutory changes.* Throughout 2025 in various public meetings, culminating in the release of the SPUR and the Draft 2026 Business Plan, the Authority has detailed numerous requests for statutory change to “deliver California’s high-speed rail program with certainty around cost and schedule.” These proposals include:
- **CEQA exemptions for renewable power generation facilities** – to streamline environmental approvals and accelerate delivery of renewable energy sources needed to power the system.
 - **Streamlined permitting for utility relocation and third-party management** – to establish enforceable timelines, accountability, and cost controls for utility providers and other third parties where associated delays currently threaten projects schedules.
 - **Dedicated court resources for right-of-way cases** – to ensure timely adjudication of property acquisitions and avoid costly delays in construction sequencing.
 - **Boosted land use authority and value capture mechanisms** – to provide regulatory tolls around station areas and along the corridor and allow the Authority to capture value, sales and property tax increment, generated by transit-oriented development. This would include zoning, land use, and permitting controls over land it owns and land within a one-half mile radius of high-speed rail stations.
 - **Sales tax exemption on purchasing materials** – to reduce overall costs and schedule of construction and incentivize efficient in-state procurement.
 - **SB 198 Changes** – remove the limitations related to spending outside the Central Valley, to provide flexibility for project sequencing and unlock private sector engagement, allowing the Authority to invest new funds back into the system to continue building.
 - **Encroachment permit authority** – to allow the Authority to issue encroachment permits to allow third-parties to access its right-of-way.
- 5) *2026 Draft Business Plan.* In March, the Authority released its 2026 Draft Business Plan (Plan). The Plan provides updated cost and schedule estimates for the various segments of the high-speed rail project as outlined in the SPUR.

Specifically, the Authority estimates the cost for the Merced to Bakersfield segment at \$34.8 billion, down from \$36.7 billion in the SPUR, and still on track for 2032. Additionally, the Authority estimates the San Francisco to Gilroy to Bakersfield segment at \$60.3 billion up from \$58.1 billion, and the San Francisco to Gilroy to Palmdale segment at \$96.7 billion up from \$90.8 billion. Both estimates include Merced but does not include the cost for upgrading the Gilroy to San Jose Caltrain corridor.

The estimates in the Plan also include a number of cost-saving measures identified during a new “bottom-up cost review” that adjusted the Authority’s overall financial assumptions. This review further included explicit and implicit scope changes to the project, such as moving the Merced and Bakersfield stations outside of the downtown area, projected to save roughly \$1.1 billion, and reducing the amount of dual-track rail to 20 miles across the entire segment. This outlook requires that the Legislature approve the aforementioned scope changes to the plan that is currently outlined in SB 198. As noted, these changes include controversial decisions, including relocating the Merced station outside of the downtown.

In addition to major scope changes, the Plan’s cost and schedule estimates assume that all of the statutory changes requested are achieved. It is unclear how much cost and time would be added to the estimates if any or all of the requests of the Legislature are not achieved. The Authority has also laid out plans to explore what they call ancillary revenue sources. These are various forms of value capture, aiming to produce additional revenues based on the overall economic growth facilitated by the project itself. Some of these proposed revenue sources include advertising, baggage fees, parking fees, station retail, sponsorship deals, telecommunications infrastructure, and ground leases, among others. These ancillary revenues are also included in the Plan’s estimates.

The Authority projects that they currently have the funds to complete the Merced-Bakersfield segment, even with the recent loss of roughly \$4 billion in federal grant funds. Specifically, the Plan identifies the available funding at \$39.3 billion. Again, this total includes an estimated \$15 billion from the state’s Cap-and-Invest program through 2045. However, this funding does not mean that they have cash on hand to align with planned construction schedules. The Authority’s most recent financial outlook assumes that they are able to secure these near-term funds through financing based on their ongoing Cap-and-Invest appropriations. It is unclear what the Authority would need to facilitate this kind of borrowing and how much it would cost. As Cap-and-Invest proceeds are volatile and if the Authority is not guaranteed a so-called “first call” on the

funds for their \$1 billion annual allocation, it may not be attractive to the potential investors for financing. The Authority may seek more guarantees, such as the state agreeing not to make major changes in the program or the state may have to pay a higher interest rate to compensate for the risk that revenues may not materialize.

- 6) *Right-of-way acquisition in the Central Valley and beyond.* As described, the Authority is focused on an operational system in the Central Valley from Merced to Bakersfield (M-B segment) by 2032. The Authority is currently constructing 119 miles of the segment from Madera County to Poplar Avenue north of the city of Shafter in Kern County. To complete the segment, the Authority is currently designing two extensions from Madera north to Merced (Merced extension) and the other from Poplar Avenue south to Bakersfield (Bakersfield extension). Looking back on the delays that have plagued the project, the Authority has stated that starting construction on the initial 119-mile segment before completing appropriate pre-construction activities resulted in unforeseen and underestimated costs to the project. These critical pre-construction activities are referred to as early works, which include identifying and acquiring the parcels of land needed for the rail system's right of way. Other early works can include activities such as design and engineering work for relocating utilities, and testing physical conditions of the corridor, such as geo-testing for potential tunnel locations.

According to the Plan, to date the Authority has acquired 2,284 parcels of land in the 119-mile segment and delivered these to the construction teams. That equates to roughly 99.7% of what is needed to complete the 119 miles. The Authority estimates that the combined Merced and Bakersfield extensions are expected to require acquisition of more than 500 parcels total, but the extensions remain in design.

Throughout project development, the Authority will be acquiring hundreds of thousands of properties along the alignment. In fact, as part of early works, the Authority plans to identify and possibly acquire what they refer to as long-lead strategic right-of-way parcels. The Authority must manage the day-to-day needs of the properties and be able to make agreements for activities such as utility relocations, but additionally the Authority has big plans to leverage their right-of-way and financially contribute to the project.

- 7) *Encroachment authority and future plans for the right-of-way.* Whenever anyone, such as a local government, developer, utility company, or a private citizen wants to do work on any portion of the Authority's right-of-way, they must be legally authorized by the Authority to do so. For Caltrans current law

defines right-of-way for the state highways as, “all, or any part, of the entire width of right-of-way of a state highway, whether or not the entire area is actually used for highway purposes.” This includes any airspace over and under state highways as well. For Caltrans, encroachment permits are issued for activities such as the installation, maintenance, or removal of utilities; landscaping and hardscaping; commercial filming activities; special events; surveys; temporary traffic control; and modifications and improvements to the highway infrastructure.

Unlike Caltrans, current law is very limiting for the Authority. Specifically, the Authority can issue access permits, through Joint Use Agreements or Consent to Common Use Agreements, but only for utilities that had initially been identified as being impacted by the project, so-called impacted entities. These would be entities that were identified in the scoping of the project, requiring them to relocate or replace their utility. For other entities, not initially identified as impacted, or non-impacted entities, that may request access to the Authority’s right-of way, there is no law allowing the Authority to issue such permits. If the Authority does have the ability to issue broader encroachment permits, it would continue to impede the operations of these non-impacted applicants.

According to the Authority, the lack of a formal encroachment permitting process has prevented them from authorizing access in recent events for the following non-impacted entities:

- An expanding renewable energy company is unable to connect a new generating facility to the public power grid. This regulatory gap has stalled both the business’ expansion and the broader delivery of renewable energy to the region.
- A water/irrigation district that recently acquired property on both sides of the Authority’s alignment for recharge basins is unable to install new equalizer pipes.
- A city along the alignment is unable to install a new sewer mainline through Authority property.
- During heavy rains, a Central Valley farmer was unable to divert his drainpipe across the Authority’s right-of-way to prevent property from flooding.
- A very large electric utility service provider seeking to cross the Authority’s right-of-way at multiple locations is currently stalled and unable to link newly developed generation facilities to the grid or provide service to new customers.

Additionally, as mentioned, the Authority is planning future opportunities for the commercial use of the high-speed rail right-of-way. Specifically, the Plan states that “asset commercialization is a strategic imperative for the Authority to generate new revenue by utilizing high-speed rail right-of-way for a multifaceted utility corridor. This vision repositions the transportation infrastructure as a platform capable of carrying electricity and data while supporting California's clean energy and technology goals. By systematically leveraging infrastructure assets, this approach turns a traditional cost center into a dynamic, revenue generating platform that creates value beyond primary transportation services.”

Further, the Authority describes specific options for use of the corridor, “the Authority explored more than 100 opportunities for asset commercialization and identified four that are best suited for the program to pursue:

- Electric Transmission: developing a high-voltage direct current (HVDC) line within the Authority’s unique infrastructure corridor.
- Broadband: installing and leasing fiber optic cable.
- Power Generation: developing utility-scale solar and battery storage on non-linear parcels, creating a long-term revenue source from energy sales and leases, reducing reliance on public funding.
- Power-Related Facilities: Data Centers: leasing Authority land for data centers.

8) *SB 1425 would create an encroachment permit process that mirrors Caltrans and DWR.* As detailed above, the Authority has highlighted numerous requests for statutory change, with one of those being encroachment permitting authority. SB 1425 would authorize the Authority to develop and implement a formal encroachment permit process that authorizes and regulates activities within the Authority’s right-of-way. The process laid out in the bill mirrors the current statutory framework for both Caltrans and DWR.

Specifically, the bill defines encroachment activities; sets specific timelines for the Authority to determine completeness of the application (30 days) and approve or deny the application (60 days); sets up an appeals process for permit applicants if a permit is denied; authorizes requirements the Authority can prescribe in the permits; and establishes a process for revoking a permit and removal of an encroachment, including in an emergency situation.

Additionally, regarding fees, SB 1425 authorizes the Authority to establish a fee schedule for the permit process, except they cannot charge a fee to any public

corporation, such as local governments and special districts; and requires any fees collected be deposited into the High-Speed Rail Property Fund.

The bill also authorizes the Authority to recover costs in court for numerous encroachment violations, including conducting certain activities on the right-of-way without an encroachment permit; and creates a misdemeanor offense for performing an encroachment without a permit or willfully damaging any portion of the Authority's right-of-way.

Finally, the bill authorizes CHP and all peace officers from local law enforcement agencies to enforce the provisions of the bill in their respective jurisdictions.

Writing as the sponsor of the bill, the U.S. High-Speed Rail Association states, "the Authority is tasked, among other things, with developing and implementing the high-speed rail system, including the power to acquire and maintain rights-of-way. While the Authority is charged with managing these lands, it lacks the legal authority to regulate encroachments that interfere with high-speed rail operations. Common encroachments include utility and broadband lines, signage, fencing, water pipes, sewage drainage, vegetation management – all of which are critical in the region the project is developing.

"It is vital that the Authority be able to protect the infrastructure from encroachments that may interfere with, or delay the construction, operation or maintenance of the High-Speed Rail project. Without statutory authority, the Project will continue to experience unauthorized encroachments and barriers to land development. Simultaneously, residents, businesses, and corporations will continue to face artificial barriers because of legal ambiguity."

- 9) *Double Referral*. This bill has been double referred to the Senate Judiciary Committee.

RELATED/PREVIOUS LEGISLATION:

SB 1411 (Stern) – Deletes the restriction for the Authority to not enter into funding commitments to cumulatively exceed \$500 million in funds from the Greenhouse Gas Reduction Fund (GGRF), on project activities outside of the Merced to Bakersfield segment. *SB 1411 is pending in this committee.*

SB 1172 (Beall, Chapter 790, Statutes of 2018) – Authorized the Authority to carry out a variety of procedures related to property acquisition.

SB 1307 (Galgiani, 2018) – Contained the same provisions as SB 1172. *SB 1307 died on the Senate Inactive file.*

AB 481 (Lowenthal, Chapter 481, Statutes of 2013) – Exempted the Authority from certain requirements of property and ROW management, similar to Caltrans.

AB 615 (Lowenthal, Chapter 530, Statutes of 2011) – Originally would have transferred additional personal and real property acquisition authority to the Authority. AB 615 was amended into a bill to appropriate \$4 million from the High-Speed Passenger Train Bond Fund to the Authority for the Los Angeles to San Diego segment.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 8, 2026.)

SUPPORT:

U.S. High-Speed Rail Association (sponsor)
Climate Action California (UNREG)

OPPOSITION:

None received

-- END --