
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair

2025 - 2026 Regular Session

SB 1425 (Cortese) - High-Speed Rail Authority: property: right-of-way

Version: March 25, 2026

Urgency: No

Hearing Date: May 14, 2026

Policy Vote: TRANS. 10 - 2, JUD. 11 - 1

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: SB 1425 would establish a permit program administered by the High-Speed Rail Authority (HSRA) to issue encroachment permits for activities within its right-of-way, as specified. The bill would also create new rights of action and new misdemeanor violations for placing unpermitted encroachments in the HSRA right-of-way and for damaging the right-of-way, and establish authority to recover damages and costs, as specified.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on May 14, 2026

Fiscal Impact:

- HSRA administrative costs: The HSRA indicates that it does not anticipate the need for additional positions at this time, and expects the permit process to generate sufficient revenues to offset costs. Staff estimates, however, that the HSRA would be required to dedicate significant staff time, at a cost that would be at least in the high hundreds of thousands of dollars in the near term, for workload associated with establishing and implementing an encroachment permit program. Specifically, HSRA would need to develop and adopt regulations to establish permit application processes and procedures, establish a program of permitting fees, and prescribe a process for adjudicating appeals of permitting decisions. HSRA would incur ongoing administrative costs for reviewing and approving permits, conducting inspection and supervision of work within the rights-of-way to ensure compliance with permitting conditions, and undertaking legal action for violations. Once the program is fully operational and the corridor expands, HSRA would likely need to add positions through the annual budget process, and costs to administer the encroachment permitting program would likely eventually be in the low millions annually. Staff notes that ongoing costs are anticipated to be fully offset by encroachment permit fees. (High-Speed Rail Property Fund, Greenhouse Gas Reduction Fund [GGRF])
- Unknown encroachment permit fee revenues and penalty revenue gains. The bill authorizes the HSRA to establish a schedule of fees for permit applications, and specifies various fines and civil penalties for encroachment violations, performing encroachments without a permit, and willfully damaging any portion of the HSRA right-of-way, as specified. All revenues would be deposited into the High-Speed Rail Property Fund, which would be available, upon appropriation by the Legislature, for administering the encroachment permit program and for the development, improvement, and maintenance of the high-speed rail system.

- Unknown, potentially significant court cost pressures for new workload to adjudicate additional actions for the recovery of specified damages, penalties for various new violations, and recovery of costs and expenses, including attorney's and expert fees. (Trial Court Trust Fund, General Fund). The actual fiscal impact on the courts will depend on many unknown factors, including the number of cases filed and the factors unique to each case.

Author Amendments:

- Define "new crossing" as a new crossing, facility, or infrastructure on the HSRA right-of-way installed to accommodate new crossings or facilities.
- Define "new work" as work necessary to implement a new installation of the HSRA's right-of-way, or to repair, maintain, expand, or relocate an existing crossing or structure that was previously installed, relocated, or replaced.
- Specify that the bill's encroachment permitting requirements only apply to new crossings and new work within the HSRA's right-of-way, as specified.
- Specify that the bill would not alter or impair any pre-existing agreements related to permits and easements granted prior to the effective date of the bill.
- Clarify that no franchises will be granted within the HSRAs right-of-way.
- Require any repairs to HSRA property to be performed by the HSRA or its contractor.
- Make clarifying changes.

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