

SENATE THIRD READING
SB 1425 (Cortese)
As Amended August 13, 2026
Majority vote

SUMMARY

Authorizes the High-Speed Rail Authority (HSRA) to establish a process and issue encroachment permits within its operating right of way (ROW) and makes any person who damages the high-speed train system or any portion of the Authority's operating ROW guilty of a misdemeanor.

Major Provisions

- 1) Authorizes the Authority to issue an encroachment permit within its operating right-of-way, 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 ROW. Declares that by issuing an encroachment permit, the Authority is not responsible for the competence or reliability of the permittee or the encroachment.
- 2) Prohibits a person from installing or performing any encroachment within the Authority's operating ROW without first obtaining an encroachment permit from the Authority.
- 3) Clarifies that the requirement to obtain an encroachment permit only applies qualified installations and qualified work.
- 4) Requires any person proposing to install or perform an encroachment within the Authority's operating ROW 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.
- 5) Requires that any person possessing a real property interest over a portion of the Authority's operating ROW obtain an encroachment permit before commencing any activity within the its operating ROW. Authorizes the Authority to waive the fee for obtaining an encroachment permit.
- 6) 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.
- 7) Requires the Authority to determine whether the application is complete no later than 30 days from the date on which the application is received.
- 8) 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.

- 9) 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.
- 10) 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.
- 11) Declares that nothing in this bill precludes an applicant and the Authority from mutually agreeing to an extension of any required time limit.
- 12) 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 operating ROW 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.
- 13) 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.
- 14) Requires an encroachment permit to be unalterable 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. Allows an encroachment permit to be revoked for failure to comply with the requirements described in the permit.
- 15) 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.
- 16) 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.
- 17) 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.

- 18) 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.
- 19) Authorizes the Authority to establish a fee schedule and charge fees, except to a county, city, city and county, or public agency. 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
- 20) Authorizes revenue collected from fees and penalties 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.
- 21) Declares that any person who installs or performs an encroachment within the Authority's operating ROW without an encroachment permit from the Authority shall be guilty of a misdemeanor.
- 22) 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 operating ROW, 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.
- 23) 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; and,
 - 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.
- 24) 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; and,
 - 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.

- 25) 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.
- 26) 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.
- 27) 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.
- 28) Declares that any person owning, controlling, placing, or causing or suffering to exist, any encroachment within the Authority's operating ROW after notice has been served upon the person, as specified, is, in addition to any civil liability, guilty of a misdemeanor.
- 29) 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 operating ROW by any means, which results in damage to the high-speed train system or the authority's ROW, except where the water naturally drains onto the authority's ROW.
 - 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 ROW into or through the watercourse or high-speed train system's cross drainage structures; causes waters to be impounded within the authority's ROW that damages the high-speed train system or the authority's ROW, except where the water naturally drains onto the authority's ROW, 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 ROW.
- 30) 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 pay for the repairs, authorizes the Authority to 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.

- 31) 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 pay for the repair of, any damage to the high-speed train system or the Authority's ROW. 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.
- 32) Declares that any person who by any means injures or damages any feature of the high-speed train system or the Authority's operating ROW 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. Requires any needed repairs to be performed exclusively by the Authority or its authorized contractors. Any person who willfully damages any feature of the high-speed train system or any portion of the authority's operating ROW is guilty of a misdemeanor.
- 33) 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 operating ROW 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 ROW.
- 34) Authorizes the Authority to recover damages in court, as specified, for an injury to, or removal of, a tree on the Authority's operating ROW. Authorizes the Authority to also recover costs and expenses, including attorney's and expert fees, incurred in the action.
- 35) Declares that no person has any franchise rights within the Authority's right-of-way.
- 36) 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.
- 37) 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 operating ROW under their respective jurisdiction and requires them to cooperate with the Authority.
- 38) Declares that survey monuments be preserved, referenced, or replaced pursuant existing state law.
- 39) Declares that this bill does not limit the powers and duties vested by law in the California Public Utilities Commission (CPUC), as specified.
- 40) 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.

- 41) Declares that the bill does not alter or impair any right that a person obtained pursuant to an agreement entered into, or a permit issued, pursuant to the bill with respect to a facility located within, or affecting, the Authority's operating ROW.
- 42) 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.
- 43) 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 operating ROW; and,
 - 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 ROW.
- 44) Defines "encroachment permit" to mean the Authority's written authorization for a person to install or perform an encroachment within the Authority's operating ROW that is not inconsistent with the function, operation, maintenance, enlargement, rehabilitation, safety, or security of any portion of the Authority's operating ROW or any feature of the high-speed train system.
- 45) Requires that a person shall not enter the authority's operating ROW without its express consent except where such entry is reasonable and necessary to respond to and mitigate an emergency situation. Requires a person performing emergency work to immediately notify the authority.
- 46) 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.
- 47) Defines "operating 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 the function, operation, maintenance, enlargement, rehabilitation, safety, or security of the high-speed train system, including land needed for tracks, stations, maintenance facilities, communications facilities, energy generation and storage facilities, and any other land serving the corridor, such as embankments, drainage, access roads, and safety buffers. "Operating right-of-way" does not include property acquired or held by the authority that is not necessary for the high-speed train system's construction, operation, or maintenance.
- 48) "Person" means any person, firm, partnership, association, corporation, other business entity, nonprofit organization, utility company, or government entity.
- 49) "Protected agreement" means an agreement entered into, or a permit issued, pursuant to Chapter 5 (commencing with Section 185500) with respect to a facility located within, or affecting, the authority's operating right-of-way or high-speed rail property.

- 50) "Qualified installation: means a crossing, facility, or infrastructure installed on the Authority's operating ROW on or after January 1, 2027.
- 51) Defines "qualified work" to mean work necessary to implement a qualified installation on the Authority's operating ROW, or to repair, maintain, expand, or relocate an existing crossing. Qualified work does not include an emergency response necessary to prevent or mitigate a threat to life, health, property, or essential public services.

COMMENTS

Prior legislation and funding created a path for the development of high-speed rail in California. SB 1420 (Kopp), Chapter 796, Statutes of 1996, established HSRA to plan and construct a high-speed rail system that would link the state's major population centers. In November 2008, voters approved Proposition 1A, which authorized the state to sell \$10 billion in general obligation bonds to partially fund the system and related projects. Proposition 1A also specified certain criteria and conditions that the system must ultimately achieve. For example, the measure requires that the system be designed to be capable of specified travel times along certain routes, such as nonstop travel from San Francisco to Los Angeles within two hours and forty minutes. The measure also specifies that passenger rail service operated by HSRA, or pursuant to its authority, will not require an operating subsidy.

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 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.

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.

The 2022-2023 State Budget appropriated the remaining \$4.1 billion of Proposition 1A bonds to the Authority. The Legislature also approved SB 198 (Committee on Budget and Fiscal Review), Chapter 71, Statutes of 2022, which 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 Joaquin and the Altamont Corridor Express (ACE)."

In 2025, AB 1207 (Irwin) Chapter 117, Statutes of 2025 and SB 840 (Limon and McGuire) Chapter 121, Statutes of 2025 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.

2026 Business Plan identifies changes needed to deliver the project. The HSR project has faced significant challenges since its inception that have delayed the project and increased costs. For example, the acquisition of ROW on the initial 119-mile segment from Madera County to Poplar

Avenue north of the city of Shafter in Kern County delayed construction for years. Recently, HSRA has acquired these properties helping to ensure that the newly selected track-laying consortium has access to the guideway. On June 1, 2026 the Authority's Board of Directors approved a Track and Systems Construction Contract to begin installing electrified track and signaling.

In an attempt to mitigate some of the difficulties the project has faced, the HSRA identifies the need for numerous, significant, and likely controversial changes (some statutory) in its 2026 Business Plan. These include CEQA exemptions, streamlined utility relocation and third-party management, dedicated legal resources for ROW cases, boosted land use authority and value capture mechanisms, joint development and commercial opportunities, changes to SB 198, and encroachment permit authority. HSRA has not yet requested the authority to pursue these changes.

Recently adopted California Air Resources Board (CARB) Cap-and-Invest regulations increase funding uncertainty for High-Speed Rail. In addition to the Proposition 1A bonds, the primary source of funding for the high-speed rail project has been auction revenues from the state's Cap-and-Invest program. CARB recently adopted updates to the program, effective September 1, 2026, that tighten emissions caps, reduce overall allowance budgets, and create a new Manufacturing Decarbonization Incentive to support industrial decarbonization. The most significant impact of these changes to the HSR project is a reduction in the number of allowances dedicated to the Greenhouse Gas Reduction Fund. CARB's estimates suggest that GGRF revenues would total about \$2 billion per year—roughly half the amount of revenue in recent years. This amount would be inadequate to fully support Tier 2 programs within SB 840's framework and leave no funding for Tier 3 programs. The HSR project is a Tier 2 program.

Encroachment authority and future plans for the ROW. Whenever anyone, such as a local government, developer, utility company, or a private citizen wants work on any portion of the Authority's ROW the Authority must legally authorize them to do so.

Caltrans defines ROW for the state highways as, "all, or any part, of the entire width of ROW 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 the encroachment authority that Caltrans has for the State Highway System and the Department of Water Resources has for the State Water Project, 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 ROW, there is no law allowing the Authority to issue such permits.

According to the Authority, the lack of a formal encroachment permitting process has prevented it from authorizing access to its ROW for the following non-impacted entities:

- 1) 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.
- 2) 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.
- 3) A city located along the HSR corridor is unable to install a new sewer mainline through Authority property.
- 4) During heavy rains, a Central Valley farmer is unable to divert his drainpipe across the Authority's ROW to prevent property from flooding.
- 5) A very large electric utility service provider seeking to cross the Authority's ROW 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 ROW. Specifically, the Plan states that "asset commercialization is a strategic imperative for the Authority to generate new revenue by utilizing high-speed rail ROW and surplus land 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."

The Authority has identified four commercialization opportunities that it believes are best suited for the program to pursue:

- 1) Electric Transmission: Developing a high-voltage direct current (HVDC) line within the Authority's unique infrastructure corridor.
- 2) Broadband: Installing and leasing fiber optic cable.
- 3) Power Generation: Developing utility-scale solar and battery storage on its non-operational land, creating a long-term revenue source from energy sales and leases.
- 4) Power-Related Facilities/Data Centers: Leasing Authority land for data centers.

This bill creates an encroachment permit process for new crossings based on the current statutory framework for both Caltrans and DWR. As detailed above, the Authority has highlighted numerous requests justifying a statutory change, with one of those being encroachment permitting authority. This bill would authorize the Authority to develop and implement a formal encroachment permit process within its right-of-way that authorizes and regulates certain activities within the Authority's ROW.

Specifically, this 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, this bill authorizes the Authority to establish a fee schedule for the permit process and requires any fees collected be deposited into the High-Speed Rail Property Fund.

This bill also authorizes the Authority to recover its legal costs for encroachment violations, including conducting certain activities on the ROW 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 operating ROW.

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

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."

Arguments in Support

California Federation of Labor Unions states, "It is vital that the Authority be able to protect the infrastructure from encroachments that may interfere with or delay the construction 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.

"SB 1425 will facilitate the timely construction of this transformational project by removing unnecessary barriers to its completion. A codified permitting process will help ensure that the Authority can protect the project's land, facilities, and rights-of-way and work more effectively with local property owners and businesses."

Arguments in Opposition

Southern California Gas Company (SoCalGas) San Diego Gas and Electric (SDG&E), and Southern California Edison (SCE) state "At its core, SB 1425 continues to present the following fundamental problems:

"Franchise and property rights remain at risk. The non-impairment clause protects only rights arising under Chapter 5 agreements with CHSRA, not the full range of the Joint Utilities' local franchise rights, pre-existing easements, fee interests, or other independent property interests. Section 185523 continues to categorically extinguish franchise rights without temporal limitation or savings clause, raising serious U.S. Constitutional Contract Clause and Takings concerns.

"Permit relief is limited to passive presence. The narrowed permit trigger exempts only the continued physical existence of existing facilities, not the routine maintenance, emergency

repair, integrity-management, and safety-driven work that a gas and electric utility performs daily. A gas pipeline or electric line that cannot be maintained, repaired, or inspected as- and when-needed is not meaningfully "preserved."

"Emergency response remains subject to permitting and criminal exposure. Field personnel responding to a gas leak, a downed wire, or a hazardous condition within the CHSRA right-of-way could still face misdemeanor prosecution and civil penalties if they act before obtaining formal authorization, an outcome that is incompatible with federal pipeline safety law and basic public safety.

"Sole-expense relocation applies to every new permit. The mandatory clause in § 185527(c) still attaches to all permitted work, meaning that even safety-driven, integrity-mandated repairs trigger an obligation to accept future relocation at the Joint Utilities' sole expense, directly contradicting the negotiated cost-sharing framework in the existing Master Agreement – these costs will impact affordability.

"No utility carve-out exists. Unlike the Caltrans encroachment framework, which expressly preserves utility prior rights and exempts franchise holders from fees, bonds, and revocability provisions, this bill provides no equivalent protection.

"Cost-recovery and due process concerns persist. The bill creates uncertainty about whether compliance costs will be recoverable through CPUC rate proceedings, and its internal-only, appellant-funded appeal process lacks basic procedural safeguards.

"The Joint Utilities do not oppose the concept of a reasonable encroachment-permit framework for the high-speed rail right-of-way. In fact, we have demonstrated our commitment to the safe and successful construction of the high-speed rail system through more than a decade of good-faith negotiation and collaboration with CHSRA, resulting in executed agreements that balance rail development with gas system safety and reliability."

FISCAL COMMENTS

According to the Assembly Appropriations Committee,

- 1) HSRA will need to dedicate significant resources to the development, implementation and administration of the encroachment permitting program this bill authorizes. Costs will likely be in hundreds of thousands of dollars to millions of dollars (special fund).

The HSRA contends it does not anticipate a need for additional positions to implement this program "at this time" and describes the proposed permit program as designed to "generate sufficient revenue to offset any resulting administrative costs."

- 2) The Department of Justice (DOJ) anticipates significant new costs resulting from an increase in litigation in which DOJ will represent state agencies (Legal Services Revolving Fund). The DOJ estimates these costs at \$267,000 in fiscal year 2026-27 and \$432,000 annually thereafter to fund a deputy attorney general and a legal secretary in DOJ's Tort and Condemnation Section within the Civil Law Division.

In addition, the DOJ projects costs to its Land Use and Conservation Section to file civil actions to recover the expenses of removing encroachments, seek civil penalties for

encroachment violations and to abate encroachment as a public nuisance. However, the DOJ describes these costs as "currently unquantifiable."

- 3) Cost pressure on the courts, to the extent this bill results in significant new court activity (General Fund [GF]), Trial Court Trust Fund (TCTF). Judicial Council estimates the workload cost of one hour of court time is \$1,000. Although courts are not funded on the basis of workload, increased pressure on staff and the TCTF may create a need for increased court funding from the GF to perform existing duties. The state budget provides annual GF backfills to the TCTG to offset revenue reductions; the Budget Act of 2025 includes \$117.3 million for such a backfill.

VOTES

SENATE FLOOR: 28-8-4

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Dahle, Hurtado, Menjivar, Niello

ASM TRANSPORTATION: 11-3-2

YES: Wilson, Ahrens, Ávila Farías, Carrillo, Elhawary, Harabedian, Hart, Jackson, Papan, Ransom, Rogers

NO: Davies, Hoover, Macedo

ABS, ABST OR NV: Lackey, Ward

ASM JUDICIARY: 9-3-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

NO: Macedo, Dixon, Sanchez

ASM UTILITIES AND ENERGY: 11-3-4

YES: Petrie-Norris, Calderon, Mark González, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Zbur

NO: Patterson, Davies, Ta

ABS, ABST OR NV: Boerner, Chen, Harabedian, Wallis

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

UPDATED

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