Office of Senate Floor Analyses
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UNFINISHED BUSINESS

Bill No: SB 1425
Author: Cortese (D)
Amended: 8/21/26
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 10-2, 4/14/26
AYES: Cortese, Archuleta, Arreguín, Blakespear, Dahle, Gonzalez, Grayson, Menjivar, Richardson, Wiener
NOES: Strickland, Seyarto
NO VOTE RECORDED: Valladares

SENATE JUDICIARY COMMITTEE: 11-1, 4/21/26
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello
NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: 6-1, 5/14/26
AYES: Cervantes, Cabaldon, Dahle, Grayson, Richardson, Wahab
NOES: Seyarto

SENATE FLOOR: 28-8, 5/19/26
AYES: 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
NOES: Alvarado-Gil, Choi, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Dahle, Hurtado, Menjivar, Niello

ASSEMBLY FLOOR: 53-16, 8/25/26 - See last page for vote

SUBJECT: High-Speed Rail Authority: property: operating right-of-way

SOURCE: U.S. High Speed Rail Association

DIGEST: This bill authorizes the California High-Speed Rail Authority (Authority) to issue encroachment permits for activities on its operating right-of-way and establishes a process for issuing such permits. This bill makes any person who damages the high-speed train system or any portion of the Authority's right-of-way guilty of a misdemeanor.

Assembly Amendments add definitions; clarify the Attorney General, in addition to the Authority, can file needed civil actions for non-compliance; clarify that persons can enter Authority operating right-of-way for emergency response, and require the Authority to establish emergency encroachment response coordination rules.

ANALYSIS:

Existing law:

1) Establishes the Authority and vests with it the responsibility to develop and implement a high-speed rail system in California.

2) Provides the Authority with the powers and duties related to acquisition of rights-of-way through purchase and eminent domain, as specified.

3) Authorizes the California Department of Transportation (Caltrans) to issue permits for encroachments on its right-of-way. Defines encroachment and establishes a process for the issuance of such permits, including the development of a fee schedule and a timeline for review of applications, as specified.

4) Authorizes the California Department of Water Resources (DWR) to issue permits for encroachments on its right-of-way. Defines encroachment and establishes a process for the issuance of such permits, including the development of a fee schedule and a timeline for review of applications, as specified.

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 operating 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 operating 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 operating right-of-way that is not inconsistent with the function, operation, maintenance, enlargement, rehabilitation, safety, or security of any portion of the Authority's operating 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 "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. Declares "operating right-of-way" does not mean property acquired or held by the authority that is not necessary for the high-speed train system's construction, operation, or maintenance.

6) Defines "person" to mean any person, firm, partnership, association, corporation, other business entity, nonprofit organization, utility company, or government entity.

7) Defines "protected agreement" to mean an agreement entered into, or a permit issued, pursuant to provisions of the bill with respect to a facility located within, or affecting, the authority's operating right-of-way or high-speed rail property.

8) Defines "qualified installation" to mean a crossing, facility, or infrastructure installed on the Authority's operating right-of-way on or after January 1, 2027.

9) Defines "qualified work" to mean work necessary to implement a qualified installation on the Authority's right-of-way, or to repair, maintain, expand, or relocate an existing crossing. Defines "qualified work" to not include an emergency response necessary to prevent or mitigate a threat to life, health, property, or essential public services.

10) 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.

11) 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.

12) Prohibits a person from installing or performing any encroachment within the Authority's operating right-of-way without first obtaining an encroachment permit from the Authority. Stipulates that this requirement applies only to qualified installations and qualified work.

13) Requires a party that has entered into a protected agreement to obtain a permit under the procedures set forth in the protected agreement, but if the protected agreement does not prescribe a procedure for obtaining a permit, requires the party to obtain a permit pursuant to the bill.

14) Declares that crossings, facilities, or infrastructure that must be relocated to accommodate the high-speed train system will be relocated pursuant to the bill.

15) Requires a person to not enter into the Authority's operating right-of-way, including under emergency situations, without the Authority's prior express consent, except where entry is reasonable and necessary to respond to an emergency situation, as specified. Requires the Authority to establish reasonable notification and coordination rules for emergencies related to encroachments, as specified.

16) Requires 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.

17) 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.

18) Requires the Authority to approve an application for an encroachment permit that is submitted by a city, county, or public agency that possesses a real property interest under or over the Authority's right-of-way.

19) Requires the Authority to determine whether the application is complete no later than 30 days from the date on which the application is received.

20) 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.

21) 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.

22) 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.

23) Declares that nothing in this bill precludes an applicant and the Authority from mutually agreeing to an extension of any required time limit.

24) 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.

25) 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.

26) Requires an encroachment permit to be unalterable and nontransferable and any modification or transfer may only occur with written approval of the Authority. Authorizes an encroachment permit to be revoked for failure to comply with the requirements in the permit.

27) 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.

28) 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.

29) 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.

30) 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.

31) Authorizes the Authority to establish a fee schedule and charge fees, except to any city, 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

32) Authorizes revenue collected from fees and penalties created by the bill, except for attorney's fees and costs, 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.

33) Declares that any person who installs or performs an encroachment within the Authority's operating right-of-way without an encroachment permit from the Authority shall be guilty of a misdemeanor.

34) 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 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.

35) 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.

36) 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.

37) 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.

38) Authorizes the Authority or the California Attorney General to file a civil action seeking the recovery of the expense of the removal and related costs 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. Authorizes the Authority or Attorney General to also seek the recovery of civil penalties and $5,000 for each day the encroachment remains. Requires that a prevailing plaintiff in an action to be entitled to reasonable attorney's fees and costs.

39) Authorizes the Authority or Attorney General 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 or attorney General, the prevailing plaintiff 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 will be entitled to reasonable attorney's fees and costs.

40) 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 right-of-way by any means, which results in damage to the high-speed train system or the Authority's operating right-of-way, except where the water naturally drains onto the Authority's operating 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 operating 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 operating right-of-way that damages the high-speed train system or the Authority's operating right-of-way, except where the water naturally drains onto the Authority's operating 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 operating right-of-way.

41) 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. If the Authority conducts repairs, authorizes the Authority or Attorney General to file a civil action to seek the amount expended for those repairs and work, and a civil penalty of $5,000 for each day the drainage, diversion, overflow, or seepage of the waters is permitted to continue. Declares that a prevailing plaintiff shall be entitled to reasonable attorney's fees and costs.

42) 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 operating 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.

43) Declares that any person who by any means injures or damages any feature of the high-speed train system or the Authority's operating right-of-way is liable for necessary repairs, and the Authority or Attorney General may file a civil action seeking the amount expended for the repairs. Declares that a prevailing plaintiff shall be entitled to reasonable attorney's fees and costs. 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 right-of-way is guilty of a misdemeanor.

44) Declares that any person will not, without a permit issued by the Authority, dig up, cut down, destroy, prune, trim, or otherwise injure any shrub or tree within the Authority's operating right-of-way and if they do, they shall be liable for a civil penalty of $5,000 for each shrub or tree so damaged in an action brought by the Authority or the Attorney General. Declares that a prevailing plaintiff shall be entitled to reasonable attorney's fees and costs.

45) Declares that no person has any franchise rights within the Authority's operating right-of-way, except in cases where a street, highway, or freeway crosses the Authority's operating right-of-way, as specified, requires a franchise be exercised only on the street, highway, or freeway, but does not allow for installation of a facility without prior Authority approval, as specified.

46) Declares that the provisions of this bill do not alter or impair any right of a city, county, city and county, or state agency to grant a franchise in a street, highway, or freeway controlled by the city, county, city and county, or state agency; nor alter or impair any right of a utility to exercise its franchise rights in a street, highway, or freeway controlled by a city, county, city and county, or state agency.

47) 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.

48) 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 right-of-way under their respective jurisdiction and requires them to cooperate with the Authority.

49) Declares that survey monuments be preserved, referenced, or replaced pursuant existing state law.

50) Declares that this bill does not limit the powers and duties vested by law in the California Public Utilities Commission (CPUC), as specified.

51) 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.

52) Declares that this bill does not alter or impair any right that a person obtained pursuant to an agreement entered into or a protected agreement.

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.

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) *Authority requests numerous statutory changes.* Throughout 2025 in various public meetings, culminating in the release of the Supplemental Project Update Report (SPUR) in 2025 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.

4) *Right-of-way acquisition in the Central Valley and beyond.* According to the 2026 Business 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.

5) *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, the Authority is planning future opportunities for the commercial use of the high-speed rail right-of-way. 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, such as electric transmission by developing a high-voltage direct current (HVDC) line within the Authority's unique infrastructure corridor."

6) *SB 1425 would create an encroachment permit process that is similar to 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 operating right-of-way. The process laid out in this bill is similar to the current statutory framework for both Caltrans and DWR.

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

This bill also authorizes the Authority or Attorney General 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, this bill authorizes CHP and all peace officers from local law enforcement agencies to enforce the provisions of this bill in their respective jurisdictions.

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

According to the Assembly Appropriations Committee:

- 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."

- 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."

- 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.

SUPPORT: (Verified 8/25/26)

U.S. High Speed Rail Association (source)
Associated General Contractors, California Chapters
California State Council of Laborers
Climate Action California
Climate Action California
International Union of Operating Engineers, Cal-Nevada Conference
Railpac - Rail Passenger Association of California
State Building & Construction Trades Council of California
Streets for All

OPPOSITION: (Verified 8/25/26)

United States Telecom Association Dba Ustelecom - the Broadband Association (oppose unless amended)

ARGUMENTS IN SUPPORT: According to the U.S. High-Speed Rail Association, the sponsors of this bill, "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."

ARGUMENTS IN OPPOSITION: United States Telecom Association Dba Ustelecom - the Broadband Association, writes, "For well over 100 years, state law has granted communications companies the right to occupy the right-of-way to build their networks. SB 1425 would abruptly deny those rights exist, as well as related laws and agreements on utility management of rights of way and public utility easements, upending years of legal interpretation and cooperation with local governments to manage these public spaces. It is essential that those existing franchise rights be protected and preserved."

Assembly Floor 53 16 10 SB 1425 Cortese Senate Third Reading By Kalra Ayes: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Muratsuchi, Nguyen, Ortega, Papan, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Celeste Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas Noes: Castillo, Davies, DeMaio, Dixon, Ellis, Flora, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa No Vote Recorded: Alanis, Bains, Boerner, Chen, McKinnor, Pacheco, Patel, Ramos, Michelle Rodriguez, Wallis

Prepared by: Melissa White / TRANS. / (916) 651-4121
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