

THIRD READING

Bill No: SB 260
Author: Wahab (D)
Amended: 4/29/25
Vote: 21

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/1/25

AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

SENATE INSURANCE COMMITTEE: 5-0, 4/23/25

AYES: Rubio, Becker, Caballero, Padilla, Wahab

NO VOTE RECORDED: Niello, Jones

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Unmanned aircraft

SOURCE: Author

DIGEST: This bill (1) creates an infraction for operating an unmanned aerial vehicle or drone and intentionally or knowingly allowing it to come within 400 feet of a critical infrastructure facility, or to come within a distance of a critical infrastructure facility that is close enough to interfere with its operations; (2) creates an infraction for operating an unmanned aerial vehicle or drone and intentionally or knowingly allowing it to come within a specified distance of the grounds of the California State Capitol and specified California legislative buildings; (3) creates a misdemeanor to prohibit the use of an unmanned aerial vehicle or drone on or above any school building or school ground with the intent to surveil, closely monitor, or record any person, or to threaten the immediate physical safety of any person; (4) increases an existing fine for operating an unmanned aircraft system above specified carceral facilities; requires a residential property insurer to notify a policyholder at least 30 days in advance of the day that a remotely operated unmanned aircraft will be used to take aerial images of the insured property; and (5) requires a residential property insurer to provide written

notice if it has gathered sufficient evidence for the termination of an insurance contract during an inspection of a policyholder's property using a remotely operated unmanned aircraft, evidence gathered during the inspection to the policyholder, and 120 days for the policyholder to remedy the issue.

ANALYSIS:

Existing federal law:

- 1) Provides that the U.S. Government has exclusive sovereignty of airspace of the United States, but that a citizen of the U.S. has a public right of transit through navigable airspace. (49 United States Code (U.S.C.) § 40103.)
- 2) Sets forth definitions related to unmanned aircraft systems (UAS), as well as various requirements and restrictions on the operation of UAS, including integration of civil UAS into national airspace, safety standards, carriage of property by small unmanned aircraft, certain exceptions for limited recreations operations, and other provisions. (49 U.S.C. Ch. 448.)
- 3) Defines “critical infrastructure” as the systems and assets, whether physical or virtual, so vital to the U.S. that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters, and states that it is the policy of the U.S. that that any physical or virtual disruption of the operation of the critical infrastructures the U.S. be rare, brief, geographically limited in effect, manageable, and minimally detrimental to the economy, human and government services, and national security of the U.S. (42 U.S.C. § 5195c.)
- 4) Governs the operation of small UAS, and grant the Administrator of the Federal Aviation Administration (FAA) authority to issue special security instructions in the interest of national security, with which any person operating an aircraft, including a UAS, in a national security sensitive area must comply. (14 Code of Federal Regulations (C.F.R.) § 99.7 and 14 C.F.R. Part 107.)

Existing state law:

- 1) Defines “unmanned aircraft” as an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft. (Government (Gov.) Code, § 853.5, subd. (a).)

- 2) Defines “unmanned aircraft system” as an unmanned aircraft and associated elements, including but not limited to, communication links and the components that control the uncrewed aircraft, which are required for the pilot in command to operate safely and efficiently in the national airspace system. (Gov. Code, § 853.5, subd. (b).)
- 3) Makes it a misdemeanor to use a UAS to look through a hole or opening into the interior of specified areas in which the occupant has a reasonable expectation of privacy with the intent to invade the privacy of a person inside. (Penal (Pen.) Code, § 647, subd. (j)(1).)
- 4) Provides that a person is liable for physical invasion of privacy when the person knowingly enters onto the land or into the airspace above the land of another person without permission or otherwise commits a trespass in order to capture any type of visual image, sound recording, or other physical impression of the plaintiff engaging in a private, personal, or familial activity and the invasion occurs in a manner that is offensive to a reasonable person. (Civil (Civ.) Code, §1708.8, subd. (a).)
- 5) Provides that a person who knowingly and intentionally operates a UAS on or above the grounds of a state prison, a jail, or a juvenile hall, camp, or ranch is guilty of an infraction, punishable by a fine of \$500. (Government (Gov.) Code, § 4577, subd. (a).)
- 6) Makes it a misdemeanor for a person to come into any school building or upon any school ground without lawful business and whose presence or acts interfere with the peaceful conduct of the activities of the school or disrupt the school or its students or school activities. (Pen. Code, § 626.8, subd. (a).)
- 7) Requires an insurer to provide a notice of nonrenewal at least 75 days before policy expiration that includes the specific reason or reasons for the nonrenewal. (Insurance (Ins.) Code, § 678, subds. (a), (c).)

This bill:

- 1) Provides that for the purposes of its provisions, “critical infrastructure facility” means all of the following:

- a) Specified types of facilities that are completely enclosed, including but not limited to: a petroleum refinery; an oil, petroleum or chemical pipeline, drilling site, storage facility or production facility; an electrical power generating facility; medication or medical device production facilities; a water intake structure, water treatment facility, wastewater treatment plant, or pump station; a liquid natural gas terminal or storage facility; a telecommunications central switching office or any structure used as part of a system to provide wired or wireless telecommunications services; a port, railroad switching yard, trucking terminal, or any other freight transportation facility; a transmission facility used by a federally licensed radio or television station; and, any facility or property designated by the FAA as a national security-sensitive facility, among others.
 - b) If a statewide emergency has been declared, any of the following: any alternate government facilities utilized as part of emergency response; State Operations Centers; or critical access hospitals or any other health care facility in which a majority of admitted patients are victims of the declared state of emergency.
 - c) A city hall or county administration building in which a county board of supervisors meets; a bridge that is part of the state or federal highway system; or a dam that is classified by the Department of Water Resources as high hazard or extremely high hazard.
- 2) Makes it an infraction, punishable by a fine of \$1,000, if the person operates an unmanned aerial vehicle, remote piloted aircraft, or drone, and intentionally does any of the following:
- a) Allows the unmanned aerial vehicle, remote piloted aircraft, or drone to come within 400 feet of, or below 400 feet above, a critical infrastructure facility.
 - b) Allows an unmanned aerial vehicle, remote piloted aircraft, or drone to come within a distance of a critical infrastructure facility that is close enough to interfere with the operations of the property.
- 3) Provides that the prohibition above does not apply to conduct performed by any of the following:
- a) The federal government, the state, or a governmental entity acting in their capacity as a regulator or within the interest of public safety and security.
 - b) A person under contract with or otherwise acting under the direction or on behalf of the federal government, the state, or a governmental entity acting

- in its capacity as a regulator or within the interest of public safety and security.
- c) An operator of an unmanned aerial vehicle, remote piloted aircraft, or drone that is being used for a commercial purpose, if the operation is conducted in compliance with all applicable FAA rules, restrictions and exemptions and all required FAA authorizations.
 - d) A person under contract with or otherwise acting under the direction or on behalf of an owner or operator of the critical infrastructure facility.
 - e) A person who has the prior written consent of the owner or operator of the critical infrastructure facility.
 - f) The owner or occupant of the property on which the critical infrastructure facility is located or a person who has the prior written consent of the owner or occupant of that property.
- 4) Makes it an infraction, punishable by a fine of \$1,000, for a person to operate an unmanned aerial vehicle, remote piloted aircraft, or drone and intentionally or knowingly allow the unmanned aerial vehicle, remote piloted aircraft, or drone to come within 50 feet of, or below 400 feet above, the Legislative Office Building in Sacramento, the state office building at 1021 O Street in Sacramento, or the grounds of the State Capitol, or to come within a distance of any of those properties that is close enough to interfere with the operations of the property. Provides that this prohibition does not apply to conduct performed by: emergency law enforcement and fire response services; the Department of General Services if its activities are necessary for the care and custody of the grounds of the State Capitol; or a person acting under contract with or with the express authorization of the Joint Rules Committee of the Legislature.
- 5) Requires the Joint Rules Committee of the Legislature to establish rules and policies in consultation with the California Highway Patrol to establish processes and criteria to implement the relevant exemptions above.
- 6) Increases the fine that may be imposed for operating an unmanned aircraft system on or above a state prison, jail, or juvenile hall, camp, or ranch to a maximum of \$1,000.
- 7) Makes it a misdemeanor for a person to use an unmanned aerial vehicle, remote piloted aircraft, or drone on or above any school building or school ground, or street, sidewalk, or public way adjacent to the school ground, with the intent to surveil, closely monitor or record any person, or to threaten the immediate physical safety of any person.

- 8) Requires a residential property insurer to notify a policyholder if any aerial images will be taken of the insured property by, on behalf of, or in service of the insurer. Requires the policyholder to receive the notice at least 30 days in advance of the day that the images will be taken.
- 9) Requires a residential property insurer, if it has gathered sufficient evidence for the termination of a residential property insurance contract during an inspection of a policyholder's property that was conducted by the use of a remotely operated unmanned aircraft, to provide written notice of the reason for the potential termination of the contract and copies of the evidence gathered during the inspection to the policyholder, what the policyholder is required to do to comply with the provisions of the contract, and that the policyholder has 120 days to remedy the issue.

Comments

UASs and public safety. Once limited to military and commercial applications, UASs (aircrafts that fly without a human pilot on-board, controlled remotely or autonomously, commonly referred to as drones) have become ubiquitous in the United States due to their widespread availability and affordability. Commercially, drones are increasingly used in a variety of fields, including package delivery, agriculture, infrastructure management, search and rescue, surveying, and security. Drones have also seen wider use in a host of recreational contexts – by hobbyists, technology enthusiasts, photographers and other visual artists, and drone use is only expected to increase dramatically in the future. The FAA has forecasted that the commercial drone fleet (drones operated in connection with a business) will reach 955,000, and that the recreational fleet (drones used for personal enjoyment) will number around 1.82 million by 2027. As drone usage continues to rise, so too does the potential for heightened public safety risks, including unauthorized surveillance, weaponization and terrorism, airspace interference, and property damage, among others. Existing California law does not include a multitude of restrictions specific to the use of drones by private operators, but does impose civil and criminal liability for unlawful invasions of privacy that involve the use of drones. Specifically, in the criminal context, California law prohibits using a device, including an unmanned aircraft system, to observe a person in any area in which the person has a reasonable expectation of privacy with the intent to invade the privacy of a person.

UASs and residential property insurance. According to the National Association of Insurance Commissioners, the increasing commercial use of UASs and their applications in many fields has compelled industry leaders as well as various federal and state regulatory agencies to contemplate how and when they are used. Insurance companies are exploring commercialization and coverage issues and opportunities while state insurance regulators work to address all relevant regulatory challenges and concerns related to drone operation.

The use of drones could be very beneficial for the insurance industry, particularly following a natural disaster. Drones could be employed to reach remote, inaccessible, or even dangerous areas by claims adjusters, providing increased and more complete data to speed up claims processing timelines. They may also enhance cost efficiency for insurers, both in pre-loss and post-loss assessments, as utilizing drones may reduce the labor and time associated with manual inspections. However, there are concerns centered around the use of drones and the changing insurance environment, particularly in developing best practices and risk management. These concerns include the lack of transparency around insurers' termination of coverage without policyholder notification, the responsibility of insurers to communicate with policyholders when conducting risk assessments, and privacy and data security issues.

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

According to the Senate Appropriations Committee:

- Unknown potentially significant fiscal impact to the California Department of Insurance (CDI) for any additional administrative and enforcement workload associated with new requirements for insurers regarding the taking, usage, and disposal of aerial images (Insurance Fund). The magnitude of costs to CDI will depend on, among other things, the volume of complaints received specific to insurers' mishandling of aerial image data, the complexity of any subsequent investigations, and the level of non-compliance by residential property insurers with the provisions of this bill.
- Unknown, potentially significant cost to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate the criminal penalties in this bill. Defendants are constitutionally guaranteed certain rights during criminal proceedings, including the right to a jury trial and the right to counsel (at public expense if the defendants are unable to afford the costs of representation). Increasing penalties leads to lengthier and more complex court

proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknown factors, including the numbers of people charged with an offense and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. In 2023–24, over 4.8 million cases were filed statewide in the superior courts, including 77,850 nontraffic infractions, 451,647 misdemeanor cases, and 179,821 felony cases. Filings increased over the past year, driven mostly by misdemeanors and infractions, and civil limited cases. The increase in filings from the previous year is greater than 5% for civil limited and unlimited, appellate division appeals, juvenile delinquency, misdemeanors and infractions, and probate. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.

- Unknown, potentially significant costs (local funds, General Fund) to the counties to incarcerate people for the crimes created by this bill. The average annual cost to incarcerate one person in county jail is approximately \$77,252 per year. Actual incarceration costs to counties will depend on the number of convictions and the length of each sentence. Although county incarceration costs are generally not considered reimbursable state mandates pursuant to Proposition 30 (2012), overcrowding in county jails creates cost pressure on the General Fund because the state has historically granted new funding to counties to offset overcrowding resulting from 2011 public safety realignment.
- Unknown, potentially significant cost pressures (local funds) to county probation departments of an unknown, but potentially significant amount, if individuals convicted of offenses under this bill are supervised locally in the community in lieu of or in addition to incarceration.

SUPPORT: (Verified 1/22/26)

California Police Chiefs Association
El Dorado Irrigation District
Palmdale Water District
Solano County Water Agency

OPPOSITION: (Verified 1/22/26)

ACLU California Action

Prepared by: Alex Barnett / PUB. S. /
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