

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 545 (Cortese) – As Amended June 27, 2025

Policy Committee:	Transportation	Vote:	10 - 3
	Local Government		8 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill directs the Governor's Office of Business and Economic Development (GoBiz) to commission a study, to be completed by January 1, 2028, and submitted to the Legislature, on economic opportunities along the corridor of the California high-speed rail project (CAHSR) and other high-speed rail projects in California that are planned to directly connect to CAHSR.

FISCAL EFFECT:

The study this bill requires will likely entail one-time costs ranging from the mid to high hundreds of thousands of dollars (General Fund). GoBiz had not provided the committee with its estimate of costs by the time this analysis was prepared.

In any case, consistent with the committee's rules and practice, this bill is a candidate for the committee's suspense file, regardless of cost, because it has the primary purpose of requiring a study.

COMMENTS:

- 1) **Purpose.** Statute in 1996 created the CHSRA 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, as well as related projects.

Over the years, the project has faced challenges, including inadequate funding (despite more than \$14 billion in expenditures) and delays caused by right of way acquisition and utility relocations. To date, no high-speed train operates on the line.

In 2022, the Legislature created the High-Speed Rail Authority Office of the Inspector General (HSRA-OIG). The Legislature provided the HSRA-OIG with broad oversight authority and assigned to it several specific duties, among them: (a) conduct independent fiscal estimates and reviews of HSRA's plans and estimates for project advancement and make findings of their reasonableness, (b) conduct audits and investigations, (c) identify best practices and recommend policies to HSRA and (d) review HSRA's contracts and contracting practices to determine whether they are executed consistent with state and federal laws and policies and are conducted in a fair and reasonable manner, providing the state with valued services at reasonable cost.

In February of this year, the HSRA released a report (“Report 25-R-01”) on its review of the HSRA’s progress on the Merced-to-Bakersfield segment of the high-speed rail corridor and the likelihood HSRA would complete the segment by the target set by HSRA, 2033. The HSRA-OIG warned of “the potential for significant uncertainty and risk” and concluded “staying within the 2033 schedule envelope is unlikely.”

The author describes the high-speed rail project as “transformative” and intends this bill to lead to planning that better ensures the state and local communities along the rail corridor maximize economic benefits associated with development of the corridor. According to the author, the study required by the bill “will help guide the state and local cities to examine opportunities for major residential and commercial development in the High Speed Rail corridor, synergy that can help boost local communities’ economy and pay for the infrastructure itself.” Many organizations representing labor and regional business agree, as do some local officials and the Fresno Economic Development Corporation, which describes the bill as setting “the foundation for leveraging commercial and residential development along the high-speed rail corridor to create jobs, attract businesses, and generate new revenue streams that will help provide continued funding for the project.”

There is no opposition registered against this bill.

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