

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

AB 2024 (Nguyen) – As Amended April 6, 2026

SUBJECT: Outdoor advertising displays: permits: landscaped freeways: relocation agreements

SUMMARY: This bill would revise the Department of Transportation's (Caltrans) review process for permit applications involving new outdoor advertising displays (billboards) along newly aligned interstate or primary highways, as specified. It also makes updates and clarifications to the Outdoor Advertising Act (OAA or Act) regarding the removal and relocation of advertising displays within the state, as described. **Specifically, this bill:**

- 1) Clarifies that Caltrans shall not deny or delay the acceptance, review, processing, or determination of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted by the department as complete if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location that is specified in the permit application.
- 2) Provides an advertising display that becomes noncompliant with the OAA due to a landscaped freeway designation shall be subject to removal with payment of compensation, as required under existing law, or to relocation, as authorized by this measure. The landscaped displays would be subject to removal or relocation three years after the adjacent section of freeway is declared landscaped by Caltrans, as specified.
- 3) States this measure would not prohibit any governmental entity from entering into a relocation agreement and would require Caltrans to issue a permit, without any additional consideration and without requiring a local entity or state agency to pay compensation, as defined, for a display that is being placed pursuant to a relocation agreement with another governmental entity, if the relocated display meets the defined requirements, as specified.
- 4) Makes technical and clarifying changes.

EXISTING LAW:

- 1) Provides, under the OAA, for the regulation by Caltrans of an advertising display (i.e., billboards), as defined, within view of public highways. The Act regulates the placement of an off-premises advertising display along highways that generally advertises business conducted or services rendered, or goods produced or sold at a location other than the property where the display is located. The OAA prohibits a person, as defined, from placing an advertising display within the areas affected by the Act without a permit.
- 2) The OAA prohibits Caltrans from denying or delaying the acceptance of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted by the department as complete if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location specified in the permit application. (Business and Professions Code § 5367)

- 3) Provides, the OAA prohibits, except as provided, placing or maintaining an advertising display on property adjacent to a portion of a freeway that has a specified coverage area of landscaping or trees at the same or elevated grade of the main-traveled way, as provided. The OAA authorizes removal of an advertising display that violates that prohibition, as provided.
- 4) Provides any advertising display which is now, or hereafter becomes, in violation of current law (Landscaped Freeways), as defined, shall be subject to removal three years from the date the freeway has been declared a landscaped freeway by the director or the director's designee and the character of the freeway has been changed from a freeway to a landscaped freeway.
- 5) Provides the governing body of any city, county, or city and county may enact ordinances, including, but not limited to, land use or zoning ordinances, imposing restrictions on advertising displays adjacent to any street, road, or highway equal to or greater than those imposed by the Act, as specified. No city, county, or city and county may allow an advertising display to be placed or maintained in violation of the OAA. (Business and Professions Code § 5230)
- 6) Provides nothing prohibits local governments from designating zones where advertising displays may be placed or relocated. Provides that any government entity may enter into a relocation agreement for an advertising display and that the display may be placed in the same location or a different location, including a different city or county. Provides that a relocated or existing advertising display may be converted to a message center pursuant to a relocation agreement between the sign owner, permit owner and a local government entity that does not result in a net increase in advertising displays on a landscaped freeway.
- 7) Defines "relocation" for these purposes to include removal of an advertising display and construction of a new display to substitute for the display removed.
- 8) States that it is a policy of this state to encourage local entities and display owners to enter into relocation agreements that allow local entities to continue development in a planned manner without expenditure of public funds while allowing continued maintenance of private investment and a medium of public communication.
- 9) Grants Caltrans the ability to allow any lawfully erected display to be increased in height at its permitted location, provided the height increase or conversion would not cause a reduction in federal aid highway funds or an increase in the number of displays within the state which does not conform to OAA, as described.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose of the bill. According to the author, "AB 2024 is about making sure existing law is applied consistently. Currently, delays in processing permits and inconsistent handling of relocation create unnecessary setbacks for projects. This bill provides clear direction so permits are processed on time and projects can move forward."

What problem does this bill solve? According to information provided by the author's office, "Current law allows billboard relocation in lieu of monetary compensation and sets timelines for permitting along state highways. However, in practice, permit applications are often delayed

even after a roadway is open to traffic due to how project “acceptance” is interpreted. As a result, applications may be accepted but not processed, creating unnecessary delays.

In addition, relocation provisions have been applied inconsistently, with additional requirements or conditions at times imposed that are not clearly supported in statute. These practices increase costs, delay projects, and create uncertainty for both public agencies and permit holders.

AB 2024 clarifies and reinforces existing law to: 1) Ensure relocation remains a viable alternative to monetary compensation when allowed under state and federal law; 2) Prevent the imposition of additional requirements or compensation not authorized in statute; and 3) Streamline the permitting process by addressing delays tied to project acceptance.

This bill will help to reduce unnecessary state costs by ensuring relocation of outdoor advertising displays remains a viable alternative to monetary compensation where allowed. The measure improves regulatory certainty by clarifying the application of existing law related to the outdoor advertising permitting process.

Background.

Since 1933, Caltrans has enforced the State Outdoor Advertising Act (California Business and Professions Code Section 5200 et seq.), which establishes comprehensive standards and regulations for outdoor advertising displays, commonly known as billboards. The department regulates the placement of such displays that are visible from California highways.

Outdoor advertising displays require a permit from Caltrans if they are within 660 feet from the edge of the right-of-way and viewed primarily by persons traveling on the main-traveled way of the freeway. In order to enforce the requirements for outdoor advertising under HBA and the State's OAA, Caltrans regularly inspects freeways and highways that are part of the National Highway System. If the state fails to properly administer the federal program, the state is subject to a sanction reducing federal highway funding allocations by 10%.

The OAA regulates the size, illumination, orientation, and location of advertising displays adjacent to and within specified distances of interstate or primary highways, and, with some exceptions, specifically prohibits any advertising display from being placed or maintained on property adjacent to a section of landscaped highway.

The Act generally does not apply to "on premises" advertising displays, which include those advertising the sale of the property upon which it is placed or that advertise the business conducted, services rendered, or goods produced or sold on the property. Local governments regulate on-premises displays, except for certain safety requirements. Lastly, existing law includes a number of exceptions to the OAA and assigns Caltrans the responsibility of reviewing and permitting signs that qualify for these exceptions.

A property owner's consent is necessary for a display to be permitted, and such permits will only be valid for the duration of having the property owner's consent. If a property owner withdraws consent or a consent agreement expires, and the two parties are unable to reach a mutually agreeable extension or new terms, the display owner is obligated to remove the display. Caltrans will accept either a building permit or an action of a local agency when applying for a permit. If neither can be provided, Caltrans must deny the application.

Federal Highway Beautification Act of 1965. The HBA was created to protect public investment, promote the safety and recreational value of public travel, and to preserve the natural beauty of highways in the nation. The HBA specifies that states have the responsibility to enforce provisions regarding the placement and maintenance of outdoor advertising signs, displays and devices along the Interstate and National Highway System. The state of California enforces the provisions of federal law through a compact that was developed between the state and the federal government in 1967. Federal law also includes a penalty for states that violate HBA by reducing all federal highway transportation funds by a designated percentage.

Approximately every four years the Federal Highway Administration (FHWA) audits Caltrans to ensure that it is fulfilling its duties as administrator of the federal laws and regulations regarding billboards. In its latest report¹ the FHWA was critical of many California advertising displays, specifically calling out displays erected pursuant to the redevelopment agency display exemption as out of compliance. Ultimately, under HBA, a portion of federal highway funds (up to 10 percent) could be jeopardized through non-compliance of HBA with FHWA potentially “clawing back” a portion of the state’s federal highway funds.

Relocation of billboards. Over the years, local cities, counties, and billboard companies have collaborated through the OAA to create mutually beneficial relocation agreements. These agreements effectively remove billboards from neighborhoods and main streets and relocate them to industrial or commercial areas along highways. As part of this process, local governments and sign companies often establish revenue-sharing arrangements that provide important funding for public programs and services. A relocated display may be upgraded to a message center at its new site, provided it complies with spacing rules and all other requirements of the OAA. Caltrans is not required to approve or sign a relocation agreement between a display owner and a local jurisdiction.

A relocation agreement enables a local entity to continue development in a planned manner without expenditure of public funds. The development may be a "taking" to accommodate a capital project, such as a street widening, or to give effect to a local law or regulation, such as one that establishes a historic district. Either type of development would require the local entity to pay fair market value for the "taking."

However, in practice, relocation provisions have not always been applied consistently, and additional requirements have at times been imposed that are not clearly supported in statute. These inconsistencies have led to increased project costs and delays. AB 1673 (Pacheco), Chapter 590, Statutes of 2023, clarified the definitions of “relocation,” “relocated display,” and related terms. The bill also explicitly authorizes converting an advertising display to a message center, such as a display that allows changeable digital content rather than a static image.

According to the sponsor, despite recent statutory clarifications, relocation provisions have not always been applied consistently, and additional requirements have at times been imposed that are not clearly supported in statute. This has resulted in increased costs and delays for affected projects.

This bill would further clarify a governmental entity is not prohibited from entering into a relocation agreement. It would also require Caltrans to issue a permit—without additional consideration and without requiring a local entity or state agency to provide compensation—for

any display installed pursuant to a relocation agreement with another governmental entity, as specified.

Caltrans project acceptance. The "acceptance" of a highway project is the final step in the project delivery process where Caltrans confirms the construction project has been "completed" in accordance with the agreed contract specifications, approved plans, and applicable regulations. Ultimately, this is the formal step that marks the transition from active construction to full operational use. Several components of the project acceptance process include, but are not limited to, final inspection by Caltrans engineers, "punch list" completion, and the contractor submitting the final documentation for the project. In certain instances, Caltrans may relieve the contractor of the responsibility for maintaining and protecting completed portions of a highway project. This action, otherwise known as "maintenance and protection relief," may occur when Caltrans determines that the work on a specific segment meets contract specifications and is ready for operational use. It's important to note that while this action is available, the Caltrans Construction Manual stresses that this action should only be considered when very specific criteria are met.

Last year, SB 364 (Strickland), Chapter 313, Statutes of 2025 attempted to further clarify Caltrans review process when considering a permit application for a new outdoor advertising display (billboards) along a freeway or highway, as specified. More specifically, the bill was intended to remedy an administrative issue by directing Caltrans to review submitted outdoor advertising applications along highway project segments if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location specified in the permit application. According to the sponsor, while prior legislation addressed permit acceptance, applications may still be accepted but not processed, creating unnecessary delays and uncertainty for both public agencies and permit holders. This measure is intended to bring further clarity to Business and Professions Code § 5367.

Landscaped freeways. In keeping with the policy of encouraging highway beautification, advertising is generally prohibited along freeways classified as "landscaped", as defined in Caltrans Outdoor Advertising Regulations. The FHA generally leaves the determination of "landscaped" to the states, which provides some flexibility in permitting advertising. Caltrans has an administrative process to declassify a freeway as non-landscaped, thus permitting an advertising display if all other permit requirements are met. Some are concerned that Caltrans' process is too rigid, which results in one-off legislation to exempt individual billboards or locations from the state rules (though never from the FHA requirements).

This bill provides that when an advertising display becomes noncompliant with the OAA due to a freeway being designated as a landscaped freeway (meaning it's upgraded with greenery and stricter visual standards), the display must either be removed with payment of compensation, as required under existing law, or relocated, as authorized by this measure. The removal or relocation must occur three years after the date on which the director (or their designee), declares the freeway to be a landscaped freeway and its character has been changed accordingly. The three-year period has been part of state law since 1953. It does not require signs to be removed within that timeframe; rather, it establishes the minimum amount of time a sign may remain before it can be required to be removed.

In support. The California State Outdoor Advertising Association writes, "AB 2024 provides important technical clarifications to ensure consistent implementation of the OAA. Current law

allows for the relocation of lawful advertising displays when they are removed for public projects, in lieu of monetary compensation. However, inconsistent administrative practices have created uncertainty and, in some cases, limited the ability to utilize relocation as intended under statute. This measure addresses these issues by reinforcing that relocation remains a viable option where permitted, clarifying that one-for-one relocation should not be subject to additional requirements, and ensuring that accepted permit applications are processed in a timely manner. These clarifications will help reduce unnecessary delays, improve regulatory certainty, and support more efficient project delivery. Providing a clear and consistent framework for relocation supports efficient project delivery and helps prevent unnecessary costs and disruptions. This bill provides targeted, common-sense updates that align practice with existing law.”

In opposition. Scenic America writes, “AB 2024 would prohibit Caltrans from denying or delaying the acceptance of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway. This bill may appear technical, but in practice it represents a significant rollback of regulatory safeguards that currently protect California’s communities from unchecked billboard expansion. This bill would undermine the state’s protections against outdoor advertising — making it more difficult and more costly for local governments to enforce existing landscaping protections while simultaneously stripping Caltrans of the ability to conduct meaningful review of billboard permit applications.”

Related legislation. AB 2099 (Mark González) of 2026. This bill would authorize, as part of “customary maintenance”, an activity performed for the purpose of maintaining an advertising display in its existing physical configuration, including, but not limited to, replacing structural members, as defined, and using stronger materials, without increasing the number of posts. (Assembly Committee on Appropriations)

AB 2717 (Caloza) of 2026. This bill would extend the authorization date in accordance with a local ordinance or other discretionary approval, as specified, for advertising displays for designated professional sports arenas with a capacity of 15,000 or more seats to January 1, 2032. The exemption would be limited to arenas fully constructed or under construction before January 1, 2027, and would require that the display be in accordance with a local ordinance or other discretionary approval, as specified. (Assembly Committee on Governmental Organization)

SB 1228 (Rubio) of 2026. This bill would exempt previously erected advertising displays in former redevelopment agency project areas from provisions of OAA, as specified. The measure provides a process for the abovementioned advertising displays to reapply for a new permit with Caltrans, as specified. (Senate Committee on Appropriations)

Prior legislation. AB 770 (M. González), Chapter 707, Statutes of 2025. Authorized an ordinance adopted by the City of Los Angeles pertaining to outdoor advertising displays to provide a framework of allowable signage placement, sizing, and sequencing, as specified that is also consistent with provisions of existing outdoor advertising exemptions for Los Angeles. The bill also authorized the city to adopt implementing ordinances that sequence or phase the authorization of advertising displays over time, as specified.

SB 364 (Strickland), Chapter 313, Statutes of 2025. Made changes to the Caltrans review process when considering a permit application for a new outdoor advertising display along a freeway or highway, as specified.

SB 783 (S. Rubio) of 2025. This bill would have allowed certain off-premises advertising displays within a redevelopment agency (RDA) project to continue to be considered an on-premises display for an additional three years, until January 1, 2029. (Vetoed by the Governor)

SB 1488 (Durazo), Chapter 897, Statutes of 2024. Reduced the minimum duration (one year to 120 days) of a sponsorship marketing plan for outdoor advertising displays at stadiums and arenas, and require Caltrans to include among its priorities support for the placement of advertising displays at arenas when renegotiating an agreement with the FHWA, as specified.

AB 1175 (Quirk-Silva), Chapter 361 of 2023. Extended until January 1, 2026, the period of time during which an advertising display that was in operation as of December 31, 2022, and located within the boundaries of a former redevelopment agency (RDA) project may continue to be remain, under provisions that permit such signs to be treated as an on-premises display, as specified. Under current law the advertising display could remain only until January 1, 2023.

AB 1415 (Santiago), Chapter 689 of 2023. Exempted from the OAA displays erected in specified areas of Los Angeles pursuant to specified conditions, including preapproval by Caltrans.

AB 1673 (Pacheco), Chapter 590, Statutes of 2023. Clarified the definition of the terms "relocation," "relocated display," and all related variants of the terms. It also explicitly allows the conversion of an advertising display into a message center (e.g. an advertising display which allows changeable ads rather than a static display).

SB 1309 (Durazo) of 2022. This bill would have extended the authorization date for advertising displays for designated professional sports arenas with a capacity of 15,000 or more seats to January 1, 2028. The exemption would be limited to arenas constructed or under construction before January 1, 2023, and would require that the display be in accordance with a local ordinance or other discretionary approval, as specified. (Vetoed by Governor Newsom)

AB 3168 (Rubio), Chapter 926 of 2018. Revised the OAA to facilitate the relocation and conversion of advertising displays adjacent to freeways. Specifically, the bill narrowed the definition of landscaped freeway and allowed displays to be relocated, increased in height, or converted to a message center, if there is not a net increase in the number of displays statewide or a reduction of federal highway funds.

AB 700 (Jones-Sawyer), Chapter 337 of 2017. Extended the deadline by an additional two years (January 1, 2019, to January 1, 2021) for a sports arena advertising display to be authorized by local ordinance in order to qualify for an OAA exemption.

SB 1199 (Hall), Chapter 869 of 2016. Authorized two existing advertising displays along Interstate 405 in the City of Inglewood to be considered on-premise displays, until January 1, 2023, and therefore exempt from the OAA. This authorization is valid as long as it does not cause a reduction of federal transportation funds.

AB 1373 (Santiago), Chapter 853 of 2016. Provided an exemption from regulations of the OAA for signs allowed by a City of Los Angeles ordinance in relation to the number and location of billboards in an area bounded by West 8th Street on the northeast, South Figueroa Street on the

southeast, Interstate 10 on the southwest, and State Route 110 on the northwest, and a small, adjacent parcel if certain conditions are satisfied.

SB 684 (Hill), Chapter 544, Statutes of 2013. Provided that an advertising display advertising businesses and activities within the boundary limits of, and as a part of, an individual redevelopment agency project, as the project boundaries existed on December 29, 2011, may remain and be considered an on-premises display, until January 1, 2023, if the advertising display meets specified criteria. This bill would authorize, on and after January 1, 2022, the applicable city, county, or city and county to request from Caltrans an extension for good cause, as specified, beyond January 1, 2023, not to exceed the expiration of the redevelopment project area.

SB 694 (Correa), Chapter 545, Statutes of 2013. Exempted from the OAA, advertising displays at a publicly owned multimodal transit facility (MTF) that is to serve as a station for the high-speed train system, as specified, and requires revenues from the advertising display to be used to support the construction, operation, and maintenance of the MTF.

SB 31 (Padilla), Chapter 542 of 2013. Established the current authorization that allows arenas to display advertising for products, goods, or services sold on premises as well as part of a sponsorship marketing plan if the arena is on public land and has a capacity of 15,000 or more seats. The bill established the 2019 deadline for these arenas to qualify for the OAA exemption by obtaining local authorization.

AB 2756 (Blumenfield), Chapter 615, Statutes of 2010. Defined "mobile billboard advertising display" and allows a local authority to regulate these displays.

SB 2339 (Solorio), Chapter 493 of 2008. Exempted from the OAA displays advertising any products, goods, or services sold by persons on the premise of a publicly owned sports arena located on public land if the arena had a capacity of 5,000 seats and had an advertising display in existence before January 1, 2009.

AB 762 (Núñez), Chapter 725, Statutes of 2003. Created an exemption to the OAA by allowing the National Latino Arts Council to place an advertisement on the roof of a not-for-profit educational academy.

SB 190 (Perata), Chapter 54, Statutes of 2001. Exempted from the OAA the prohibition against placing advertising displays adjacent to landscaped freeways, up to five advertising structures or signs (billboards) used to support the Oakland-Alameda County Coliseum Complex.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Outdoor Advertising Association

Opposition

Scenic America

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