

state fails to properly administer the federal program, the state is subject to a sanction reducing federal highway funding allocations by 10%.

Caltrans Project Acceptance. The “acceptance” of a highway project is the final step of a project’s timeline when Caltrans confirms the project has been “completed” in accordance with agreed upon contract specifications, approved plans, and applicable regulations. Thus, “acceptance” is the formal step that marks the transition from a project’s active construction to full operational use.

SB 364 (Strickland), Chapter 313, Statutes of 2025, prohibited Caltrans from denying or delaying the acceptance of a permit application for an advertising display along a new portion of a highway for a project that has not been accepted by Caltrans as complete if the portion of the highway is already open to the public. This bill additionally prohibits Caltrans from denying or delaying the review, processing, or determination of such a permit.

Relocated Advertising Displays. The OAA generally prohibits a lawfully placed advertising display from being removed by a governmental entity without the payment of compensation to the owner of the display and the owner of the land upon which the display is located, unless the display is relocated by mutual agreement between the display owner and local governing entity. Existing law encourages 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. However, Caltrans must ensure the relocation will not cause a reduction in federal highway funds or increase the number of non-OAA compliant displays.

AB 1673 (Pacheco), Chapter 590, Statutes of 2023, clarified the definitions of “relocation,” “relocated display,” and related terms to facilitate such relocation agreements. This bill allows any governmental entity to enter into a relocation agreement and requires Caltrans to issue a permit for a display pursuant to a relocation agreement without requiring the governmental entity to provide compensation.

3) **Support and Opposition.** This bill is sponsored by the California State Outdoor Advertising Association, which argues:

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 bill is also supported by the California Association of Realtors.

This bill is opposed by Scenic America, which argues, “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” including permanent retention of non-conforming signs and easier permitting for outdoor advertising.