

ASSEMBLY THIRD READING

AB 2024 (Nguyen)

As Amended April 6, 2026

Majority vote

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.

Major Provisions

- 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.

COMMENTS*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 the Highway Beautification Act 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.

The property owner's consent is necessary for a display to be permitted. The ownership of the display and permit will be determined by the terms of the agreement between the display and property owner. Permits continue in effect unless terminated or not renewed by the permit holder. Caltrans will accept either a building permit or action of a local agency when applying for a permit. If neither can be provided, Caltrans must deny the permit application.

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 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. This measure is intended to bring further clarity to Business and Professions Code Section 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.

According to the Author

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."

Arguments 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."

Arguments in Opposition

Scenic America writes, "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."

FISCAL COMMENTS

According to the Committee on Appropriations analysis, "Minor and absorbable costs to Caltrans to implement these procedures."

VOTES

ASM GOVERNMENTAL ORGANIZATION: 21-0-1

YES: Blanca Rubio, Davies, Berman, Bryan, Carrillo, Dixon, Fong, Gabriel, Gallagher, Gipson, Macedo, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis

ABS, ABST OR NV: Alvarez

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Bauer-Kahan, Calderon, Caloza, Ellis, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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